

Section 3-19 Announcement of Material Agreement Concluded between REC Silicon ASA's Subsidiary REC Solar Grade Silicon LLC and Hanwha Solutions

Moses Lake, Washington USA January 31, 2023. REC Solar Grade Silicon LLC, a subsidiary of Silicon ASA ("REC Silicon" or the "Company") has entered into a binding term sheet with Hanwha Solutions for a 10 year take-or pay offtake for High Purity Granular polysilicon produced at REC Silicon's facility at Moses Lake, Washington (the "Offtake") utilizing its proprietary FBR process. The Offtake provides for the sale to Hanwha Solutions of 100% of the prime FBR production from the facility. The Offtake will provide the Company with a 10-year secure offtake for nearly all of the production from the Moses Lake facility.

The base price for the Offtake will be determined by market indices adjusted for a premium for US-sourced low carbon material. The base price is subject to both a price minimum and maximum that protects REC Silicon against potential future low market prices that could otherwise threaten the long-term prospects for the Company. The approximate total value of the Offtake for the duration of the arrangement and based upon the market price for polysilicon is currently about \$3 billion.

To secure the offtake obligations and to provide security in support of the restart of the Moses Lake facility, Hanwha Solutions will, upon entering into the full form agreement, make a sizeable and appreciable prepayment (the "Prepayment"). The Prepayment will be credited against purchases of High Purity Granular polysilicon pursuant to a reimbursement schedule over the 10-year term. The parties expect that a full form agreement including all operational details will be entered into in the coming months and will be announced when finalized.

Chinese tariffs on polysilicon manufactured in the USA, uncertain market conditions, and reduced capacity of REC Silicon customers outside of China for the Company's solar grade granular polysilicon resulted in the shutdown of the Moses Lake facility in 2019. However, the introduction of a broad clean energy incentive package in the USA, which includes the Solar Energy Manufacturing for America Act (SEMA), now allows for the development of a solar value chain outside of China as previously announced by Qcells and as referenced in the Company's January 14, 2023, press release. As a leading producer of high-purity Silicon Gases and Granular and Electronics Grade polysilicon with assets in Moses Lake and Butte, REC Silicon is well positioned to benefit from the digital revolution as well as the renewable energy, and energy storage megatrends that fuel the clean energy transition and enable the re-building of Solar and Semiconductor manufacturing in the USA.

Hanwha Solutions together with its affiliate Hanwha Corporation control 33.3% of the shares in REC Silicon ASA and is represented at the board of directors by Tae Won Jun, EVP Hanwha USA, as the board chair and Dong Kwan Kim, CEO Hanwha Solutions, as deputy chair. Both chair Tae Won Jun and deputy chair Dong Kwan Kim recused themselves from discussing and voting on the Offtake.

The Offtake was assessed by two independent third-party experts in the industry that confirmed to the REC Silicon ASA board of directors that the Offtake is balanced, at arm's length, and contains consistent commercial terms to other similar polysilicon offtake transactions in the industry. The Offtake presented an attractive opportunity compared to other commercial conversations after taking into account relevant considerations. The board of directors are therefore of the view that the Offtake has been entered into on arm's length market terms and in the best interests of REC Silicon ASA and its shareholders as a whole.

This announcement is posted on REC Silicon's website in compliance with Section 3-19 of the Norwegian Public Limited Liability Companies Act, which regulation applies whenever a subsidiary of a public company such as REC Silicon ASA enters into a qualifying material agreement with a related party.

The Board of Directors of REC Silicon ASA

Renate Oberhoffer-Fritz

Dr. Renate Oberhoffer-Fritz



Paraskevi (Vivian) Bertseka

Roberta Benedetti

Roberta Benedetti