REC Silicon ASA

(A public limited liability company organized under the laws of Norway)

Listing of 92,592,592 Private Placement Shares

This prospectus (the "**Prospectus**") has been prepared by REC Silicon ASA (the "**Company**" and together with its subsidiaries the "**Group**" or "**REC Silicon**"), a public limited company incorporated under the laws of Norway, solely for use in connection with the listing on Oslo Børs, a regulated market place operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of 92,592,592 new shares (the "**Private Placement Shares**") issued in a private placement announced by the Company on 14 October 2020 (the "**Private Placement**"). The Company's shares (the "**Shares**") are listed on the Oslo Stock Exchange under the ticker code "RECSI".

This Prospectus has been prepared solely in connection with the listing of the Private Placement Shares. This Prospectus does not constitute an offer, or invitation to purchase, subscribe or sell, any of the securities described herein. For a non-exhaustive description of certain applicable transfer restrictions, please see section 14 "Transfer restrictions".

Investing in the Company's Shares involves risk. See section 2 "Risk Factors".

Managers:

The date of this Prospectus is 4 December 2020

IMPORTANT INFORMATION

For the definitions of terms used throughout this prospectus (the "**Prospectus**"), see section 15 "Definitions and Glossary of Terms".

This Prospectus has been prepared solely in connection with the listing of the Private Placement Shares on the Oslo Stock Exchange. This Prospectus has been prepared solely in the English language. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**Prospectus Regulation**"). The Financial Supervisory Authority of Norway (Norwegian: Finanstilsynet) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of the Prospectus Regulation.

The Company has engaged Arctic Securities AS and Pareto Securities AS as managers in the Private Placement (the "**Managers**").

All inquiries relating to this Prospectus should be directed to the Managers or to the Company. No other person has been authorized to give any information, or make any representation on behalf of the Company in connection with the Private Placement. If given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Managers.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Private Placement Shares and which arises or is noted between the time when this Prospectus is approved by the Norwegian FSA and the listing of the Private Placement Shares on Oslo Børs will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

The distribution of this Prospectus may be restricted by law in certain jurisdictions. The Company and the Managers require persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. This Prospectus does not constitute an offer of, or an invitation to subscribe or purchase, any of the securities described herein. The Shares may in certain jurisdictions be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Furthermore, the restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to the Prospectus that are not known or identified by the Company or the Managers at the date of this Prospectus may apply in various jurisdictions. For further information on certain applicable transfer restrictions, see section 14 of this Prospectus.

TABLE OF CONTENTS

1. SUMMARY

INTRODUCTION AND WARNINGS

Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities	The Company has one class of shares in issue. The Shares are registered in the VPS under ISIN NO 0010112675. The new Shares re-delivered to Aker Capital AS in Tranche 2 have been issued on a separate ISIN, and will be registered in the VPS under ISIN NO 0010112675 following the publication of this Prospectus.
Issuer	The issuer of the securities is REC Silicon ASA with registration number 977 258 561 in the Norwegian Register of Business Enterprises and LEI code 549300VPZURYDFG0AB60. The Company's principal office is located at Lysaker Torg 5, 3 etg., N-1366 Lysaker, Norway, and its main telephone number at that address is +47 40 72 40 86.
Competent authority	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 4 December 2020, approved the Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information	The issuer of the securities is REC Silicon ASA, a public limited liability company incorporated in Norway on 3 December 1996 in accordance with the Norwegian Public Limited Companies Act and operating pursuant to the Norwegian Public Limited Companies Act. The Company is registered with the Norwegian Register of Business Enterprises under the organisation number 977 258 561 and its LEI code is 549300VPZURYDFG0AB60.
Principal activities	REC Silicon is a technology and manufacturing company supplying polysilicon and silicon gases applied in photovoltaic and electronics industries.
Major shareholders	Shareholders owning five per cent or more of the Company have a notifiable interest in the Company's share capital according to the Norwegian Securities Trading Act. As of 30 November 2020, the Company has a total of 29,290 registered shareholders in the VPS, of which the top 10 registered shareholders are listed below:

#	Shareholders	Number of Shares	Percent
1	AKER CAPITAL AS	91,995,551	24.70
2	VERDIPAPIRFONDET DNB TEKNOLOGI	19,899,397	5.34
3	CACEIS Bank	9,851,627*	2.65
4	BNP Paribas	6,731,327*	1.81
5	Skandinaviska Enskilda Banken AB	6,320,027*	1.70
6	Citigroup Global Markets Ltd	5,619,000*	1.51
7	VERDIPAPIRFONDET DNB MILJØINVEST	3,783,732	1.02
8	NORDNET LIVSFORSIKRING AS	3,412,924	0.92
9	Avanza Bank AB	3,187,199*	0.86
10	ØRN AS	3,125,500	0.84

**Shares held through a nominee account.*

Executive management The Company's Executive Management consist of the following persons:

- Tore Torvund (Chief Executive Officer)
- James A. May, II (Chief Financial Officer)

Statutory auditor KPMG AS, business registration number 935 174 627.

What is the key financial information regarding the issuer?

The table below sets out key financial information for the Group for the periods indicated.

Key Financials - REC Silicon Group	*Unaudited*					*Audited*	
	Three Months Ended	**Nine Months Ended**		**Six Months Ended**		**Year Ended:**	
(USD IN MILLION)	SEP 30, 2020	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	Dec 31, 2019	Dec 31, 2018
Revenues	30.3	86.0	128.4	55.7	92.1	160.2	221.2
EBITDA	17.9	21.9	-9.9	4.0	-4.2	-12.9	-4.9
EBITDA margin	59.1%	25.5%	-7.7%	7.1%	-4.6%	-8.0%	-2.2%
EBIT excluding impairment charges	9.4	-10.6	-48.2	-20.0	-31.4	-62.2	-66.5
Impairment charges	0.0	-23.0	-20.3	-23.0	-20.0	-20.4	-340.5
EBIT	9.4	-33.6	-68.5	-43.0	-51.4	-82.6	-407.1
EBIT margin	31.1%	-39.0%	-53.3%	-77.2%	-55.8%	-51.6%	-184.0%
Profit/loss before tax	8.2	-42.7	-81.5	-50.8	-61.3	-127.0	-348.0
Profit/loss	30.7	-20.1	-81.5	-50.7	-61.3	-127.0	-341.6
Earnings per share, basic and diluted (USD)	0.11	-0.07	-0.29	-0.18	-0.23	-0.47	-1.22
Polysilicon production in MT (Siemens and granular)	237	714	2,828	476	2,488	3,109	9,280
Polysilicon sales in MT (Siemens and granular)	401	874	5,249	474	4,094	5,892	7,784
Silicon gas sales in MT	746	2,308	2,523	1,562	1,663	3,380	3,600

What are the key risks that are specific to the issuer?

- In the event that the Company is obliged to settle the NOK 150 million claim received under its indemnification loan, this would adversely affect the Company's financial position correspondingly.
- Trade barriers, trade restrictions and unfair trade practices could adversely affect the Group's sales.
- There are uncertainties related to the potential creation of a Solar PV supply chain outside China. Should it not be possible to create such a supply chain, this would lead to loss of investment for the Group and could also negatively affect the Group's prospects.
- Realization of demand for the Group's products in the lithium ion battery value chain is dependent on several factors, i.a. the commercialization of current silicone anode technology and the development of new technology, which may not materialize.
- The PV industry may not be able to compete with other energy sources, and the Group could be negatively affected by i.a. a decrease in prices for other energy sources.
- The Group is dependent on a few external customers with respect to sale of polysilicon and silane gas.
- The Group is dependent on a limited number of third party suppliers for key production raw materials, supplies, components and services for its products.
- If the Group ceases for any reason to have access to relatively cheap electricity, its production costs could increase significantly.
- There are risks related to the Group's production processes, which i.a. involve the handling of silane gas and other substances of an explosive or hazardous nature.
- Should business conditions not develop as anticipated, the restart of the Group's FBR production facility at Moses Lake may be delayed or may not take place at all, which could have a material adverse effect on the Group's prospects.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN	All Shares are ordinary shares of the Company, created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in the VPS under ISIN NO 0010112675. The new Shares re-delivered to Aker Capital AS in Tranche 2 of the Private Placement have been issued on a separate ISIN, and will be registered in the VPS under ISIN NO 0010112675 following the publication of this Prospectus.
Currency, par value and number of securities	The Shares are traded in NOK on the Oslo Stock Exchange. At the date of this Prospectus, the Company's share capital is NOK 372,412,658 divided into 372,412,658 shares, each with a nominal value of NOK 1.
Rights attached to the securities	The Company has one class of shares in issue and all shares provide equal rights in the Company. Each share carries one vote.
Transfer restrictions	The Shares are freely transferable.
Dividend and dividend policy	To support committed investments and productivity improvements, the Board's view so far has been that retained earnings should be put to use within the Company. Accordingly, there has been no distribution of dividends to the shareholders since the Company was publicly listed in 2006. The Company has no plans for dividend distribution, and does not expect dividend to be distributed in the near future.

Where will the securities be traded?

The Company's Shares are listed and tradeable on the Oslo Stock Exchange under the ticker code "RECSI". The new Shares re-delivered to Aker Capital AS in Tranche 2 of the Private Placement will be listed and tradeable following the publication of this Prospectus.

KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

This Prospectus is a listing prospectus for securities already issued by the Company, and consequently does not constitute an offer to buy or subscribe for any securities. The Company's Shares are listed and tradeable on the Oslo Stock Exchange under the ticker code "RECSI". The new Shares re-delivered to Aker Capital AS in Tranche 2 of the Private Placement will be listed and tradeable following the publication of this Prospectus.

Dilution

The Company's total number of Shares was increased by 92,592,592 new Shares following the Private Placement. Therefore, the dilutive effect for shareholders not participating in the Private Placement was approximately 24.86%.

<u>Overview of dilutive effect:</u>

	Prior to the Private Placement	Subsequent to the Private Placement
Shares outstanding	279,820,066	372,412,658
Dilutive effect	-	24.86%

Why is this prospectus being produced?

Net proceeds

The Company will bear the fees and expenses related to the Private Placement, which are estimated to amount to approximately NOK 37.4 million, thus giving net proceeds of approximately NOK 962.6 million.

The Company intends to use the net proceeds from the Private Placement to fund expansion investments and activities at the Company's facilities in Butte and Moses Lake as well as for general corporate purposes.

Conflicts of interest

As far as the Company is aware, there are no material conflicts of interest pertaining to the Private Placement.

2. RISK FACTORS

Investing in the Company involves a high degree of risk. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Potential investors should carefully consider the risk factors set out below and the information set out in section 4.2 "Cautionary note regarding forward looking statements" in addition to the other information contained herein before making an investment decision.

The risk factors included in this Section 2, are as of the date of this Prospectus, and are presented in a limited number of categories, where each individual risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect on the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The risks mentioned herein could materialise individually or cumulatively.

2.1 RISKS RELATING TO GROUP AND THE INDUSTRY IN WHICH IT OPERATES

Trade barriers, trade restrictions and unfair trade practices has had a significant negative impact on the Group's access to important markets and its ability to sell its products, and if such practices continue, the consequences may be severe.

Trade barriers, trade restrictions and unfair trade practices has had, and continue to have, a significant negative impact on the Group's ability to sell its products at attractive terms and on the sales volume with respect to its products. In particular, the Group's access to polysilicon markets in China continues to be restricted by tariffs imposed by the Chinese government on United States polysilicon, and the ongoing trade war between China and the United States is having an adverse impact on markets served by the Group's semiconductor materials facility in Butte, Montana, United States. The aforementioned circumstances, or other trade restrictions, trade barriers or trade practices, may continue which would continue to adversely affect the Group's ability to freely offer its products in all markets and thus negatively affect the Group's sales volume with respect to its products.

The development of the global energy market prices are of key importance to the PV industry

The financial return of an investment in a PV system depends to a large extent on the market price of the electricity produced. The future development of the PV industry will to a significant degree depend on the development in electricity market prices over time. Electricity prices depend on a number of factors including, but not limited to, availability and costs of primary energy sources (including oil, coal, natural gas and uranium), and the development in cost, efficiency and equipment investment need for other electricity producing technologies, including other renewable energy sources. Additionally, developments in the cost of electricity transmission and electricity storage will influence the relevant market price.

The Group's results of operations may be significantly adversely affected by fluctuations in energy prices.

Electricity is a principal component of cost of production in REC Silicon. REC Silicon's manufacturing plant in Butte, Montana, purchases electricity through a broker which purchases and distributes energy using public markets at market-based prices. When operating, the plant in Moses Lake, Washington purchases electricity from a public utility that charges on a cost-plus basis. If the Group ceases for any reason to have access to relatively cheap electricity, its production costs could increase significantly and its results of operations would be adversely affected. In addition, electricity prices for the Butte facility are subject to volatility, as a significant share of its electricity purchases is made on market-based floating terms. Significant increases in the cost of electricity at the Group's polysilicon production facilities could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Risks related to the potential creation of a Solar PV supply chain outside China.

The creation of a functional Solar PV supply chain outside China is subject to substantial uncertainty, and may depend i.a. on the establishment of international trade barriers and agreements, and potentially further sanctions, which would require governmental initiative and support. Further, such supply chains will likely be dependent on investments in manufacturing capacity which may utilize the Group's products. Should it not be possible to create a functional Solar PV supply chain outside China, this would lead to loss of investment for the Group and could also negatively affect the Group's prospects.

Risks related to technology

The realization of demand for the Group's products in the lithium ion battery value chain is dependent on a number of factors such as the commercialization of current silicone anode technology, the development of new technology, and the qualification and acceptance of said technology in consumer applications. There can be no assurance that such conditions will materialize, and if they do, the Group may be subject to competition, which in either case may have severe adverse effects on the value of the Group's offering of lithium ion battery products.

Further, the shutdown of the Moses Lake FBR facility may adversely affect both the Group's ability to maintain the application of its technology, and its ability to make the technological advancements demanded by the supply chains in which the Group operates.

Risks related to competition with other energy sources

The PV industry may not be able to be competitive against other sources of renewable or conventional energy, adversely affecting demand for the Group's products by its customers in the PV industry. The PV industry competes, in particular, with other sources of renewable energy (e.g., wind, biomass, fuel cells) and conventional power generation. If prices for conventional and/or other renewable energy resources decline or if other renewable energy resources enjoy greater policy support than the PV industry, and the PV industry is not able to achieve reduction in production costs that enable it to reduce the price per kilowatt-hour of electricity that can be generated from their products, the PV industry could suffer. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations as a supplier to the PV industry.

The Group is dependent on a few external customers with respect to sale of polysilicon and silane gas

The Group relies on few external customers with respect to sale of polysilicon and silane gas. Consequently, if one or more of these customers were to default with respect to their contractual arrangements with the Group (e.g. due to bankruptcy), the Group might not be able to find new buyers for the aforementioned products or could have to sell such products at a considerably lower price than expected, which in turn could have a significant material adverse effect on the financial results of the Group. Further, a renegotiation of the Group's contracts with key customers could negatively affect the results of the Group.

Further, the fact that the Group has a limited number of long-term agreements with its customers, combined with the fact that the Group has a limited number of customers, means that short term fluctuations in demand for the Group's products could have a significant negative impact on the operating results of the Group.

The Group is dependent on a limited number of third party suppliers for key production raw materials, supplies, components and services for its products and any disruption to supply could negatively impact its business significantly.

Each of the Group's manufacturing facilities manufacture their products using raw materials, components, consumables and services from a limited number of suppliers. If any of the Group's divisions fails to develop or maintain its relationships with its suppliers or such suppliers are prevented from supplying due to catastrophes, natural disasters or consequences of climate change, it may be unable to manufacture its products or its products may be available only at a higher cost or after a long delay, which could prevent the Group from timely delivering its products to its customers and the Group may experience order cancellation, customer claims and loss of market share. To the extent the processes that the Group's suppliers use to manufacture raw materials, components, consumables or deliver services are proprietary, the Group may in addition be unable to obtain comparable raw materials, components, consumables and/or services from alternative suppliers. The failure of a supplier to supply raw materials, components, consumables and/or services in a timely manner, or to supply raw materials, components, consumables and/or services that meet the Group's quality, quantity and cost requirements, could impair the Group's ability to manufacture its products or decrease its costs (including claims), particularly if it is unable to obtain substitute sources of these raw materials, components, consumables and/or services on a timely basis or on terms acceptable to the Group. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

There are risks related to the Group's production processes

The Group’s production processes in Moses Lake, Washington and Butte, Montana involve manufacturing, processing, storage, use, handling, distribution and transport of silane gas and other substances of an explosive or hazardous nature. Accidents or mishandlings involving these substances could cause severe or critical damage or injury to property and human health, which could lead to significant liabilities and costs for the Group. Silane gas is a pyrophoric, i.e. a highly combustible substance which explodes upon contact with air, and is therefore potentially destructive and extremely dangerous if mishandled or in uncontrolled circumstances. The occurrence of a catastrophic event involving silane gas or hydrogen at one of the Group’s polysilicon production facilities could threaten, disrupt or destroy a significant portion or all of the Group’s polysilicon and silane gas production capacity at such facility for a significant period of time. Additionally, the Group’s manufacturing plants, and its polysilicon production facilities in particular, are highly reliant on electricity. Accordingly, an interruption in the supply of electricity at one of the Group’s manufacturing facilities could disrupt a significant portion of the Group’s production capacity for a significant period of time. For example, the Group's electricity supply has in the recent past been interrupted by earthquakes in Montana (in 2017 and in 2020), which resulted in down time with respect to production.

Despite insurance coverage, the Group could incur uninsured losses and liabilities arising from such events, including damage to the Group’s reputation, and/or suffer substantial losses in operational capacity, which could have a significant adverse effect on the Group’s business, prospects, financial results and results of operations.

Further, the Group depends on various discharge permits granted by various authorities. From time to time, breaches of the allowed emission limits set out in such permits may occur. If such limits of the relevant permits should be exceeded, this may have a significant effect on the Group’s operations and result, as the Group may be ordered to temporarily halt production, be subject to fines and/or be ordered to undertake corrective measures.

Risks related to restart of the Moses Lake FBR production facility

The Group's FBR production facility at Moses Lake was shut down during the second quarter of 2019 due to difficult market conditions and the solar trade dispute between the United States and China. The restart of the FBR production facility is critical for the Group's future plans. Should business conditions not develop as anticipated, the restart of the FBR production facility may, however, be delayed or may not take place at all, which in turn could have a material adverse effect on the Group's prospects. Further, if the decision to restart operations at the FBR production facility is made, the Group will be required to attract and hire qualified personnel, provide training to certify personnel prior to the restart of operations, and to perform necessary maintenance to place the FBR production facility back in an operating status. Should the Group not be able to successfully conduct the aforementioned activities, or encounter issues in connection therewith, this could negatively impact the occurrence and timing of the restart of operations at the FBR production facility at Moses Lake, which in turn could have a material adverse effect on the Group's prospects.

There are risks related to the Company’s investments

The Company has invested in a 15 percent ownership share of a polysilicon plant in Yulin, China. Because REC Silicon is a minority owner, the Company may not be able to exert the influence necessary to direct decision making outcomes with respect to the polysilicon plant towards REC Silicon’s best interests in all circumstances. In addition, the control over technology and production methodology could be placed at risk due to the facility’s location in China.

Risks related to the COVID-19 outbreak

The outbreak of the corona virus (COVID-19), and similar events in the future, may affect the overall performance of the Group, including the Group’s ability to produce and develop its products and implement its business plan, and may result in delays, additional costs and liabilities, which in turn could have a material adverse effect on the Group’s results, financial condition, cash flows and prospects.

2.2 FINANCIAL RISKS

Risks relating to an indemnification loan.

The Company has an indemnification loan related to the bankruptcy of a former subsidiary in 2012. At 30 September 2020, the indemnification loan was NOK 200.0 million (USD 21.1 million). The Company received a claim dated 16 December 2019 of NOK 150 million from Nordea under the indemnification loan. The relevant bankruptcy estates have not yet been concluded, and Nordea's claim is based on an assumption from Nordea that its loss will exceed said amount when the estates are concluded. The Company has now received a writ of summons (*Norwegian: "stevning"*) for payment of the aforementioned claim. The status of the claim, including whether or not it may be time-barred in whole or in part, is subject to uncertainty. In the event that the Company is obliged to settle the NOK 150 million claim received under its indemnification loan, this would adversely affect the Company's financial position correspondingly.

The Group is exposed to liquidity risk.

Impacts of the solar trade war between China and the United States, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon have increased the Company's liquidity risk. Accordingly, the Company has placed the Moses Lake FBR plant in a long-term shutdown to reduce spending and to maintain the liquidity necessary to maintain the operation of the semiconductor materials segment. Any inability to maintain sufficient cash flow to fund operations could have significant adverse effects on the Group's business, prospects, financial results and results of operations, as well as the Group's ability to raise further capital and financing.

Furthermore, the agreement for the senior secured bond loan issued by the Company with ISIN NO 0010820590 (the "**Senior Secured Bond**") contain covenants that include a minimum liquidity requirement of US 15 million. Should the Company's liquidity fall below USD 15 million, the Company would be in default and the bonds would be callable, placing substantial uncertainty on the entity's ability to continue as a going concern.

3. STATEMENT OF RESPONSIBILITY

The Board of Directors of REC Silicon ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

4 December 2020

The Board of Directors of REC Silicon ASA

Annette Malm Justad
Chair of the Board

Audun Stensvold	Espen Klitzing	Inger Berg Ørstavik
Board member	*Board member*	*Board member*

4. GENERAL INFORMATION

4.1 PRESENTATION OF FINANCIAL AND OTHER INFORMATION

4.1.1 Financial information

The Group's audited consolidated financial statements as of and for the year ended 31 December 2019 (the "**Financial Statements**") and the Group's interim financial statements for the three month period ended 31 March 2020, for the six month period ended 30 June 2020 and for the nine month period ended 30 September 2020 (the "**Interim Financial Statements**"), have been incorporated by reference in section 13.3 of this Prospectus.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). The Financial Statements have been audited by KPMG AS, as set forth in their auditor's report included therein. The Interim Financial Statements have not been audited. Other than the Financial Statements, KPMG has not audited, reviewed or produced any report or other information provided in this Prospectus. The aforementioned auditor's report for 2019 includes the following emphasis of matter by KPMG AS:

"Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial statements and the Board of Directors' report, which indicates that there is substantial risk associated with the Company's liquidity in 2020, due to impacts of the tariffs imposed on US polysilicon by China, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon. As stated in Note 3 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 31 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

4.1.2 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to REC Silicon's future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in section 2 and elsewhere in this Prospectus.

4.1.3 Other information

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "USD" are to the lawful currency of the United States and all references to "EUR" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. No representation is made that the NOK, USD or EUR amounts referred to herein could have been or could be converted into NOK, USD or EUR as the case may be, at any particular rate, or at all. The Financial Statements and the Interim Financial Statements are published in USD.

4.1.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.1.5 Third party information

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to update industry or market data set forth in this Prospectus.

4.2 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking" statements, including, without limitation, projections and expectations regarding the Company's future financial position, business strategy, plans and objectives. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to", "will", "may", "intends", "assumes" or other words of similar meaning and similar expressions or the negatives thereof, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding REC Silicon's present and future business strategies and the environment in which the Company and its subsidiaries operate.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that REC Silicon's actual financial position, operating result and liquidity, and the development of the industry in which REC Silicon operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements. In particular, section 6 of this Prospectus contains statements regarding REC Silicon's strategy going forward.

Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, section 2 "Risk Factors" for a more complete discussion of the factors that could affect REC Silicon's future performance and the industry in which REC Silicon operates when considering an investment in the Company.

All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.3 APPROVAL BY THE NORWEGIAN FSA

This Prospectus has been approved by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities.

5. THE PRIVATE PLACEMENT

On 15 October 2020, the Company announced that it had raised approximately NOK 1,000 million in gross proceeds through the Private Placement consisting of 92,592,592 new Shares at a price per share of NOK 10.80.

The Private Placement consisted of two separate tranches; one tranche with 27,982,000 new Shares in the Company ("**Tranche 1**") and a second tranche with 64,610,592 new Shares in the Company ("**Tranche 2**"). The Shares allocated to investors in the Private Placement were settled through the delivery of existing and unencumbered Shares in the Company that were already listed on the Oslo Stock Exchange, pursuant to a share lending agreement between Arctic Securities AS (on behalf of the Managers), the Company and Aker Capital AS. Accordingly, the shares allocated to investors in the Private Placement (other than the lender) were tradeable upon delivery, which took place on 19 October 2020 for Tranche 1 and on 12 November 2020 for Tranche 2.

The 27,982,000 new Shares in Tranche 1 were resolved issued by the Company's Board of Directors (the "**Board**" or "**Board of Directors**") on 14 October 2020, pursuant to an authorisation granted by the Company's annual general meeting held on 12 May 2020. The 64,610,592 new Shares in Tranche 2 were resolved issued by the Company's Board on 11 November 2020, pursuant to an authorisation granted by extraordinary general meeting in the Company held on 9 November 2020. The share loan from Aker Capital AS was settled with new Shares issued pursuant to the aforementioned resolutions.

The new Shares re-delivered to Aker Capital AS in Tranche 1 are already listed and tradeable on the Oslo Stock Exchange, and registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form under the Company's ordinary ISIN NO 0010112675. The new Shares re-delivered to Aker Capital AS in Tranche 2 have been issued on a separate ISIN, and will be registered in book-entry form in the VPS under the Company's ordinary ISIN NO 0010112675 following the publication of this Prospectus.

The abovementioned transaction was structured as a private placement in order to enable the Company to raise capital in an efficient manner, with a lower discount to the then current trading price and with significantly lower risks compared to a rights issue. In addition, the Private Placement was subject to marketing through a pre-sounding process in order to achieve a market based subscription price.

The existing shareholders' preferential right to subscribe for shares was waived in connection with the Private Placement, as this was considered necessary in the interest of time and successful completion. Taking into consideration the time, costs and expected terms of alternative methods of the securing the desired funding, as well as the proposed subsequent offering, the Board concluded that the completion of the Private Placement on the proposed terms was in the mutual interest of the Company and its shareholders, and that the Private Placement complied with the equal treatment obligations under the Norwegian Securities Trading Act and the Oslo Stock Exchange's Circular no. 2/2014.

5.1 RESOLUTION RELATING TO THE ISSUE OF NEW SHARES IN TRANCHE 1

On 14 October 2020, the Board of Directors resolved to increase the share capital of the Company from NOK 279,820,066 to NOK 307,802,066 through the issue of 27,982,000 new Shares, each at par value NOK 1. The subscription price for the new Shares was set to NOK 10.80 per share. The new Shares issued in Tranche 1 give full rights, including rights to dividends, from and including the date of registration of the capital increase pertaining to the issue in the Norwegian Register of Business Enterprises. The resolution to issue new Shares in Tranche 1 was made pursuant to an authorisation granted by the Company's annual general meeting held on 12 May 2020.

5.2 RESOLUTION RELATING TO THE ISSUE OF NEW SHARES IN TRANCHE 2

The extraordinary general meeting in the Company held on 9 November 2020 granted the following authorisation to the Board of Directors relating to the issue of new Shares in Tranche 2:

"The Board is granted authorization to increase the share capital with up to NOK 64,610,592. The shares may be subscribed for by Arctic Securities AS or Pareto Securities AS for redelivery to the lender in a private placement of shares in the Company in October 2020. The pre-emptive rights of the shareholders may therefore be deviated from, cf the Norwegian Public Limited Companies Act sections 10-4 and 10-5. Price per share shall be NOK 10.80. Other conditions for subscription will be determined by the Board. This authorization is valid until 1 March 2021. The Board is at the same time given authorization to make the necessary amendments to the articles of association on execution of the authorization."

Pursuant to the abovementioned authorisation, the Board of Directors resolved, on 11 November 2020, to increase the share capital of the Company from NOK 307,802,066 to NOK 372,412,658 through the issue of 64,610,592 new Shares, each at a par value of NOK 1. The subscription price per share was set to NOK 10.80 per share. The new Shares issued in Tranche 2 give full rights, including rights to dividends, from and including the date of registration of the capital increase pertaining to the issue in the Norwegian Register of Business Enterprises.

5.3 SHARE CAPITAL INCREASE RELATING TO THE PRIVATE PLACEMENT

The share capital increase pertaining to the issue of new Shares in Tranche 1 was registered with the Norwegian Register of Business Enterprises on 23 October 2020, following which the Company's share capital was NOK 307,802,066 divided on 307,802,066 Shares, each with a par value of NOK 1.

The share capital increase pertaining to the issue of new Shares in Tranche 2 was registered with the Norwegian Register of Business Enterprises on 18 November 2020, following which the Company's share capital is NOK 372,412,658 divided on 372,412,658 Shares, each with a par value of NOK 1.

5.4 EXPENSES AND NET PROCEEDS

The Company will bear the fees and expenses related to the Private Placement, which are estimated to amount to approximately NOK 37.4 million, thus giving net proceeds of approximately NOK 962.6 million. No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Private Placement.

5.5 DILUTION

The Company’s total number of Shares was increased by 92,592,592 new Shares following the Private Placement. Therefore, the dilutive effect for shareholders not participating in the Private Placement was approximately 24.86%.

Overview of dilutive effect:

	Prior to the Private Placement	Subsequent to the Private Placement
Shares outstanding	279,820,066	372,412,658
Dilutive effect	-	24.86%

The net asset value per existing Share as at 31 December 2019 was USD 0.00286. The subscription price in the Private Placement was NOK 10.80 per Share.

5.6 USE OF PROCEEDS

The Company intends to use the net proceeds from the Private Placement to fund expansion investments and activities at the Company's facilities in Butte and Moses Lake as well as for general corporate purposes.

5.7 SHAREHOLDERS’ RIGHTS RELATING TO THE PRIVATE PLACEMENT SHARES

All Shares of the Company, including the Private Placement Shares, are ordinary shares of the Company created under the Norwegian Public Limited Companies Act and carry full shareholder rights, including rights to dividends. All Shares rank *pari passu* with each other and are freely transferable. The Shares are issued in NOK.

See section 11 "Shareholder Matters and Norwegian Company and Securities Law" below for a more detailed description of the Shares and rights attaching to them.

5.8 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE PRIVATE PLACEMENT

The Managers and their affiliates have provided and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a fee of approximately NOK 36.4 million in connection with the Private Placement.

Other than set out above, the Company is not aware of any interests of natural and legal persons involved in the Private Placement, nor of any conflict of interest pertaining to the Private Placement.

5.9 MANAGER AND ADVISORS

Arctic Securities AS and Pareto Securities AS have been engaged as Managers in connection with the Private Placement. Advokatfirmaet Schjødt AS acts as the Company's legal advisor with respect to Norwegian law.

5.10 GOVERNING LAW AND JURISDICTION

This Prospectus shall be subject to Norwegian law, unless otherwise indicated herein. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo City Court as legal venue.

6. PRESENTATION OF REC SILICON ASA

6.1 INTRODUCTION

REC Silicon is a technology and manufacturing company supplying polysilicon and silicon gases applied in photovoltaic and electronics industries. The company operates two manufacturing facilities in the United States: Moses Lake, Washington (currently in a non-operating status) and Butte, Montana. In addition, REC Silicon has a 15% interest in a joint venture polysilicon production plant located in Yulin, China (treated as an investment at fair value by REC Silicon).

The legal name of the Company is REC Silicon ASA, which also is its commercial name together with "REC Silicon". The Company's principal office is located at Lysaker Torg 5, 3 etg., N-1366 Lysaker, Norway, and its main telephone number at that address is +47 40 72 40 86. The Company is a public limited liability company registered under the laws of Norway with registration no. 977 258 561 and governed by the Norwegian Public Limited Liability Companies Act. The Company was incorporated on 3 December 1996. The Company's LEI code is 549300VPZURYDFG0AB60. The Company's website can be found at www.recsilicon.com. The information on the Company's website does not form part of the Prospectus unless that information is incorporated by reference into the prospectus

6.2 LEGAL STRUCTURE

The table below sets out the Company's subsidiaries as at 30 September 2020:

Company	Country of incorporation	Direct and indirect shareholding and voting rights
REC Silicon AS	Norway	100% owned
REC Silicon Inc.	USA, Delaware corporation	100% owned
REC Solar Grade Silicon LLC	USA, Delaware limited liability company	100% owned
REC Advanced Silicon Materials LLC	USA, Delaware limited liability company	100% owned
REC Silicon Pte Ltd	Singapore	100% owned
Shaanxi Non-Ferrous Tian Hong REC Silicon Materials Co., Ltd	People's Republic of China	15.06% owned

6.3 HISTORICAL BACKGROUND AND COMPANY DEVELOPMENT

The Company was established in 1996 under the name Fornybar Energi AS, assumed the name Renewable Energy Corporation AS in 2000 and was transformed into a public limited liability company (ASA) in 2005. At the time when it was established, the Company had a 12% equity interest in ScanWafer AS, which had been established in 1994 with the objective of becoming a specialized producer of multicrystalline wafers for the PV industry. In order to improve wafer quality by ensuring a quick and reliable feedback loop from the cell processing step, some of the founders of the Company decided in 1999 to integrate further in the value chain by also producing solar cells and modules. These activities were later merged into the Group.

In 2002, in response to concerns about the long-term availability of polysilicon feedstock to support the further growth of the wafer business, the Company and Advanced Silicon Materials, Inc ("ASiMI"), then owned by Komatsu America Corporation ("Komatsu"), formed a joint venture company called Solar Grade Silicon LLC ("SGS"), later renamed to REC Solar Grade Silicon LLC for the purpose of converting Komatsu's polysilicon plant in Moses Lake, Washington, United States, into a plant dedicated solely to production of solar grade polysilicon.

The Company increased its equity interest in ScanWafer AS to 71% in 2003 and to 100% in 2004. In July 2005, the Company acquired Komatsu's interest in SGS, thereby increasing its ownership interest in SGS from 70% to 100%, and simultaneously acquired from Komatsu a majority interest in ASiMI, which owned and operated a polysilicon plant in Butte, Montana, U.S. Komatsu retained a non-voting minority interest in ASiMI that was acquired by the Group in 2009.

In May 2006, the Company's shares were listed at the Oslo Stock Exchange. Through the initial public offering in connection with the listing, the Company registered some 22,000 new shareholders.

In 2006, the group embarked on an investment program, whereas a construction of a new silane plant and a Fluid Bed Reactor (FBR) facility at Moses Lake were initiated. In 2007, REC Silicon decided to invest in additional silane production capacity at its plant in Moses Lake. Commissioning of these new builds took place in 2009 and 2010 and expanded polysilicon production capacity significantly.

In 2013, Renewable Energy Corporation ASA separated its silicon and PV-solar businesses into two independent listed companies. All shareholders in REC ASA were offered non-tradable subscription rights in REC Solar in total of NOK 800 million, whereas NOK 500 million was paid to REC ASA as proceeds for all shares in REC Solar and the remaining NOK 300 million was used to strengthen the liquidity position of REC Solar. The reorganization of REC's corporate structure, transformed REC ASA into a pure-play manufacturer of polysilicon and silicon gases, motivating a change of name to REC Silicon ASA in October 2013.

Simultaneously with the corporate restructuring in 2013, market conditions turned to the worse for REC Silicon. In July 2013, China, the world's largest and among fastest growing markets for solar grade polysilicon, announced a 57 percent anti-dumping duty on polysilicon produced by REC Silicon in the U.S. The trade dispute between the U.S. and China subsequently escalated, and effectively cut off REC Silicon's ability to sell its products in the Chinese market. At the time of preparing this prospectus (October 2020), Phase I economic and trade agreement was in place but has not resulted in the reopening of Chinese polysilicon markets for REC Silicon's solar grade polysilicon products.

In February 2014, REC Silicon announced plans to develop a new polysilicon production facility in Yulin, China, in cooperation with Shaanxi Non-Ferrous Tian Hong New Energy Co. Ltd. (SNF). Challenging business conditions for REC Silicon due to the trade dispute between the U.S. and China limited the Company's ability to invest in the JV plant. As a result, REC Silicon entered into a supplemental agreement with its JV partner SNF on February 1, 2018, whereby SNF agreed to make REC Silicon's capital contribution and REC Silicon's ownership would be reduced to 15%.

During the second quarter of 2019, REC Silicon's FBR facility in Moses Lake, Washington was shut down due to market conditions and the solar trade dispute between the United States and China. Accordingly, operating costs and activities have been reduced to levels required to safely maintain the facility in a non-operating status and to retain the capability to restart the facility in the future.

6.4 BUSINESS DESCRIPTION AND STRATEGY

6.4.1 Business description and overview of operations

Moses Lake, Washington

REC Solar Grade Silicon LLC, which operates the plant in Moses Lake, Washington, was one of the world's first dedicated producers of polycrystalline silicon for solar applications.

Prior to shutting down, the plant in Moses Lake focused on producing only solar grade polysilicon. This enabled REC Silicon to simplify the production and associated business processes compared to its other plant that also serves the market for electronic grade silicon.

To develop a more energy efficient and cost effective method to manufacture solar grade polysilicon, the Company invested in development of the FBR technology in 2002 and subsequently expanded production capacity in Moses Lake. The primary benefits of the FBR technology and manufacturing process result in higher energy efficiency, higher labor efficiency, and a flowable product form factor which result in lower cost and a lower carbon footprint. Furthermore the granular form factor result in product handling and usage efficiency for customers.

REC Silicon's FBR plant in Moses Lake, based on proprietary technology, started production in March 2009. Additional silane gas capacity (as an interim material for polysilicon production) started production in the middle of 2010. FBR production increased with longer run lengths, improved yield and quality, and has demonstrated production rates above the original design capacities. The quality of the output has improved over the lifespan of the FBR plant as operations and processes have matured. The critical success factor for the facility is the ability to run a stable process and thereby increase the process yield. Preparation for further expansion of production capacity has been put on hold as a result of a challenging market conditions.

REC Silicon's FBR facility in Moses Lake, Washington was shut down during the second quarter of 2019 due to difficult market conditions and the solar trade dispute between the United States and China. Accordingly, operating costs and activities have been reduced to levels required to safely maintain the facility in a non-operating status and to retain the capability to restart the facility in the future. The timing and length of the shutdown are dependent on whether REC Silicon is able to regain access to the Chinese market for polysilicon or other significant positive developments in markets for products manufactured at the Moses Lake facility.

The company's plans to reopen the facility is in part dependent upon the development of a solar value chain outside of China which will require REC Silicon to make additional investments in FBR processes to improve product quality suitable for high purity monocrystalline PV markets.

Butte, Montana

With its plant in Butte, Montana, REC Silicon is one of the world's largest manufacturers and suppliers of silane gas (SiH_4) and other silicon gases. The plant's high-purity silane, large manufacturing capacity, bulk delivery system, global distribution network, and safe handling expertise provide significant advantages for customers seeking improved performance and cost. The Butte plant is an ISO 9002 certified manufacturing facility. The 240-acre site has two silane production units. The plant also produces electronic grade polysilicon for the semiconductor and electronics industry.

REC Silicon's patented silane manufacturing process produces consistent, ultra-pure silane by conversion of metallurgical-grade silicon into trichlorosilane and redistribution/distillation to silane. The continuous-flow process recycles all hydrogen and chloride materials back to the initial reactors, while continuous distillation steps purify the gas. The entire process is a low waste, low impact, and environmentally friendly process. Raw materials are commercially available from independent sources; there is no dependence on by-products or intermediates from other industries.

Yulin, China

The Yulin JV plant is a state of the art manufacturing facility for polysilicon. The plant is scaled to handle a loading capacity of 19,000 MT FBR-B technology granular solar polysilicon, 300 MT Siemens semiconductor grade polysilicon and 500 MT of silane gas. The Yulin plant is located in China which places it in close access to the world's principle markets for polysilicon.

REC Silicon holds a 15% equity interest in the Yulin JV, with Shaanxi Non-Ferrous Tian Hong New Energy Co. Ltd. (SNF) holding the remaining 85%. The JV was originally set out to be a 49% - 51% cooperation with REC Silicon as the minority owner, but due to challenging business conditions resulting from the trade dispute, the Company had difficulties to contribute its share of the equity financing. As a result, REC Silicon entered into a supplemental agreement with its JV partner SNF on February 1, 2018, whereby SNF agreed to make REC Silicon's capital contribution and REC Silicon's ownership would be reduced to 15%. However, REC Silicon maintains the optionality to increase its ownership share under certain conditions after 3 years. REC Silicon's remaining payment under the supplemental agreement of $4.7M to SNF is scheduled to be paid in December 2020. If this payment is not made, the Company's investment in the Yulin JV will be at risk.

6.4.2 Business strategy

REC Silicon's strategy is to maintain its position as a low-cost leader and technological innovator in the silicon materials industry. REC Silicon intends to improve its competitive position by:

- Maintaining liquidity (retain cash)
- Minimizing the impact of Chinese Tariffs on US Polysilicon (Prioritize the development of market opportunities outside China)
- Developing alternative market opportunities to match REC Silicon's production capabilities (silane used to produce next generation silicon anode material for lithium ion batteries)
- Focusing on cost control - match activities and spending to production
- Managing inventories by adjusting production capacity utilization
- Focusing on continued quality improvements
- Optimizing semiconductor polysilicon product offerings

- Providing support for the Yulin JV

6.5 TECHNOLOGY, RESEARCH, DEVELOPMENT AND INTELLECTUAL PROPERTY

REC Silicon’s competitiveness is primarily based on a proprietary silane process for high volume, low cost manufacturing of silane gas as well as a fluidized bed reactor technology (FBR) for converting silane to polysilicon with substantially less power consumption than the more conventional Siemens process. The main and original patents behind this silane process have expired, but there is a significant amount of know-how and development required for competitors who want to copy the main process.

The FBR technology for converting silane to polysilicon has been developed both by the REC Silicon and MEMC (purchased by GCL). The companies hold several patents protecting developed solutions. The patents together with the extensive knowledge required to commercially operate the FBR process result in a significant barrier to competing developments. REC Silicon’s silane process combined with the FBR process has therefore proven to be a very competitive and attractive technology for making polysilicon.

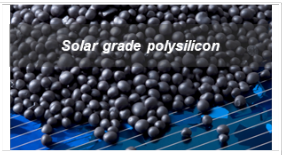
The FBR polysilicon granular form factor is beneficial when mixed with conventional Siemens material in order to achieve a productivity boost for ingot manufacturing for the PV market. Due to the flowable form factor, it is well suited for recharge applications. This adds to the competitiveness of FBR granular polysilicon products.

REC’s silane gas technology provides for very high purity silane gas, which is an excellent starting point for making ultra-pure polysilicon for semiconductor applications including the highest purity float zone market. Therefore, the company is a leading supplier of polysilicon for the most demanding semiconductor applications, which are typically used by high voltage devices like electric cars and trains.

6.6 PRODUCT OFFERING AND CUSTOMERS

REC silicon has three main products; silicon gases, semiconductor grade polysilicon (Czochralski (CZ) and Float Zone (FZ)), and solar grade polysilicon.

REC Silicon product range

Products	 Semiconductor grade polysilicon Czochralski (CZ)	 Semiconductor grade polysilicon Float Zone (FZ)	 Silane gases	 Solar grade polysilicon
Applications	Semiconductor / consumer electronics	Semiconductor / high voltage applications	Flat panel displays, semiconductors, photovoltaics	Photovoltaics
Customers	Semiconductor wafer manufacturers	Semiconductor wafer manufacturers	Industrial and specialty gas distributers	Solar wafer manufacturers

6.6.1 Silicon gases

Silane gas is an inorganic compound with chemical formula, SiH4. It is a colorless, pyrophoric, toxic gas and is used as a precursor to elemental silicon. Silane is the principal material used in the production of polysilicon and is an essential material for thin film PV, semiconductors, and LCD display manufacturing.

REC Silicon also produces other silicon gases - dichlorosilane (DCS - SiCl2H2), monochlorosilane (MCS – SH3Cl), and disilane (Si2H6). Similar to silane, these gases are used as a starting material for semiconducting silicon layers found in microelectronics, however, they decompose at different temperatures and exhibit different growth rates of silicon crystals.

6.6.2 Semiconductor grade polysilicon

Semiconductor grade polycrystalline silicon is converted to single-crystal silicon – meaning that the randomly associated crystallites of silicon in polycrystalline silicon are converted to a large single crystal. Single-crystal silicon is used to manufacture most Si-based microelectronic devices.

REC Silicon produces polysilicon which meet the quality characteristics required for use in additional processing using the Czochralski (CZ) method and the Float-zone (FZ) method.

Czochralski (CZ) Polysilicon Electronic grade polysilicon, including as-grown Siemens rods, rod sections, chunks and chips are principally used in CZ monocrystalline ingot/wafer manufacturing for the semiconductor industry. The CZ method is used for the production of bulk single crystals of polysilicon. The CZ method starts with insertion of a small seed crystal into a melt in a crucible, pulling the seed upwards to obtain a single crystal. The method is named after the Polish scientist Jan Czochralski, who developed it in 1916.

Float-zone polysilicon is typically used in power devices and detector applications. Float-zone (FZ) polysilicon is a high-purity alternative to crystals grown by the CZ process. FZ polysilicon is intended for processes which use the FZ method which is based on the zone-melting principle and was invented by Theuerer in 1962. Production using the FZ method takes place under vacuum or in an inert gaseous atmosphere. The process starts with FZ grade polycrystalline rod and a monocrystalline seed crystal that are held face to face in a vertical position and are rotated. The seed is brought up from below to make contact with the drop of melt formed at the tip of the poly rod. As the molten zone is moved along the polysilicon rod, the molten silicon solidifies into a single Crystal and, simultaneously, the material is purified.

6.6.3 Solar grade polysilicon

REC Silicon produces solar grade polysilicon for use in Solar PV cells. Crystalline polysilicon is the dominant technology to manufacture solar cells. Solar grade polysilicon generally has wider quality requirements than semiconductor grade polysilicon and is used to produce multi-crystalline photovoltaic (PV) cells or mono-crystalline PV cells.

Multi-crystalline cells are composed of many smaller silicon grains of varied crystallographic orientation and are produced by the directional solidification of a polysilicon ingot in a quartz crucible. This ingot is then sliced into wafers for integration into multi-crystalline solar cells. Multi-crystalline PV cells have the advantage of being cheaper than Mono-crystalline cells However, due to the presence of defects in the material - such as grain boundaries and metallic impurities such as iron, multi-crystalline cells typically have a lower conversion efficiency than their mono-crystalline counterparts.

Monocrystalline cells consist of a continuous solid single crystal. The silicon grown for PV applications is grown in a cylindrical form using the CZ method. The cylinder is then trimmed to make an ingot. This ingot is then sliced into wafers for integration into mono-crystalline solar cells.

REC Silicon is currently working with other companies to commercialize production of next generation silicon anode materials for integration in lithium ion batteries. Silane is a primary raw material in these processes.

6.7 CORPORATE GOVERNANCE

6.7.1 Introduction

Sustainability is at the core of REC Silicon's business model and the company acknowledges its responsibilities toward the environment, society, and the local communities in which it operates. The Board of Directors has approved and implemented corporate governance principles endorsing and complying with the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

6.7.2 Safety and health

Health and safety have the highest priority, and the Company aims to prevent all work-related accidents, injuries, and occupational illnesses. The target is zero incidents, zero injuries, and no harm to employees, contractors, partners, customers and communities.

REC Silicon had 280 employees as of September 30, 2020 compared to 284 employees as of December 31, 2019 and 407 on December 31, 2018. The decrease compared to 2018 is due to workforce reductions and employee attrition primarily because of the uncertainty caused by the continuing trade dispute between China and the United States.

To achieve a world-class safety culture, REC Silicon's employees take part in the Company's continuous safety-focused improvement efforts daily. This includes assessing all work activities to eliminate inherent risks as well as applying control measures. The Company has an extensive set of HSE procedures, safety departments at each facility, and employee-driven processes that monitor, audit, and further develop safety procedures, practices and protocols. All employees have the right and the responsibility to stop unsafe activities as needed.

Emphasis is placed on training employees and leadership in the Job Safety Analysis (JSA) method, which is applied to high-risk and nonstandard work activities. In 2019, employees performed 529 Safe Job Analyses and 380 Hazard Recognition Audits. Despite a challenging business environment, the number of lost time injuries (LTI) was 1 for the 9 months ended September 30, 2020, zero in 2019, and 1 in 2018. The number of total recordable injuries was 5 for the 9 months ended September 30, 2020, 4 in 2019, and 8 in 2018.

REC Silicon's compensation policy provides a benefit for paid time off (PTO) and does not separately identify sick days in compensating employees. Accordingly, average sickness rates have not been provided. The Company maintains a health and wellness program which facilitates healthy lifestyle choices and activities.

REC Silicon is committed to equal opportunity employment and practices. All employees and applicants are treated without regard to age, gender, sexual orientation, nationality, race, religion, disability, marital situation or any other protected status. REC Silicon's policies clearly state the Company's expectations and provide examples of unwelcome behavior and reporting and complaints procedures. Of the employees, 17 percent are women. In the management group, 25 percent are women, and 50 percent of the Board members are women.

6.7.3 Environmental sustainability

REC Silicon's environment and climate policy commits the Company to maximize the positive contribution from its products and to minimize negative environmental impacts and reduce its carbon footprint. To achieve these goals, REC Silicon includes environmental considerations in the design, manufacture, and delivery of its products.

The Company sets clear objectives, monitors performance regularly, reports results, and audits to ensure continuous improvement. The Company's Pollution Prevention Plan and Process Safety Management Plan cover environmental risks in its operations and the annual, quarterly, monthly and weekly reporting includes emissions to air and water, as well as waste management.

The production of silicon materials is energy intensive and varies based upon the volume and mix of products manufactured. In 2019 compared to 2018, total energy consumption decreased by 31.5 percent. Greenhouse gas emissions decreased by only 25.7 percent in 2019 because the reduction in energy usage at Moses Lake has a lower impact on greenhouse gas emissions since it is supplied by renewable sources. The decrease in energy usage was driven by the shutdown of the FBR facility on May 15, 2019.

Waste from the manufacturing processes is sorted and recycled with third-party waste management services. REC Silicon's production and maintenance cycles cause variations in waste generation. In 2019, the Company had a 52.7 percent decrease in total waste generation, with a reduction in recycled waste of 29.0 percent. This decrease consisted of a 52.5 percent decrease in non-hazardous waste, and a 64.0 percent decrease in hazardous waste. Water consumption increased by 4.6 percent compared to 2018 and wastewater discharge increased by 3.7 percent.

The Company registered 2 environmental permit breaches for the nine months ended September 30, 2020 compared to zero in 2019, and one in 2018. There were no serious incidents or environmental releases in 2019.

7. CAPITALISATION AND INDEBTEDNESS

7.1 CAPITALISATION

The following tables set forth information about the Group's combined capitalisation as at 30 September 2020, derived from the Group's unaudited consolidated interim financial statements for the period ended 30 September 2020.

(USD IN MILLION)	SEP 30, 2020	Adjustment amount	As adjusted
Current debt			
Secured			
Lease liabilities (IFRS 16)	2.0		2.0
Note - Grant County WA tax settlement	2.8		2.8
Total secured	4.8		4.8
Guaranteed			
C.A.R.E.S. Act loan	4.5		4.5
Total guaranteed	4.5		4.5
Unguaranteed and unsecured			
Indemnification loan	21.1		21.1
Total unguaranteed and unsecured	21.1		21.1
Total current debt	**30.4**		**30.4**
Non-current debt			
Secured			
Senior secured bond (REC04)	110.0		110.0
Lease liabilities (IFRS 16)	70.2		70.2
Note - Grant County WA tax settlement	7.2		7.2
Total secured	187.3		187.3
Guaranteed			
C.A.R.E.S. Act loan	3.7		3.7
Total guaranteed	3.7		3.7
Unguaranteed / Unsecured	0.0		0.0
Total non-current debt	**191.0**		**191.0**
Total indebtedness	**221.5**		**221.5**
Shareholders' equity			
Share capital	43.4	10.0	53.4
Share premium reserve	2,727.0	94.0	2,821.0
Other paid in capital	41.8		41.8
Paid-in capital	2,812.3		2,916.2
Total Other Equity	539.0		539.0
Cumulative comprehensive income [1)]	-3,370.5		-3,370.5
Other equity and retained earnings	-2,831.5		-2,831.5
Total shareholders' equity	**-19.2**		**84.7**

7.2 NET FINANCIAL INDEBTEDNESS

The following table set forth information about the Group's combined net financial indebtedness as at 30 September 2020, derived from the Group's unaudited consolidated interim financial statements for the period ended 30 September 2020.

	(USD IN MILLION)	SEP 30, 2020	Adjustment amount	As adjusted
(A)	Cash	35.9	104.0	139.8
(B)	Cash equivalent	0.0		0.0
(C)	Trading securities	0.0		0.0
(D)	**Liquidity (A)**	**35.9**		**139.8**
	Current Portion of TIFiD Bond	1.4		1.4
(E)	**Current financial receivables**	**1.4**		**1.4**
(F)	Current bank debt	4.5		4.5
(G)	Current portion of non-current debt	25.9		25.9
(H)	Other current financial debt	1.3		1.3
(I)	**Current financial debt (F+G+H)**	**31.8**		**31.8**
(J)	**Net current financial indebtedness (I-E-D)**	**-5.5**		**-109.4**
(K)	Non-current bank loans	3.7		3.7
(L)	Bonds issued	110.0		110.0
(M)	Other non-current loans	77.3		77.3
(N)	**Non-current financial indebtedness (K+L+M)**	**191.0**		**191.0**
(O)	**Net financial indebtedness (J+N)**	**185.6**		**81.6**

7.3 CONTINGENT AND INDIRECT INDEBTEDNESS

7.3.1 Asset retirement obligations

At September 30, 2020 the Company has recorded USD 7.0 million in asset retirement obligations (AROs). These obligations consist of USD 2.5 million to restore leased wastewater containment ponds to conditions specified in the lease agreement and USD 4.5 million for the eventual clean-up of the Company's manufacturing operations in Moses Lake, Washington and Butte, Montana.

The AROs represents the present value of estimated future costs discounted at 6 percent for 8 years for leased wastewater containment ponds. The restoration of the production sites are discounted at 6 percent for 39 years. The restoration of production sites is subject to significant uncertainty due to variability in restoration requirements imposed by regulatory authorities as well as the timing of restoration.

7.3.2 Product warranty guarantees

The Group provided parent company guarantees for the REC Solar Group related to the performance of solar panels and systems and the sale of REC ScanModule AB. The Group has been provided with offsetting guarantees by REC Solar Holdings AS. The guarantees are valid for relevant warranty periods and are limited by warranties provided on solar panels and systems. Parent company guarantees for REC Solar were USD 54.7 million at December 31, 2019 and 2018. The guarantees will decrease from 2022 to 2039 when they will expire in their entirety.

7.4 WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group will be sufficient for the Group's present requirements for the period covering 12 months from the date of the Prospectus.

8. SELECTED FINANCIAL AND OTHER INFORMATION

8.1 INTRODUCTION AND BASIS FOR PREPARATION

The information included in this section 8 presents selected financial information derived from the Group's audited consolidated financial statements as of and for the year ended 31 December 2019 and from the Group's unaudited interim financial statements for the six month period ended 30 June 2020 and for the nine month period ended 30 September 2020.

8.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For information regarding accounting policies and the use of estimates and judgements, please refer to note 2 of the Group's audited consolidated financial statements as of and for the year ended 31 December 2019, incorporated by reference in section 13.3 of this Prospectus.

8.3 KEY FINANCIALS

The table below sets out key financial information for the Group for the periods indicated.

Key Financials - REC Silicon Group	*Unaudited*					*Audited*	
	Three Months Ended	**Nine Months Ended**		**Six Months Ended**		**Year Ended:**	
(USD IN MILLION)	SEP 30, 2020	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	Dec 31, 2019	Dec 31, 2018
Revenues	30.3	86.0	128.4	55.7	92.1	160.2	221.2
EBITDA	17.9	21.9	-9.9	4.0	-4.2	-12.9	-4.9
EBITDA margin	59.1%	25.5%	-7.7%	7.1%	-4.6%	-8.0%	-2.2%
EBIT excluding impairment charges	9.4	-10.6	-48.2	-20.0	-31.4	-62.2	-66.5
Impairment charges	0.0	-23.0	-20.3	-23.0	-20.0	-20.4	-340.5
EBIT	9.4	-33.6	-68.5	-43.0	-51.4	-82.6	-407.1
EBIT margin	31.1%	-39.0%	-53.3%	-77.2%	-55.8%	-51.6%	-184.0%
Profit/loss before tax	8.2	-42.7	-81.5	-50.8	-61.3	-127.0	-348.0
Profit/loss	30.7	-20.1	-81.5	-50.7	-61.3	-127.0	-341.6
Earnings per share, basic and diluted (USD)	0.11	-0.07	-0.29	-0.18	-0.23	-0.47	-1.22
Polysilicon production in MT (Siemens and granular)	237	714	2,828	476	2,488	3,109	9,280
Polysilicon sales in MT (Siemens and granular)	401	874	5,249	474	4,094	5,892	7,784
Silicon gas sales in MT	746	2,308	2,523	1,562	1,663	3,380	3,600

8.4 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Set out below are the consolidated statements of financial position for the Group for the periods indicated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
REC SILICON GROUP

	Unaudited				*Audited*	
(USD IN MILLION)	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	DEC 31, 2019	DEC 31, 2018
ASSETS						
Non-current assets						
Intangible assets	1.1	1.2	1.1	1.2	1.1	11.8
Land and buildings	37.2	39.9	37.8	40.6	39.1	41.1
Machinery and production equipment	48.2	72.8	55.1	82.5	73.1	90.9
Other tangible assets	3.4	3.9	3.6	4.2	4.2	4.8
Assets under construction	4.7	3.6	4.5	3.8	3.9	9.4
Property, plant and equipment	93.4	120.2	100.9	131.0	120.2	146.2
Right of use assets	35.6	34.5	36.1	34.8	33.8	0.0
Investments in associates	0.0	31.9	0.0	34.5	0.0	34.2
Other investments	18.0	0.0	18.0	0.0	18.0	0.0
Other non-current receivables	1.1	5.1	2.5	6.4	4.1	6.4
Financial assets and prepayments	19.1	37.0	20.5	40.9	22.1	40.6
Total non-current assets	149.3	192.9	158.7	207.9	177.3	198.6
Current assets						
Inventories	46.8	64.9	50.7	72.3	47.7	79.1
Trade and other receivables	22.4	30.6	23.9	42.1	30.5	40.8
Current tax assets	0.0	1.3	0.0	0.0	1.3	2.7
Restricted bank accounts	4.1	4.2	4.1	4.6	4.4	4.4
Cash and cash equivalents	35.9	46.2	31.6	38.4	29.4	31.8
Total current assets	109.1	147.3	110.2	157.4	113.4	158.7
Total assets	258.4	340.2	268.9	365.3	290.6	357.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
REC SILICON GROUP

	Unaudited				*Audited*	
(USD IN MILLION)	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	DEC 31, 2019	DEC 31, 2018
EQUITY AND LIABILITIES						
Shareholders' equity						
Paid-in capital	2,812.3	2,812.3	2,812.3	3,177.1	2,812.3	3,158.0
Other equity and retained earnings	-2,831.5	-2,769.9	-2,862.2	-3,112.0	-2,811.4	-3,051.3
Total shareholders' equity	-19.2	42.4	-49.9	65.1	0.8	106.7
Non-current liabilities						
Retirement benefit obligations	18.9	15.0	19.1	15.2	19.5	15.5
Non-current provision, interest calculation	7.0	3.2	6.9	3.1	3.3	3.0
Non-current financial liabilities, interest bearing	120.1	108.8	116.4	108.8	109.0	108.6
Non-current lease liabilities	70.2	43.5	70.5	45.1	41.6	0.0
Non-current prepayments, interest calculation	0.0	1.1	0.0	1.6	0.5	4.2
Other non-current liabilities, not interest bearing	0.2	0.1	0.1	0.2	0.1	5.3
Total non-current liabilities	216.4	171.8	212.9	174.0	174.0	136.6
Current liabilities						
Trade payables and other liabilities	29.9	68.0	59.9	65.7	56.6	62.1
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Current tax liabilities	0.0	23.5	21.9	25.1	24.3	24.5
Derivatives	1.3	1.4	1.3	1.5	1.4	1.5
Current financial liabilities, interest bearing	28.0	21.7	21.2	23.2	22.4	22.7
Current lease liabilities	2.0	6.8	1.0	6.3	7.0	0.0
Current prepayments, interest calculation	0.0	4.7	0.5	4.5	4.1	3.2
Total current liabilities	61.2	126.0	105.8	126.2	115.8	114.0
Total liabilities	277.6	297.9	318.8	300.2	289.8	250.6
Total equity and liabilities	258.4	340.2	268.9	365.3	290.6	357.3

8.5 CONSOLIDATED STATEMENTS OF INCOME

Set out below are the consolidated statements of income for the Group for the periods indicated.

CONSOLIDATED STATEMENT OF INCOME
REC SILICON GROUP

	Unaudited					Audited	
	Three Months Ended	Nine Months Ended		Six Months Ended		Year Ended:	
(USD IN MILLION)	SEP 30, 2020	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	DEC 31, 2019	DEC 31, 2018
Revenues	30.3	86.0	128.4	55.7	92.1	160.2	221.2
Cost of materials	-3.6	-12.0	-21.4	-8.4	-16.4	-25.6	-57.3
Changes in inventories	-4.5	-0.4	-16.6	4.1	-11.1	-20.7	1.5
Employee benefit expenses	-8.8	-26.7	-35.6	-17.9	-25.2	-44.9	-59.7
Other operating expenses	-11.7	-41.4	-62.1	-29.7	-43.7	-79.9	-110.1
Other income and expense	16.2	16.4	-2.6	0.1	0.0	-2.0	-0.5
EBITDA	17.9	21.9	-9.9	4.0	-4.2	-12.9	-4.9
Depreciation	-7.8	-30.2	-31.7	-22.5	-21.1	-42.0	-61.1
Amortization	0.0	0.0	-0.3	0.0	-0.3	-0.3	-0.5
Depreciation of right of use assets	-0.7	-2.2	-6.4	-1.5	-5.7	-7.1	0.0
Impairment	0.0	-23.0	-20.3	-23.0	-20.0	-20.4	-340.5
Total depr., amort. and impairment	-8.5	-55.5	-58.6	-47.0	-47.1	-69.8	-402.2
EBIT	9.4	-33.6	-68.5	-43.0	-51.4	-82.6	-407.1
Profit/loss from investments in associates	0.0	0.0	-0.4	0.0	-0.3	-24.2	73.0
Financial income	0.1	0.2	0.5	0.2	0.3	0.7	0.9
Net financial expenses	-0.6	-11.3	-14.6	-10.7	-9.4	-19.6	-18.0
Net currency gains/losses	-0.7	1.9	1.5	2.7	-0.6	-1.2	3.1
Net financial items	-1.3	-9.1	-12.6	-7.9	-9.6	-20.2	-14.0
Profit/loss before tax	8.2	-42.7	-81.5	-50.8	-61.3	-127.0	-348.0
Income tax expense/benefit	22.5	22.6	0.0	0.1	0.0	0.0	6.5
Profit/loss	30.7	-20.1	-81.5	-50.7	-61.3	-127.0	-341.6
Attributable to:							
Owners of REC Silicon ASA	30.7	-20.1	-81.5	-50.7	-61.3	-127.0	-341.6
Earnings per share (In USD)							
-basic	0.11	-0.07	-0.29	-0.18	-0.23	-0.47	-1.22
-diluted	0.11	-0.07	-0.29	-0.18	-0.23	-0.47	-1.22

8.6 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Set out below are the consolidated statements of comprehensive income for the Group for the periods indicated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
REC SILICON GROUP

	Unaudited					Audited	
	Three Months Ended	Nine Months Ended		Six Months Ended		Year Ended:	
(USD IN MILLION)	Q3 2020	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	YEAR 2019	YEAR 2018
Profit/loss	30.7	-20.1	-81.5	-50.7	-61.3	-127.0	-341.6
Other comprehensive income, net of tax:							
Items that will not be reclassified to profit or loss:							
Fair value adjustment on own credit risk [1)]	0.0	0.0	0.0	0.0	0.0	0.0	-1.9
Remeasurement of defined benefit plans	0.0	0.0	0.0	0.0	0.0	-5.9	3.5
Currency translation effects	0.0	0.0	0.0	-0.1	0.0	0.0	1.5
Sum items that will not be reclassified to profit or loss	0.0	0.0	0.0	0.0	0.0	-5.9	3.1
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences							
- taken to equity	0.0	0.0	-1.9	0.0	0.6	8.0	-3.7
- transferred to profit/loss for the period	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sum items that may be reclassified subsequently to profit or loss	0.0	0.0	-1.9	0.0	0.6	8.0	-3.7
Total other comprehensive income	0.0	0.0	-1.9	0.0	0.6	2.1	-0.6
Total comprehensive income	30.7	-20.1	-83.4	-50.8	-60.7	-124.9	-342.2
Total comprehensive income attributable to:							
Owners of REC Silicon ASA	30.7	-20.1	-83.4	-50.8	-60.7	-124.9	-342.2

8.7 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Set out below are the consolidated statements of changes in equity for the Group for the periods indicated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

REC SILICON GROUP

	ATTRIBUTABLE TO EQUITY HOLDERS OF REC SILICON ASA						
(USD IN MILLION)	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN CAPITAL	TOTAL PAID-IN CAPITAL	OTHER EQUITY	COMPREHENSIVE INCOME	TOTAL EQUITY
YEAR 2018							
At January 1, 2018	405.3	2,710.9	41.8	3,158.0	174.3	-2,883.4	448.9
Equity share option plan	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	-342.1	-342.1
At December 31, 2018	405.3	2,710.9	41.8	3,158.0	174.3	-3,225.6	106.7
Year 2019							
At January 1, 2019	405.3	2,710.9	41.8	3,158.0	174.3	-3,225.6	106.7
Share issue	2.9	16.1	0.0	19.0	0.0	0.0	19.0
Share Capital Reduction	-364.8	0.0	0.0	-364.8	364.8	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-124.9	-124.9
At December 31, 2019	43.4	2,727.0	41.8	2,812.3	539.0	-3,350.5	0.8
Six Months Ended June 30, 2019							
At January 1, 2019	405.3	2,710.9	41.8	3,158.0	174.3	-3,225.6	106.7
Equity share option plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share issue	2.9	16.2	0.0	19.1	0.0	0.0	19.1
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-60.7	-60.7
At June 30, 2019	408.2	2,727.1	41.8	3,177.1	174.3	-3,286.3	65.1
Nine Months Ended September 30, 2019							
At January 1, 2019	405.3	2,710.9	41.8	3,158.0	174.3	-3,225.6	106.7
Equity share option plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share issue	2.9	16.1	0.0	19.0	0.0	0.0	19.0
Share Capital Reduction	-364.8	0.0	0.0	-364.8	364.8	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-83.4	-83.4
At September 30, 2019	43.4	2,727.0	41.8	2,812.3	539.0	-3,309.0	42.3
Six Months Ended June 30, 2020							
At January 1, 2020	43.4	2,727.0	41.8	2,812.3	539.0	-3,350.5	0.8
Equity share option plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	-50.8	-50.8
At June 30, 2020	43.4	2,727.0	41.8	2,812.3	539.0	-3,401.2	-49.9
Nine Months Ended September 30, 2020							
At January 1, 2020	43.4	2,727.0	41.8	2,812.3	539.0	-3,350.5	0.8
Equity share option plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	-20.1	-20.1
At September 30, 2020	43.4	2,727.0	41.8	2,812.3	539.0	-3,370.5	-19.2

8.8 CONSOLIDATED STATEMENTS OF CASH FLOWS

Set out below are the consolidated statements of cash flows from total operations for the Group for the periods indicated.

CONSOLIDATED STATEMENT OF CASH FLOWS
TOTAL OPERATIONS
REC SILICON GROUP

	Unaudited					*Audited*	
	Three Months Ended	Nine Months Ended		Six Months Ended		Year Ended:	
(USD IN MILLION)	SEP 30, 2020	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	DEC 31, 2019	DEC 31, 2018
Cash flows from operating activities							
Profit/loss before tax	8.2	-42.7	-81.5	-50.8	-61.3	-127.0	-348.0
Income taxes paid/received	0.0	2.8	2.7	2.8	2.7	2.7	0.7
Depreciation, amortization and impairment	8.5	55.5	58.6	47.0	47.1	69.8	402.2
Equity accounted investments, impairment fin. assets, gains/losses on sale	0.0	0.0	0.0	0.0	0.0	24.2	-72.5
Changes in receivables, prepayments from customers etc.	-1.3	3.3	8.5	4.6	0.5	5.4	9.7
Changes in inventories	3.9	0.9	14.2	-3.0	6.8	21.5	3.8
Changes in payables, accrued and prepaid expenses	-1.7	2.7	0.7	4.3	-4.8	-7.8	-5.7
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	-0.3
Changes in VAT and other public taxes and duties	-16.1	-18.8	0.0	-2.7	0.1	0.0	0.0
Changes in derivatives	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Currency effects not cash flow or not related to operating activities	1.2	-3.6	-1.8	-4.8	1.4	-0.5	-1.7
Other items	0.8	0.6	0.0	-0.2	0.0	-1.4	1.9
Net cash flow from operating activities	3.6	0.7	1.5	-2.9	-7.5	-13.0	-10.1
Cash flows from investing activities							
Proceeds/Payments finance receivables and restricted cash	1.2	1.5	0.1	0.3	-0.3	0.0	0.0
Proceeds from sale of property, plant and equipment and intangible assets	0.0	0.2	1.2	0.2	1.2	1.5	0.6
Payments for property, plant and equipment and intangible assets	-0.3	-0.9	-1.2	-0.6	-1.1	-2.0	-1.7
Net cash flow from investing activities	1.0	0.9	0.1	-0.1	-0.3	-0.6	-1.2
Cash flows from financing activities							
Increase in equity	0.0	0.0	19.0	0.0	19.1	19.0	0.0
Payments of lease liabilities	-0.3	-3.4	-6.2	-3.1	-4.7	-7.8	0.0
Payments of borrowings and up-front/waiver loan fees [1)]	0.0	0.0	0.0	0.0	0.0	0.0	-171.4
Proceeds from borrowings	0.0	8.3	0.0	8.3	0.0	0.0	110.0
Net cash flow from financing activities	-0.3	4.9	12.8	5.2	14.4	11.2	-61.4
Effect on cash and cash equivalents of changes in foreign exchange rates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase/decrease in cash and cash equivalents	4.3	6.4	14.4	2.1	6.5	-2.4	-72.7
Cash and cash equivalents at the beginning of the period	31.6	29.4	31.8	29.4	31.8	31.8	104.5
Cash and cash equivalents at the end of the period	35.9	35.9	46.2	31.6	38.4	29.4	31.8

8.9 INVESTMENTS

Capital spending in the table below include only the capital necessary to maintain safe and reliable operations. In the future, the Company is planning to invest additional maintenance capital and is planning to expand production capacity for specialty silicon gases in the semiconductor materials segment (Butte, Montana production facility). The Company also intends to initiate long lead activities supporting a restart of the Moses Lake production facility.

	Unaudited					*Audited*	
	Three Months Ended	Nine Months Ended		Six Months Ended		Year Ended:	
(USD IN MILLION)	SEP 30, 2020	SEP 30, 2020	SEP 30, 2019	JUN 30, 2020	JUN 30, 2019	DEC 31, 2019	DEC 31, 2018
Captial Expenditures	-0.3	-0.9	-1.2	-0.6	-1.1	-2.0	-1.7

8.10 TREND INFORMATION

8.10.1 Recent trends

8.10.1.1. Solar Materials Segment

On July 18, 2013, the Chinese Ministry of Commerce (MOFCOM) announced preliminary anti-dumping duties of 57 percent on solar grade polysilicon produced by REC Silicon and imported into China effective from July 24, 2013. These duties were affirmed by MOFCOM on January 20, 2014. AT this time, REC Silicon continued to ship its products into China using "Processing Trade" under Chinese laws which allows a Chinese purchaser to post a bond for import tariffs which are then refunded when the products are exported as part of a manufactured good. While processing trade allowed REC to continue to ship into China, it limited REC Silicon's pricing power due to the complexity and expense imposed on Chinese purchasers of REC Silicon's products. As time passed, China imposed additional sanctions to limit the use of processing trade. On August 14, 2014, MOFCOM announced the suspension of the process to renew bonded books necessary to facilitate processing trade with an effective date of September 1, 2014. Under this suspension, Chinese importers of solar grade polysilicon to renew their bonded book prior to September 1, 2014 for the following 12 months. REC Silicon continued to sell solar grade polysilicon into the Chinese market until September 1, 2015 when REC Silicon was effectively shut out of the Chinese consumers. After September 1, 2015, REC Silicon focused on increasing its market share in limited non-Chinese solar grade polysilicon markets. However, competitive advantages enjoyed by non-Chinese Solar PV supply chain participants were drastically reduced as Chinese producers dominated Solar PV markets. As a result, only a small percentage of the solar grade polysilicon market outside of China has survived. Despite being a low-cost producer, REC Silicon's ability to compete was increasingly limited. As trade sanctions imposed by China became more restrictive, REC Silicon successively curtailed production capacity utilization until the plant was shut down May 15, 2019. At each successive production curtailment the Company reduced overhead spending and laid off employees to match operating activities. On July 15, 2019 the Company announced the last workforce reduction and currently maintains only that infrastructure and staff necessary to maintain the plant safely in a non-operating status and to maintain the capability to restart the plant in the future.

As these events occurred, solar grade polysilicon prices inside protected Chinese markets increased to a level that supported expansion. As a result, the market has suffered from oversupply and price levels that do not support a healthy polysilicon industry. However, robust growth in global demand for solar PV is expected to outstrip supply during 2023, therefore, prices are expected to increase to levels that support expansion. REC Silicon will be well positioned to take advantage of this environment if access to Chinese markets for polysilicon can be restored.

Due China's dominant position in solar energy, the momentum is growing to create a low carbon, non-Chinese solar PV supply chain. This trend is evidenced by the business cooperation agreement REC Silicon entered into with Violet Power discussed in 8.10.4.1 below. Should the trade war with China continue, the United States and Europe are expected to protect solar supply chain participants within their markets by continuing or increasing tariffs on solar cells and modules exported from China. REC Silicon is well positioned as a low-cost producer to supply solar grade polysilicon to these value chains.

In addition, a great deal of research has been performed and technology developed to improve the efficiency of lithium ion batteries. Several companies are working on technology to decompose silane gas with carbon to create a silicon anode material that substantially improves lithium ion battery efficiency. REC Silicon has entered into a business cooperation agreement with Group 14 Technologies to develop a commercial scale, co-located battery materials manufacturing plant that uses silane gas (refer to 8.10.4.1 below). When demand for silane gas for use in battery materials is realized, REC Silicon is well positioned to take advantage of this opportunity due its large capacity of silane gas.

8.10.1.2. Semiconductor Materials Segment

Tariffs imposed by the Government of China also affected Solar Grade polysilicon produced at the Butte, Montana manufacturing facility. As a result, in October 2017 the Butte manufacturing facility curtailed all intended production of solar grade polysilicon. The facility continues to realize production quantities of solar grade polysilicon, but only as a result of fall-out from production runs intended to produce semiconductor grade polysilicon. This adversely impacted the profitability of the Semiconductor materials segment due to lower manufacturing capacity utilization and the associated increase in unit production costs.

Semiconductor materials manufactured by the Butte, Montana plant were also subject to tariffs imposed by the Chinese Government. China first imposed a 10 percent tariff on semiconductor grade polysilicon on September 24, 2018. Tariffs on semiconductor grade polysilicon peaked when China increased the tariff to 25 percent on September 1, 2019. On May 19, 2020 China discontinued the tariffs on semiconductor materials. China first imposed a 5 percent tariff on silane gas on September 24, 2018. Tariffs on silane gas peaked when China increased the tariff to 10 percent on September 1, 2019. On February 14, 2020 China reduced the tariff on silane gas to 7.5 percent, where it remains as of the date of this Prospectus.

However, the majority of sales from the Butte plant are to customers located outside China. In addition, customers inside of China continued to purchase products, although in smaller quantities and at a lower price. Therefore, the Butte facility remained largely unaffected by the trade war between China and the United States.

Most of the products sold by the Semiconductor Materials segment are to customers outside of China for use in semiconductor and flat panel display applications. Historically, these segments have grown faster than the overall economy (measured by output – GDP) and have commanded premium prices relative to prices for sales into China.

Accordingly, the Semiconductor Materials segment has provided consistent cashflows which have enabled the Company to maintain liquidity to continue operations.

8.10.2 Changes in financial performance

Since 30 September 2020, there has been no significant change in the financial performance of the Group.

8.10.3 Changes in financial position

Other than the Private Placement described in section 5 above, there has been no significant change in the financial position of the Group since 30 September 2020.

8.10.4 Other developments

8.10.4.1. Business cooperation agreements signed

On October 13, 2020, the Company entered into business cooperation agreements to partner with Violet Power to develop a non-Chinese Solar PV value chain and to partner with Group 14 Technologies to develop a silicon anode battery materials production facility. REC Silicon believes that these opportunities will form a basis for the restart of production at the Moses Lake production facility and anticipates that a decision to restart will be made prior to year-end 2021.

The development of a Solar PV value chain outside of China will require REC Silicon to make additional investments in FBR processes to enable product quality suitable for high purity monocrystalline PV markets. The creation of a solar value chain outside China may also depend on the creation of international trade barriers or additional sanctions to incentivize investment in Solar PV production capacity and to protect non-Chinese markets. Accordingly, the development of a functional non-Chinese Solar PV value chain is subject to substantial uncertainty.

Silane gas demand for battery materials is dependent on the development and commercialization of technology for the use of silane gas to manufacture silicon anode material for use in lithium ion batteries. Capital investments will also be required to supply silane to a co-located silicon anode material manufacturing facility. Accordingly, the realization of demand for the Group's products for use in lithium ion batteries is subject to substantial uncertainty.

8.10.4.2. Settlement of property tax dispute with Grant County, Washington

On October 14, 2020, the Company entered into a settlement agreement with Grant County, Washington settling its property tax dispute for tax years 2012 through 2015. REC Silicon agreed to pay Grant County USD 3 million by December 15, 2020 and USD 1.75 million each year for the next six years. The impact of this agreement has been included in financial results for the third quarter of 2020 because the agreement was used to estimate liabilities that existed at September 30, 2020. The settlement resulted in a decrease in total liabilities of USD 17.6 million and has a positive non-cash impact on EBITDA of USD 16.0 million during the third quarter 2020. In addition, the Company recorded a note payable of USD 9.9 million representing the present value of future payments from REC Silicon to Grant County specified in the settlement agreement.

8.11 MATERIAL CONTRACTS

Neither the Company nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no member of the Group has entered into any contract outside the ordinary course of business that contains provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

8.12 RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions since 31 December 2019.

8.13 OVERVIEW OF DISCLOSED INFORMATION OVER THE LAST 12 MONTHS

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements under the Norwegian Securities Trading Act. Below is a summary of certain disclosures made by the Company under its ticker code "RECSI" on www.newsweb.no in the 12 months prior to the date of this Prospectus.

Financial information:

Date	Title	Description
30.10.2019	REC Silicon - Third quarter 2019 results	Publication of Q3 2019 financial results
14.02.2020	REC Silicon - Fourth quarter 2019 results	Publication of Q4 2019 results
24.03.2020	REC Silicon - Annual Report 2019	Publication of 2019 financial results
12.05.2020	REC Silicon - First quarter 2020 results	Publication of Q1 2020 results
23.07.2020	REC Silicon - Second quarter 2020 results	Publication of Q2 2020 results
29.10.2020	Rec Silicon - Third quarter 2020 results	Publication of Q3 2020 results

Other disclosures:

Date	Title	Description
09.12.2019	REC Silicon ASA: Potential block sale of existing shares.	Announcement of potential block sale of Shares by Umoe AS.
10.12.2019	REC Silicon ASA: Result of block sale, mandatory notification of trade and disclosure of large shareholding	Update on the potential block sale of Shares, including notification of the sale of 64,217,774 Shares in the Company by a major shareholder.
10.12.2019	Disclosure of large shareholding in REC Silicon ASA	Notification of large shareholding in the Company (22.95 %).
20.12.2019	REC Silicon - Claims under indemnity loans	Announcement re. claim received from Nordea of NOK 150 million under the Company's indemnification loan.
01.10.2020	REC Silicon - Examination by Norwegian Tax Administration Dropped	Announcement that examination of the Company by the Norwegian Tax Administration had been dropped.
13.10.2020	REC Silicon - Group14 Technologies and REC Silicon Announce U.S. Advanced Silicon Anode Production Facility to Meet Demand for 'Electrification of Everything' Decade	Announcement of the Company's partnership with Group14 Technologies.
13.10.2020	REC Silicon - REC Silicon and Violet Power Announce U.S. Supply Chain Partnership Enabling Increased U.S. Energy Resiliency	Announcement of the Company's partnership with Violet Energy Inc.
14.10.2020	REC Silicon - Contemplated Private Placement	Announcement of a contemplated private placement of new Shares, and a potential subsequent repair offering of new Shares.
15.10.2020	REC Silicon - Private placement successfully completed	Announcement of the successful completion of the private

	REC Silicon - Private placement successfully completed W	placement, with gross proceeds of approximately NOK 1,000.
15.10.2020	REC Silicon - Key information relating to subsequent offering to be carried out by REC Silicon ASA	Announcement of key information relating to the subsequent offering of new Shares.
15.10.2020	REC Silicon - Property Tax Dispute Settled for All Years with Grant County, Washington	Announcement that the Company's property tax dispute with Grant County had been settled.
15.10.2020	REC Silicon - Mandatory Notification of Trade	Announcement of the purchase of Shares by a company controlled by a primary insider of the Company.
15.10.2020	REC Silicon - Mandatory Notification of Trade	Announcement of the purchase of Shares by a primary insider of the Company.
19.10.2020	REC Silicon - Notice of Extraordinary General Meeting, issue of Tranche 1 shares	Notice of an extraordinary general meeting of the Company regarding the issue of Shares in the private placement. Announcement that the Board of the Company had resolved to issue 27,982,000 new Shares.
21.10.2020	REC Silicon ASA – Mandatory Notification of Trade	Announcement of the purchase of shares by a company controlled by a primary insider of the Company.
23.10.2020	REC Silicon - Share capital increase registered	Announcement that the share capital increase pertaining to the issuance of new shares in Tranche 1 of the Private Placement had been registered with the Norwegian Register of Business Enterprises.
10.11.2020	REC Silicon – Minutes from Extraordinary General Meeting 2020	Publication of minutes from an extraordinary general meeting of the Company held on 9 November 2020.
16.11.2020	REC Silicon – Issue of Tranche 2 shares	Announcement that the Board had resolved to issue the new shares in Tranche 2 of the Private Placement.
18.11.2020	REC Silicon – Claims under indemnity loans	Announcement that the Company had received a writ of summons for payment of Nordea's claim under the Company's indemnification loan.
18.11.2020	REC Silicon – Share capital increase registered	Announcement that the share capital increase pertaining to the issuance of new shares in Tranche 2 of the Private Placement had been registered with the Norwegian Register of Business Enterprises.

01.12.2020	REC Silicon – Cancellation of subsequent offering	Announcement that the Company had decided not to initiate the potential subsequent offering of up to 18,518,518 new Shares.

8.14 LEGAL MATTERS

The Company has an indemnification loan related to the bankruptcy of a former subsidiary in 2012. At 30 September 2020, the indemnification loan was NOK 200.0 million (USD 21.1 million). The Company received a claim dated 16 December 2019 of NOK 150 million from Nordea under the indemnification loan. The relevant bankruptcy estates have not yet been concluded, and Nordea's claim is based on an assumption from Nordea that its loss will exceed said amount when the estates are concluded. On 18 November 2020, the Company announced that it had received a writ of summons (*Norwegian: "stevning"*) which Nordea has taken out before the Asker and Bærum District Court, for payment of the aforementioned claim. The status of the said claim, including whether or not it may be time-barred in whole or in part, is subject to uncertainty. The Company is, together with its advisors, considering the claim and its basis.

Other than described above, the Group is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the previous 12 months which could have, or have had in the recent past, significant effects on the Group's financial position or profitability.

9. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

9.1 BOARD OF DIRECTORS

9.1.1 Overview

In accordance with Norwegian law, the Board of Directors is responsible for the overall and strategic management of the Company and for ensuring that the Company's operations are organized and controlled in a satisfactory manner.

The Company's Articles of Association provide that the Board of Directors shall consist of a minimum of three and a maximum of twelve members.

As of the date of this Prospectus, the Company's Board of Directors consists of the following:

Name	Position	Served since	Term expires
Annette Malm Justad	Chair	2020	Annual General Meeting 2021
Espen Klitzing	Board member	2013	Annual General Meeting 2021
Audun Stensvold	Board member	2020	Annual General Meeting 2021
Inger Berg Ørstavik	Board member	2013	Annual General Meeting 2021

9.1.2 Brief biographies of the Board members

Annette Malm Justad, Chair

Annette Malm Justad has served as Chair of the Board of Directors of REC Silicon ASA since 2020. She has a Master's degree in Chemical Engineering from the Norwegian University of Science and Technology (NTNU) and a Master's degree in Technology Management from NTNU and MIT Sloan School of Management. She is now partner at Recore, a Norwegian management consultant company, and current and previous experience includes a substantial number of positions as non-executive director and chair for public and private companies.

Current directorships and executive management positions..	REC Silicon ASA (Chair), REC Silicon AS (Chair), Store Norske Spitsbergen Kulkompani AS (Chair), Norske Tog (Chair), American Shipping Company ASA (Chair), PowerCell Sweden AB (board member), Torm Plc (board member), Awilco LNG (board member), Småkraft Utbygging AS (Chair), Småkraft AS (board member), Alama AS (Chair), Homlungen AS (Chair), Recore Norway AS (Chair).
Previous directorships and executive management positions last five years..	Port of London Authority (director), Pleat AS (director), Pleat Cooler AS (director), Pleat Evaporator AS (director), iSurvey AS (director), Norske Skogindustrier ASA (director), SeaBird Exploration plc (Chair), SeaBird Management Norway AS (Chair), Norsk Grønnkraft AS (Chair), Odfjell SE (director), Småkraft AS (managing director).

Espen Klitzing, Board Member

Espen Klitzing has been a member of the Board of Directors of REC Silicon ASA since 2013. Until July 2019, Mr. Klitzing was Group CFO of Umoe Group. He is Chairman of the Board of Alliance Venture Polaris AS and Alliance Venture Spring AS, as well as a board member of DNB Livsforsikring. His previous experience includes, inter alia, holding the positions as Principal at McKinsey & Company, CFO and Deputy CEO at Norges Bank Investment Management (NBIM) and CEO of Petrojarl ASA. Mr. Klitzing holds a degree in Business and Economics (Siviløkonom) from the Norwegian School of Economics (NHH).

Current directorships and executive management positions..	Alliance Venture Polaris AS (Chairman), Alliance Venture Spring AS (Chairman), EK Kapital AS (Chairman), DNB Livsforsikring AS (board member), REC Silicon ASA (board member), REC Silicon AS (board member).
Previous directorships and executive management positions last five years..	Umoe Restaurants AS (Chairman), Umoe Mandal AS (Chairman), UBE Gruppen AS (board member), Umoe Bioenergy SA (board member), Fornebu Lumber Plc (Chairman and board member), Umoe Forestry AS (Chairman), Umoe Industries AS (Chairman), Umoe Sterkoder AS (Chairman), Umoe Eiendom Vest AS (Chairman), Umoe Eiendom AS (Chairman), Umoe Eiendom Hovedgaard AS (Chairman), Umoe Gas Carriers AS (board member), Umoe Lng AS (board member), Kagra AS (board member), Sønnico AS (Chairman), Umoe Wind AS (Chairman), Røyken Sentrumsutvikling AS (Chairman), Umoe AS (Group CFO).

Audun Stensvold, Board Member

Audun Stensvold has been a member of the Board of Directors of REC Silicon ASA since 2020. Mr. Stensvold is currently the CEO of Vinestor AS, and also serves as Chairman and board member in several companies. Mr. Stensvold's previous experience includes, inter alia, serving as Investment Director of Aker ASA and Investment Director and CFO of Converto Capital. Mr. Stensvold also has experience from working as a strategy/finance consultant at the Norwegian law firm Selmer, and from working as a financial analyst in Gjensidige NOR Equities (now DNB Markets). Mr. Stensvold holds a Master's degree in Business and Economics from the Norwegian School of Economics (NHH).

Current directorships and executive management positions..	Pinot Invest AS (Chairman), B&R Wine AS (Chairman), Vinarius AS (Chairman), Vinum AS (Chairman), Plus Vini AS (Chairman), Trulli Wines AS (Chairman), Servco AS (Chairman), Divini AS (Chairman), Innvino AS (Chairman), OMA Vin AS (board member), Havfonn AS (board member), Breifonn AS (board member), Vinestor Sweden AB (Chairman), Vinestor AS (CEO), REC Silicon ASA (board member), REC Silicon AS (board member).
Previous directorships and executive management positions last five years..	Oslo Asset Management AS (board member), Norron Holding AB (board member), Norron AB (Chairman), Aker Capital AS (board member), Aker Capital II AS (board member), Aker Pensjonskasse (vice-chair), Aker Property Group AS (board member), American Shipping Company ASA (board member), Bekkestua Syd AS (Chairman), Bekkestuene Bolig AS (Chairman), Borgeskogen 69 AS (board member), Dvergnestangen Eiendom Invest AS (board member), Dvergnestangen Lagereiendom Invest AS (board member), Egersund Eiendom Invest AS (board member), Farstad Shipping ASA (board member), Fornebu Gateway Felleskost AS (Chairman), Fornebuporten AS (Chairman), Fornebuporten Bolig 2 AS (deputy board member), Fornebuporten Bolig 3 AS (Chairman), Fornebuporten Bolig 4 AS

	(Chairman), Fornebuporten Bolig Holding AS (Chairman), Fornebuporten Boligparkering AS (Chairman), Fornebuporten Boligutvikling AS (Chairman), Fornebuporten Næring 1 AS (Chairman), Fornebuporten Næring 2 AS (Chairman), Fornebuporten Næring 3 AS (Chairman), Fornebuporten Næring 4 AS (Chairman), Fornebuporten P-tomt AS (Chairman), Fornebuporten Soft Services AS (Chairman), FP Bolig AS (board member), FP Bolig Sentrum AS (Chairman), FP Drift AS (Chairman), FP OBOS JV AS (Chairman), FP UK AS (Chairman), Grunnavågen Eiendom Invest AS (board member), Maries Vei 20 AS (Chairman), Navigator Marine AS (Chairman), Philly Shipyard ASA (vice-chair), Senfase Bolig Holding AS (Chairman), Strendene Eiendom AS (board member), Tranby Eiendom Invest AS (board member), Wideøeveien 5 AS (Chairman), Ågotnes Eiendom Invest AS (Chairman), Setanta Energy BV (board member).

Inger Berg Ørstavik, Board Member

Inger Berg Ørstavik has been a member of the Board of Directors of REC Silicon ASA since 2013. Ms. Ørstavik is a professor at the Department of Private Law, University of Oslo, as well as a board member in Nordic Semiconductor ASA. She has previously been a partner with Advokatfirmaet Schjødt AS and attorney at the Office of the Attorney General for Civil Affairs. Ms. Ørstavik holds a Cand. Jur. degree from the University of Oslo, an Ll.M. from the University of Heidelberg, Germany, and a Ph.D. from the University of Oslo.

Current directorships and executive management positions...	Nordic Semiconductor ASA (board member), REC Silicon ASA (board member), REC Silicon AS (board member).
Previous directorships and executive management positions last five years..	Next Biometrics ASA (board member)

The address of the Company's principal office, Lysaker Torg 5, 3 etg., N-1366 Lysaker, Norway, serves as business address for the members of the Board of Directors in relation to their directorship with the Company.

9.2 EXECUTIVE MANAGEMENT

9.2.1 Overview

The table below sets forth the members of the Company's Executive Management as of the date of this Prospectus.

Name	Position	Served since
Tore Torvund	President & Chief Executive Officer	2009
James A May, II	Chief Financial Officer	2008

9.2.2 Description of the Executive Management

Tore Torvund, President & CEO

Mr. Torvund joined the organization in 2009. Mr. Torvund holds a Master of Science degree from the Norwegian University of Technology (NTH). Mr. Torvund's previous experience includes, inter alia, serving as Executive President of Norsk Hydro, Oil & Energy. Mr. Torvund currently serves as board member in Aker Energy AS.

Current directorships and executive management positions..	REC Silicon ASA (President & CEO), Aker Energy AS (board member).
Previous directorships and executive management positions last five years..	-

James A. May, II, CFO

Mr. May joined the organization in 2008. Mr. May holds Bachelor's degrees in Business Administration and Accounting from Boise State University. Prior to REC Silicon, Mr. May worked for Hewlett Packard, was a partner in a Pocatello, Idaho regional public accounting firm, and was the Director of Finance for European Operations and the Director of Financial Planning and Analysis for the Chemical Division of Kerr-McGee.

Current directorships and executive management positions..	REC Silicon ASA, CFO
Previous directorships and executive management positions last five years..	-

The address of the Company's principal office, Lysaker Torg 5, 3 etg., N-1366 Lysaker, Norway, serves as business address for the members of the executive management in relation to their employment with the Company.

9.3 CONFLICT OF INTERESTS

To the Company's knowledge, there are no potential conflicts of interests between any duties to the Company or its subsidiaries, of any of the Board members or members of the Executive Management and their private interests and or other duties. There are no family relations between any of the Company's Board members or Executive Management.

There are no arrangements or understanding with major shareholders, customers, suppliers or others regarding membership of the Board of Directors or the executive management.

9.4 OTHER INFORMATION

Annette Malm Justad was a board member in Norske Skogindustrier ASA at the time of bankruptcy.

Audun Stensvold served as board member of Setanta Energy BV which went into a voluntary liquidation following the sale of the company's main asset. The shareholders voted in favour of liquidation and there were no external creditor losses.

Other than described above, no member of the Board of Directors or the Executive Management have for at least the previous five years preceding the date of this Prospectus been;

- Convicted in relation to any fraudulent offences;
- Involved in any bankruptcies, receiverships or liquidations or companies put into administration when acting in the capacity of member of an administrative, management or supervisory body;
- Subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

9.5 SHARE OPTION PLAN

In 2015 and 2016 REC Silicon granted 800,000 share options during each year, and in 2017, 2018, 2019 and 2020 1,200,000 share options were granted to certain key employees. These programs are for six years. The first three years are a lock-up period. The vesting of the options for eligible employees will take place in equal parts in the fourth, fifth and sixth years of each program, on each June 30 of each year. The options were granted at a strike price of NOK 23.00 for 2015, NOK 19.20 for 2016, 11.90 in 2017, 15.20 in 2018, 8.10 in 2019 and 3.45 in 2020.

These option programs are synthetic programs; the options will be settled in cash. Cash payments due to an eligible employee following any disbursement date is limited to a maximum amount in each calendar year equal to the employee's base annual salary effective January 1st in the year of the disbursement.

Any unexercised options are forfeited upon termination of employment. Fair values were estimated using the Black-Scholes option price model. Expected volatility was based on historical volatility and no dividends were expected in the periods. Expected lifetime and vesting periods were set at the time of allocation based on expectations that employees would exercise options early due to the structure of the programs, including the annual profit cap, and the volatility of the Company's share price.

OPTIONS OUTSTANDING AT THE DATE OF THE PROSPECTUS

PROGRAM	EXERCISE PRICE (NOK)	NUMBER OF OPTIONS GRANTED	NUMBER OF OPTIONS FORFEITED	NUMBER OF OPTIONS OUTSTANDING	TOTAL FAIR VALUE (USD MILLION)	REMAINING CONTRACTUAL LIFE (YEAR)
2015	23.00	800,000	152,442	647,558	0.0	0.8
2016	19.20	800,000	151,691	648,309	0.0	1.8
2017	11.90	1,200,000	206,814	993,186	0.1	2.8
2018	15.20	1,200,000	21,010	1,178,990	0.1	3.8
2019	8.10	1,200,000	22,583	1,177,417	0.2	4.8
2020	3.45	1,200,000	22,182	1,177,818	0.3	5.8
Total		**6,400,000**	**576,722**	**5,823,278**	**0.7**	**19.5**

Differences between the number of options granted for each year and the number of outstanding options in the table above are due to options that have been forfeited upon termination of employment. During 2020 and 2019 89,147 and zero options were forfeited respectively.

9.6 EMPLOYEES

REC Silicon has 278 employees as of the date of this Prospectus. This compares to 284 employees at December 31, 2019 and 407 employees at December 31, 2018. The overall decrease compared to December 31, 218 is primarily due to workforce reduction and employee attrition due to the shutdown of the FBR manufacturing facility in Moses Lake, Washington. Please refer to section 6.4.1 titled "Business description and overview of operations" above.

9.7 SHAREHOLDINGS

9.7.1 Board of Directors

The table below sets out the number of Shares owned by the Board of Directors as of the date of this Prospectus:

Name	Shares held
Annette Malm Justad	30,000 (shares held through Homlungen AS)
Espen Klitzing	60,000 (shares held through EK Kapital AS)
Inger Berg Ørstavik	5,000
Audun Stensvold	0

Board members hold no options in the Company.

9.7.2 Executive Management

The table below sets out the number of Shares and options held by the Company's executive management as of the date of this Prospectus:

Name	Shares held	Options
Tore Torvund	163,149	1,422,761
James A. May II	274,204	351,358

10. THE SHARES

10.1 SHARES AND SHARE CAPITAL

The Company's issued and registered share capital as of the date of this Prospectus is NOK 372,412,658 divided into 372,412,658 Shares, each fully paid and with a nominal value of NOK 1.

10.2 LOCK-UP

In connection with the Private Placement, the Company has entered into a customary lock-up agreement with the Managers which, subject to certain exceptions, restricts its ability to, without the prior consent of the Managers, issue new shares or sell any of its own shares for a period of 6 months from the completion of the Private Placement.

The Company is not aware of any shareholders' agreement with respect to the Company's Shares.

10.3 STOCK EXCHANGE LISTING, SHARE REGISTRAR AND SECURITIES NUMBER

REC Silicon ASA is a Norwegian public limited liability company and the Shares are issued pursuant to the Norwegian Public Limited Companies Act. The Company's Shares were listed on the Oslo Stock Exchange in 2006, and the ticker code for the Company's Shares is "RECSI". The Shares are registered in the Norwegian Central Securities Depository (VPS), and the registrar is DNB Bank ASA. The Company's shares are registered under ISIN NO 0010112675. All Shares hold the same rights, and each Share gives one voting right.

10.4 DIVIDEND POLICY

To support committed investments and productivity improvements, the Board's view so far has been that retained earnings should be put to use within the Company. Accordingly, there has been no distribution of dividends to the shareholders since the Company was publicly listed in 2006. The Company has no plans for dividend distribution, and does not expect dividend to be distributed in the near future.

10.5 SHAREHOLDERS

As of 30 November 2020, the Company had approximately 29,290 shareholders. The Company's 20 largest shareholders as registered in the VPS as of 30 November 2020 are shown in the table below.

#	Shareholder	No. of shares	Percentage
1	AKER CAPITAL AS	91,995,551	24.70
2	VERDIPAPIRFONDET DNB TEKNOLOGI	19,899,397	5.34
3	CACEIS Bank	9,851,627*	2.65
4	BNP Paribas	6,731,327*	1.81
5	Skandinaviska Enskilda Banken AB	6,320,027*	1.70
6	Citigroup Global Markets Ltd	5,619,000*	1.51
7	VERDIPAPIRFONDET DNB MILJØINVEST	3,783,732	1.02
8	NORDNET LIVSFORSIKRING AS	3,412,924	0.92
9	Avanza Bank AB	3,187,199*	0.86
10	ØRN AS	3,125,500	0.84
11	Nordnet Bank AB	2,803,784*	0.75
12	CLEARSTREAM BANKING S.A.	2,512,276*	0.67
13	FAZAJU AS	2,273,563	0.61
14	Morgan Stanley & Co. International	2,248,289	0.60
15	Skandinaviska Enskilda Banken AB	2,230,000*	0.60
16	VERDIPAPIRFONDET DNB GRØNT NORDEN	2,212,172	0.59
17	VERDIPAPIRFONDET DNB SMB	2,059,079	0.55
18	Danske Bank A/S	1,926,810*	0.52
19	Citibank, N.A.	1,662,567*	0.45
20	The Bank of New York Mellon SA/NV	1,657,957*	0.45

**Shares held through a nominee account.*

There are no differences in voting rights between the shareholders.

As far as the Company is aware of, there are no other natural or legal person other than the shareholders shown in the table above, which indirectly or directly has a shareholding in the Company above 5% which must be notified under Norwegian law.

To the extent known to the Company, there are no persons or entities who, directly or indirectly own or control the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. No special measures to ensure abuse of control of the Company have been taken.

10.6 PUBLIC TAKEOVER BIDS

No public takeover bids by third parties in respect of the Company's equity have occurred during the financial year ended 31 December 2019 or in the current financial year.

11. SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW

The following is a summary of certain information relating to the Shares and certain shareholder matters, including the Company's articles of association and a summary of applicable Norwegian corporate and securities law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's articles of association and Norwegian law.

Under Norwegian law, all shares are to provide equal rights in a company. However, Norwegian law permits a company's articles of association to provide for different types of shares (e.g., several classes of shares). In such case, a company's articles of association must specify the different rights, preferences and privileges of the classes of shares and the total par value of each class of shares. The Company's articles of association provide for a single class of shares with equal rights.

There are no restrictions affecting the right of Norwegian or non-Norwegian residents or citizens to own the Shares. The Company's articles of association do not contain any provisions restricting the transferability of Shares.

11.1 THE GENERAL MEETING OF SHAREHOLDERS

The Company's shareholders exercise supreme authority in the Company through the general meeting. A shareholder may attend the general meeting either in person or by proxy. The Company is required to include a proxy form with notices of general meetings.

In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. Pursuant to article 9 of the Company's articles of association, the following business must be dealt with and decided at the annual general meeting:

1. Approve the financial statements and the annual report, including the allocation of profits or deficits.
2. Determine remuneration to the Board of Directors and approve remuneration to the Auditor
3. Election of board members and auditor
4. Other matters that shall be considered by the General Meeting according to law or the Articles of Association.

Norwegian law requires that written notice of general meetings is sent to all shareholders whose addresses are known at least 21 days prior to the date of the meeting, unless the Company's articles of association stipulate a longer period. The Company's articles of association do not include any provisions on this subject. Pursuant to article 11 of the Company's articles of association, documents concerning matters to be considered at the general meeting are not required to be sent to the shareholders, provided that the documents are made available for the shareholders at the Company's website. The same applies for documents which according to law shall be included in or attached to the notice of the general meeting. A shareholder is entitled to request that documents concerning matters to be handled at the general meeting are sent to him/her.

Any shareholder is entitled to have an issue discussed at a scheduled general meeting if such shareholder provides the Board with notice of the issue within seven days prior to the deadline for the notice to the general meeting, along with a proposal to a draft resolution or a justification for the matter having been put on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

In addition to the annual general meeting, extraordinary general meetings of shareholders may be held if deemed necessary by the Board. An extraordinary general meeting shall also be convened for the consideration of specific matters at the written request of the Company's auditor or shareholders representing a total of at least 5% of the share capital.

11.2 VOTING RIGHTS

The articles of association of the Company do not set forth conditions with regard to changing the rights of shareholders that deviates from the Norwegian Public Limited Companies Act.

Each Share carries the right to one vote at the Company's general meetings. No voting rights can be exercised with respect to treasury Shares held by the Company.

Decisions that the general meeting is entitled to make under Norwegian law or the Company's articles of association are in general made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes cast are elected.

Certain decisions, including but not limited to increase or reduction of the Company's share capital, approval of a merger or demerger, and amendment of the Company's articles of association, require the approval of at least two-thirds of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the meeting.

Decisions that would (i) reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the Shares through introduction of a consent requirement, of a right of first refusal upon transfers, or of a requirement that shareholders must have certain qualifications, require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's articles of association. Certain other types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's articles of association.

There are no quorum requirements at general meetings. In general, in order to be entitled to vote, a shareholder must be registered as the owner of Shares in the Company's share register in the VPS or, in the case of a share transfer, report and show evidence of the shareholder's share acquisition to the Company prior to the general meeting. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote for nominee registered Shares.

11.3 ADDITIONAL ISSUANCES AND PREFERENTIAL RIGHTS

If the Company issues any new shares the Company's articles of association must be amended, which requires a two-thirds majority of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the general meeting. In connection with an increase in the Company's share capital by a subscription for Shares against cash contributions, Norwegian law provides the Company's shareholders with a preferential right to subscribe for the new shares on a pro rata basis in accordance with their then-current shareholdings in the Company. The preferential rights may be waived by the general meeting by the same majority vote as required for amendments to the Company's articles of association.

The general meeting may, with a two-thirds majority vote as described above, authorize the Board to issue new shares. Such authorization may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the share capital at the time the authorization is registered with the Norwegian Register of Business Enterprises. The preferential right to subscribe for Shares against consideration in cash may be set aside by the Board only if the authorization includes such possibility for the Board.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and by transfer from funds that are allowed to be used to distribute dividend. Any bonus issues may be affected either by issuing Shares or by increasing the par value of the shares outstanding. If the increase in share capital is to take place by new shares being issued, these new shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

11.4 MINORITY RIGHTS

Norwegian law contains a number of protections for minority shareholders, including but not limited to those described in this and preceding paragraphs. Any shareholder may petition the courts to declare a decision of the Board or general meeting of shareholders invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the company itself. In certain circumstances shareholders may require the courts to dissolve the company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board convene an extraordinary general meeting to discuss or resolve specific matters.

11.5 LEGAL CONSTRAINTS ON THE DISTRIBUTION OF DIVIDENDS

Dividends in respect of a fiscal year, if any, will be declared at the Company's annual general meeting in the following year. Under Norwegian law, dividends may be paid in respect of a fiscal year for which audited financial statements have been approved by a majority vote at the annual general meeting, and any proposal to pay a dividend must be recommended by the Company's Board and approved by its shareholders at a general meeting. The shareholders at the Company's annual general meeting may vote to reduce, but may not adopt a resolution to increase, the dividend proposed or accepted by the Company's Board. Dividends declared and approved in this manner accrue to those shareholders who were shareholders at the time the resolution was adopted, unless otherwise stated in the resolution.

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides several constraints on the distribution of dividends:

- Pursuant to section 8-1 of the Norwegian Public Limited Companies Act the Company may only distribute dividend to the extent that the Company's net assets following the distribution covers (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealized gains. From the amount that may be distributed, a deduction shall be made for the aggregate nominal value of treasury shares that the Company has purchased for ownership or as security before the balance date. Deductions shall also be made for credit and collateral etc. according to sections 8-7 to 8-10 from before the balance date which pursuant to these provisions shall lie within the scope of the funds the company may distribute as dividend. No deduction shall, however, be made for credit and collateral etc. that is reimbursed or settled before the time of decision, or credit to a shareholder to the extent that the credit is settled by a netting in the dividend. Transactions after year end which according to law requires free equity, reduce the dividend basis.

- The calculation of the distributable equity shall be made on the basis of the balance sheet in the approved annual accounts for the last fiscal year, however so that the registered share capital as of the date of the resolution to distribute dividend shall apply. Following the approval of the annual accounts for the last fiscal year, the general meeting may also authorize the Board to declare dividend on the basis of the Company's annual accounts.

- Dividend may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

- Dividend may only be distributed to the extent that the Company after the distribution has a sound equity and liquidity.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Further, said Act contains no dividend restrictions or specific procedures for non-Norwegian resident shareholders. For a description of withholding tax on dividends that is applicable to non-Norwegian residents, see section 12.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval. However, all payments to and from Norway shall be registered with the Norwegian Currency Registry. Such registration is made by the entity performing the transaction. Further, each physical transfer of payments in currency shall be notified to the Norwegian customs. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made through a licensed bank.

11.6 DISCLOSURE OBLIGATIONS

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which is the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

The disclosure obligation also requires an investor to disclose agreements giving an investor voting rights over another party's shares if the total holding of shares and voting rights cross any of the mentioned thresholds.

11.7 MANDATORY TAKEOVER BIDS, SQUEEZE OUT, ETC.

The Norwegian Securities Trading Act requires any person, entity or consolidated group who becomes the owner of Shares representing more than 1/3 of the voting rights of the Company to, within four weeks, make an unconditional general offer for the purchase of the remaining Shares in the Company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of Shares which, aggregated with the party's own shareholding, represent more than 1/3 of the voting rights in the Company, and Oslo Børs decides that acquiring such rights must be regarded as effectively being an acquisition of the Shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the Shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a starting point, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

In the mandatory offer, all shareholders shall be treated equally and the price to be paid per share shall be at least as high as the highest price paid or agreed by the acquirer during the last six months prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the Norwegian Securities Trading Act states that the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. The offer must be made in cash or contain a cash alternative at least equal in value to any non-cash offer. Pursuant to the Norwegian Securities Trading Act section 6-6, a repeated bid obligation applies when passing 40% and 50% of the votes of the Company.

In the event of a failure to make a mandatory offer or to sell the portion of the Shares that exceeds the threshold within four weeks, Oslo Børs may force the acquirer to sell the Shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the Company, such as voting at a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group who has passed any of the above-mentioned relevant thresholds for a mandatory offer without triggering such an obligation due to an applicable exemption, and who has therefore not previously made an offer for the remaining Shares in the Company in accordance with the mandatory offer rules, is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of Shares in the Company (subsequent offer obligation).

11.8 COMPULSORY ACQUISITION

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, provided the following three conditions are fulfilled, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders will be deemed to have accepted the offered price after the expiry of the specified deadline.

11.9 LIABILITY OF DIRECTORS

Members of the Board owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Each member of the Board may be held liable by the Company for any damage they negligently or willfully cause the Company. Norwegian law permits the general meeting to exempt any such person from liability towards the Company, but such exemption is not binding unless substantially correct and complete information relating to the grounds for any liability claim was provided at the general meeting when the decision was made. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a general meeting with a majority below that required to amend the Company's articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility, but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by a majority required to amend the articles of association, the minority shareholders cannot pursue the claim in the Company's name.

11.10 DISTRIBUTION OF ASSETS ON LIQUIDATION

Under Norwegian law, a company may be wound-up by a resolution of the company's shareholders in a general meeting passed by the same majority as required to amend the articles of association. The Shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

11.11 RIGHTS OF REDEMPTION AND REPURCHASE OF SHARES

The share capital may be reduced by decreasing the par value of the Shares or by redemption of issued Shares. Such a decision requires the same majority as required to amend the articles of association. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

A Norwegian company may purchase its own shares if an authorization for the board of directors of the company to this effect has been given by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and Shares represented at the meeting. The aggregate par value of treasury shares so acquired and held by the company must not exceed 10% of the company's share capital, and treasury shares may only be acquired if the company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting cannot be given for a period exceeding two years.

11.12 ARTICLES OF ASSOCIATION

The articles of association of REC Silicon ASA are as follows:

§ 1 The name of the Company

The name of the Company is REC Silicon ASA. The Company is a public limited liability company.

§ 2 Business office

The Company's business office is in the municipality of Bærum.

§ 3 Purpose

The Company's purpose is development and sale of products and services related to renewable energy sources, and to perform other financial operations related to such. The Company may, through subscription of shares or in any other ways, including granting of loans, acquire interests in other companies with identical or similar purposes.

§ 4 Share capital

The Company's share capital is NOK 372,412,658 divided into 372,412,658 ordinary shares, each with a nominal value of NOK 1. The company's shares shall be registered in the Norwegian Central Securities Depository.

§ 5 The Board

The Company's Board of Directors shall consist of three to twelve members, elected by the General Meeting. The Chair of the Board shall be elected by the General Meeting or by the Board following decision by the General Meeting. In the event of an equality of votes, the Chair has the casting vote. Board members are elected for a period of one year at a time.

§ 6 Nomination Committee

The Company shall have a Nomination Committee. The Committee shall consist of three members. The members of the Committee shall be elected by the Company's General Meeting, which also appoints the Committee's Chair. The General Meeting shall also lay down the rules of procedure for the Committee's work.

§ 7 Signature

The Chair of the Board and one Board member jointly signs on behalf of the company. The Board may grant power of procuration.

§ 8 Acquisition of shares

Transfer of shares is not conditioned upon the Board's approval. The shareholders have no pre-emptive rights upon the sale or transfer of the company's shares.

§ 9 The General Meeting

The Ordinary General Meeting shall be held annually before the end of June. General Meetings shall be held in the municipality where the Company has its registered business address or in Oslo.

The call shall specify the agenda for the meeting.

The General Meeting shall consider the following:

1. Approve the financial statements and the annual report, including the allocation of profits or deficits.
2. Determine remuneration to the Board of Directors and approve remuneration to the auditor
3. Election of board members and auditor
4. Other matters that shall be considered by the General Meeting according to law or the Articles of Association

§ 10 Extraordinary General Meeting

Extraordinary General Meetings shall be held whenever the Board deems it necessary. The Board shall also call for an Extraordinary General Meeting when the auditor or shareholders who together represent at least five percent of the share capital demand it in writing in order to have a specific matter considered.

The call shall specify the matters to be considered. The Board shall ensure that such General Meeting is held no later than one month subsequent to the date it was required to have such General Meeting. On the extraordinary General Meeting only the issues specified in the call shall be considered, unless all shareholders approve otherwise.

§ 11 Publication of documentation related to general meetings on the company's website

When documents pertaining to matters to be handled at a general meeting have been published at the Company's website, the requirement in the Public Limited Liability Companies Act that such documents shall be distributed to the shareholders does not apply. This includes documents that according to statutory requirements shall be distributed to the shareholders together with the notice of a general meeting. A shareholder may however demand to receive the documents by mail.

§ 12 Participation at General Meetings and proposals for items on the agenda

The Company may in the notice of a General Meeting state that shareholders who wish to participate in the General Meeting, shall notify the Company of this within a specific time limit. The time limit cannot expire earlier than five days prior to the General Meeting. Shareholders who have not given notice within the time limit may be denied participation.

A shareholder has the right to have matters considered at the General Meeting. The matter shall be provided to the Board in writing no later than seven days prior to the time limit for notice of the General Meeting together with a proposal for resolution or reasons for why the matter is put on the agenda. If the notice has already been distributed, a new notice shall be distributed if the time limit for notice to the General Meeting has not expired. A shareholder also has the right to put forward a proposal for resolution.

The Board of Directors may decide that shareholders may cast written votes in advance on items that are to be considered at the Company's general meetings. Such votes may also be cast through electronic communication. The possibility of voting in advance is contingent upon the existence of a satisfactory method for verifying the identity of the voter. The Board of Directors may establish more detailed guidelines for written advance votes. It shall be evident from the notice of the general meeting whether voting in writing in advance of the general meeting is allowed, and which guidelines, if any, have been established for such voting.

In order for a shareholder to be entitled to exercise its rights to attend and to vote on the general meeting, the shareholder's holdings of shares must be registered with the Company's share register the fifth business day prior to the day the general meeting is held (the record date).

* * *

11.13 OTHER INFORMATION

11.13.1 Shareholders not participating in future offerings may be diluted

Unless otherwise resolved or authorized by the general meeting of the Company, shareholders in Norwegian public companies such as REC Silicon ASA have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to Shares issued by the Company. For reasons relating to US securities laws (and the laws in certain other jurisdictions) or other factors, US investors (and investors in such other jurisdictions) may not be able to participate in a new issuance of Shares or other securities and may face dilution as a result.

11.13.2 Beneficial owners of the Shares registered in a nominee account could be unable to exercise their voting rights for such Shares

Beneficial owners of the Shares registered in a nominee account (through brokers, dealers or other third parties) could be unable to exercise their voting rights for such Shares, unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any such general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

11.13.3 It may be difficult for investors to enforce judgements obtained in non-Norwegian courts

The Company is a public limited liability company organised under the laws of Norway. The members of the Company's Board of Directors reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon the Company or such persons, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

11.13.4 Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

12. NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation (**resident or Norwegian shareholders**) and holders that are not residents of Norway for such purposes (**non-resident or foreign shareholders**).*

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

12.1 TAXATION OF DIVIDENDS

12.1.1 Resident corporate shareholders

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the Norwegian participation exemption (Nw.: *fritaksmetoden*). However, 3 pct. of such dividends are taxable as ordinary income at a current rate of 22 pct., implying that dividends distributed from the Company to resident Norwegian corporate shareholders are effectively taxed at a rate of 0.66 pct.

12.1.2 Resident personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22 pct. to the extent the dividends exceed a statutory tax-free allowance (Nw.: *skjermingsfradrag*). The tax basis is upward adjusted with a factor of 1.44 before taxation, implying that dividends exceeding the tax-free allowance are effectively taxed at a rate of 31.68 pct.

The tax-free allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends or capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis for the calculation of allowance the following years.

Norwegian personal shareholders may hold Shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Dividends received on Shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit, will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. Norwegian personal shareholders will still be entitled to a calculated tax free allowance. Please refer to section 12.2.2 for further information in respect of Norwegian share saving accounts.

12.1.3 Non-resident corporate shareholders

Dividends distributed from the Company to non-resident shareholders are in general subject to Norwegian withholding tax at a rate of currently 25 pct., unless otherwise provided for in an applicable tax treaty or the recipient is tax resident within the European Economic Area (the EEA) (ref. section 12.1.5 below for more information on the EEA exemption). Norway has entered into tax treaties with approximately 80 countries. In most tax treaties the withholding tax rate is reduced to 15 pct. or lower.

Non-resident corporate shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax deducted.

All non-resident corporate shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained.

The withholding obligation in respect of dividends distributed to non-resident corporate shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

If foreign corporate shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian corporate shareholders.

Foreign corporate shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

12.1.4 Non-resident personal shareholders

Dividends distributed from the Company to non-resident personal shareholders are in general subject to Norwegian withholding tax at a rate of currently 25 pct., unless otherwise provided for in an applicable tax treaty. Norway has entered into tax treaties with approximately 80 countries. In most tax treaties the withholding tax rate is reduced to 15 pct. or lower. For foreign personal shareholders which are tax resident within the European Economic Area (the EEA), please refer to section 12.1.5 below.

If foreign personal shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian personal shareholders.

Foreign personal shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax deducted.

Non-resident personal shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

12.1.5 Shareholders tax resident within the EEA

Dividends distributed from the Company to personal shareholders tax-resident within the EEA are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25 pct. after deduction of the tax-free allowance. Any excess allowance may be carried forward, cf. section 12.1.2.

Non-resident personal shareholders which are tax-resident within the EEA may hold their Shares through a Norwegian share saving account. Dividends received on and gains derived upon the realization of Shares held through a share saving account by a non-resident personal shareholder resident in the EEA for tax purposes will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the non-resident personal shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains upon realization of Shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on Shares held through a saving account, cf. above, lies with the account operator.

Dividends distributed from the Company to corporate shareholders tax resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the Shares and is genuinely established and performs genuine economic business activities within the EEA.

12.2 TAXATION UPON REALISATION OF SHARES

12.2.1 Resident corporate shareholders

For Norwegian corporate shareholders capital gains upon realization of Shares are generally exempt from tax. Losses are not deductible. Special exit rules apply for resident corporate shareholders that cease to be tax resident in Norway.

12.2.2 Resident personal Shareholders

For Norwegian personal shareholders capital gains upon realization of Shares are taxable as ordinary income in the year of realization, and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized. The tax rate for ordinary income is currently 22 pct. The tax basis is adjusted upwards with a factor of 1.44 before taxation/deduction, implying an effective taxation at a rate of 31.68 pct.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused tax free allowance on a Share (see above) may be set off against capital gains on the same Share, but will not lead to or increase a deductible loss. I.e. any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set off against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the FIFO-principle) when calculating a taxable gain or loss.

Special exit tax rules apply for resident personal shareholders that cease to be tax resident in Norway.

Norwegian personal shareholders may hold Shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Gains derived upon the realization of Shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian personal shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian personal shareholders will be entitled to a calculated tax free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see section 12.1.2 above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on Shares held through the account.

12.2.3 Non-resident shareholders

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax.

12.3 RIGHT TO SUBSCRIBE FOR SHARES

The right to subscribe for Shares is not subject to Norwegian taxation. Costs related to subscription for Shares will be added to the cost price of the Shares.

Please note that subscription rights will not be comprised by the Norwegian share saving account scheme.

12.4 NET WEALTH TAX

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation at a current rate of 0.85% on net wealth exceeding NOK 1,500,000. The Shares will be included in the net wealth with 65% of their listed value as of 1 January in the assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly .

Non-resident shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held by an individual in connection with business activities carried out or managed from Norway.

12.5 STAMP DUTY / TRANSFER TAX

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

12.6 THE COMPANY'S RESPONSIBILITY FOR THE WITHHOLDING OF TAXES

The Company is responsible for and assumes the obligation to deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

12.7 CAUTIONARY NOTE

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

13. ADDITIONAL INFORMATION

13.1 INDEPENDENT AUDITOR

The Company's auditor is KPMG AS, with business registration number 935 174 627 and business address Sørkedalsveien 6, 0369 Oslo. KPMG is a State Authorized Public Accountant (Norway). The partners of KPMG are members of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). KPMG has been the Company's auditor for the financial year ended 31 December 2019.

13.2 ADVISORS

The Managers for the Private Placement are Arctic Securities AS and Pareto Securities AS. The Company's legal advisor with respect to Norwegian law is Advokatfirmaet Schjødt AS.

13.3 INCORPORATION BY REFERENCE

Section in Prospectus	Reference	Reference document and web address
7, 8	Unaudited interim reports	Q1 2020 report: https://ml-eu.globenewswire.com/Resource/Download/a0e1534b-4be5-42b7-93c4-6e6b5a4400cf Q2 2020 report: https://ml-eu.globenewswire.com/Resource/Download/948b2f24-ecb9-4a8c-9b1d-95a586694906 Q3 2020 report: https://ml-eu.globenewswire.com/Resource/Download/8389db7a-00fb-4936-b442-f59d5c024ff2
8	Audited annual report, including an overview of the Company's accounting policy and explanatory notes and the auditor's report	Annual report 2019: https://ml-eu.globenewswire.com/Resource/Download/2e5d0745-e06e-4a87-9161-59bdef52d592

13.4 DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection at the Company's principal office at Lysaker Torg 5, 3 etg., N-1366 Lysaker, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a the term of this Prospectus:

- the Articles of Association of the Company;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus;
- information incorporated by reference into this Prospectus;
- this Prospectus.

The above document will also be available on the Company's website www.recsilicon.com.

14. TRANSFER RESTRICTIONS

14.1 UNITED STATES

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in

compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.2 EUROPEAN ECONOMIC AREA (EEA)

Each person in a Relevant Member State (other than persons in Norway) must represent, warrant and agree that:

a) it is a qualified investor within the meaning of Articles 2(e) of the Prospectus Regulation; and
b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the Prospectus Regulation, (i) the Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

15. DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

Term	Definition
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 collectively
Board or Board of Directors	The Company's Board of Directors
Company	REC Silicon ASA
Executive Management	The Company's executive management team
Financial Statements	The Group's audited consolidated financial statements as of and for the year ended 31 December 2019
Group	The Company together with its subsidiaries
IAS 34	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU.
IFRS	The accounting standards "International Financial Reporting Standards" as adopted by the European Union
Interim Financial Statements	The Group's interim financial statements for the three month period ended 31 March 2020, for the six month period ended 30 June 2020 and for the nine month period ended 30 September 2020
Managers	Arctic Securities AS and Pareto Securities AS collectively
Norwegian FSA	The Financial Supervisory Authority of Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of June 29, 2007 no. 75
Oslo Stock Exchange or Oslo Børs	Oslo Børs, a regulated market place operated by Oslo Børs ASA
Private Placement	The private placement announced by the Company on 14 October 2020
Private Placement Shares	The 92,592,592 new shares issued in the Private Placement
Prospectus	This prospectus dated 4 December 2020
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
REC Silicon	The Company together with its subsidiaries
Relevant Member State	Each Member State of the EEA other than Norway, which has implemented the Prospectus Regulation
Senior Secured Bond	The senior secured bond loan issued by the Company with ISIN NO 0010820590
Shares	The Company's shares
Tranche 1	The tranche of the Private Placement consisting of 27,982,000 new Shares in the Company
Tranche 2	The tranche of the Private Placement consisting of 64,610,592 new Shares in the Company
VPS	The Norwegian Securities Depository

REC Silicon ASA
Lysaker Torg 5, 3 etg.
N-1366 Lysaker
Norway

Arctic Securities AS
Haakon VIIs gate 5
N-0161 Oslo
Norway
Tel: +47 21 01 31 00
www.arctic.com

Pareto Securities AS
Dronning Mauds gate 3
N-0250 Oslo
Norway
Tel: +47 22 87 87 00
www.paretosec.com