FOURTH QUARTER

2019

REPORT

FOURTH QUARTER HIGHLIGHTS

(Compared to third quarter 2019)

> Revenues of USD 31.8 million and EBITDA loss of USD 3.0 million
  - Total polysilicon sales volume of 643MT (44.3% Decrease)
  - 362MT Total polysilicon inventory decrease

> December 31, 2019 cash balance of $29.4M
  - Cash decrease of $16.8M
  - Cash outflows from operations $14.5M
    - Working capital increase of $2.5M

> Silicon gas sales
  - Sales volume of 857MT (vs. guidance of 830MT)
  - 8.2% Silane gas price decrease vs. Q3'19

> Semiconductor segment polysilicon sales
  - Sales volume of 303MT (increase of 56.4% vs. Q3'19)
  - 1.0% Semiconductor grade polysilicon price decrease vs. Q3'19

> Phase I trade agreement between the U.S. and China
  - Advised by U.S. Administration that China solar grade polysilicon markets will open
  - Will evaluate the potential restart of FBR production

> > Process to evaluate the sale of the Butte, Montana plant is on-going
  - Will be sold only if an acceptable bid is received
  - Proceeds will be used to retire debt, provide a buffer for contingent liabilities, and to restart FBR

FINANCIAL HIGHLIGHTS

Key Financials - REC Silicon Group

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018	Q3 2019
Revenues	**31.8**	48.9	160.2	221.2	36.4
EBITDA	**-3.0**	-3.8	-12.9	-4.9	-5.6
EBITDA margin	**-9.4%**	-7.7%	-8.0%	-2.2%	-15.5%
EBIT excluding impairment charges	**-14.0**	-14.4	-62.2	-66.5	-16.9
Impairment charges	**-0.2**	0.0	-20.4	-340.5	-0.2
EBIT	**-14.1**	-14.4	-82.6	-407.1	-17.1
EBIT margin	**-44.5%**	-29.5%	-51.6%	-184.0%	-47.1%
Profit/loss before tax	**-45.5**	-13.4	-127.0	-348.0	-20.2
Profit/loss	**-45.5**	-8.0	-127.0	-341.6	-20.2
Earnings per share, basic and diluted (USD)	**-0.16**	-0.03	-0.47	-1.34	-0.07
Polysilicon production in MT (Siemens and granular)	**281**	1,664	3,109	9,280	340
Polysilicon sales in MT (Siemens and granular)	**643**	1,690	5,892	7,784	1,155
Multicrystalline brick sales in MT	**0**	0	0	2	0
Silicon gas sales in MT	**857**	920	3,380	3,600	860

REC SILICON GROUP

REC Silicon produces polysilicon and silicon gases for the solar and electronics industries at plants in Moses Lake, Washington and in Butte, Montana. Impacts of the solar trade dispute between China and the United States, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon resulted in the shutdown of the FBR polysilicon plant in Moses Lake, Washington on May 15, 2019 (see Risks and Uncertainties below).

Revenues during the fourth quarter of 2019 were USD 31.8 million, a decrease of 12.7 percent compared to USD 36.4 million during the third quarter of 2019. Revenues in the Solar Materials segment declined by USD 4.9 million due to the shutdown of the FBR facility in Moses Lake, Washington. Revenues in the Semiconductor Materials segment increased by 1.1 percent or USD 0.3 million due primarily to higher sales volumes of semiconductor grade polysilicon offset by lower average sales prices for silicon gases.

Total polysilicon production volume during the fourth quarter was 281MT which was 31MT higher than guidance provided with the Company's third quarter 2019 financial report. Because the FBR production facility is no longer in operation, all polysilicon production during the fourth quarter of 2019 was from the Semiconductor Materials facility in Butte, Montana. Polysilicon inventories decreased by 362MT during the quarter due primarily to sales of remaining granular polysilicon inventories (FBR).

EBITDA for the fourth quarter was a loss of USD 3.0 million compared to the EBITDA loss of USD 5.6 million during the third quarter of 2019. Third quarter 2019 results included USD 2.2 million reorganization costs associated with the workforce reduction announced on July 15, 2019 and the impacts of lower production volumes caused by a production interruption at the Butte manufacturing facility. The decrease in EBITDA loss can also be attributed to lower fixed costs spending and an insurance settlement of USD 0.6M associated with the equipment fire that occurred in July 2016. These were offset by lower prices, higher electricity costs, and lower sales volumes.

Summary of third quarter results by segment

	Q4 2019	
(USD IN MILLION)	REVENUES	EBITDA
Semiconductor Materials	30.0	5.3
Solar Materials	1.7	-3.8
Other & Eliminations	0.0	-4.5
Total	31.8	-3.0

MARKET DEVELOPMENT

Semiconductor grade polysilicon markets continue to be dominated by long term fixed sales contracts and high polysilicon inventory levels. In addition, lower than expected growth in demand and excess inventories continue to limit sales opportunities for REC Silicon. Concern is growing due to high inventory levels intended to meet anticipated increases in demand which has been slow to develop, especially in memory devices. During the fourth quarter, demand for wafers remained weak due to excess wafer producer inventories caused by stable, but lower than anticipated, orders from semiconductor device manufacturers. REC Silicon's sales of semiconductor grade polysilicon continue to be affected by customer inventory management and delays in the completion of some product qualifications.

Fourth quarter demand for silicon gases was adversely impacted by continued low production utilization rates in all silicon gas market segments. Demand for silicon gases for flat panel displays was impacted by plant shutdowns as production of basic flat panel displays shifts into China. In semiconductor applications, demand for silicon gases continues to grow due to improvements in technology, however, overall demand has been adversely affected by lower manufacturing capacity utilization. Prices for lower end segments of demand (PV and Basic Flat Panel) continue to decline due to oversupply in Chinese markets.

PV installations for the fourth quarter of 2019 are estimated at 32.5GW 2019 (PV InfoLink – PV Market Monthly Note – December 2019) compared to 27.1GW estimated for the third quarter. PV installations in China increased from 6.2GW during the third quarter to 12.2GW during the fourth quarter as markets recovered from stagnation experienced during the third quarter. Spot prices for solar grade polysilicon inside China at the end of the fourth quarter were estimated at USD 7.8/kg, an increase of approximately USD 0.1/kg compared to the end of the prior quarter. Comparable spot prices outside of China were estimated at USD 7.6/kg, broadly unchanged from the prior quarter. Prices for mono-crystalline quality polysilicon are increasing more rapidly than multi-crystalline quality polysilicon due to increases in the supply of lower grade solar polysilicon from new plant start-ups. Polysilicon manufacturers continue to take maintenance outages to manage inventory levels due to excess polysilicon supply. In addition, shutdowns of certain marginal polysilicon producers in China has been reported.

RESEARCH AND DEVELOPMENT

REC Silicon incurred R&D expenses of USD 0.2 million during the fourth quarter of 2019 compared to USD 0.3 million during the third quarter of 2019. Total spending for 2019 was USD 1.4 million compared to USD 2.2 million for 2018.

Research efforts continue to be focused on maintaining minimum research lab operations to support the silicon gas and float zone polysilicon business.

SEGMENT INFORMATION

SEMICONDUCTOR MATERIALS

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

Semiconductor segment revenues were USD 30.0 million during the fourth quarter of 2019 compared to USD 29.7 million during the third quarter of 2019.

Total polysilicon sales volumes for the fourth quarter were 303MT compared to 194MT during the third quarter an increase of 56.4 percent. Semiconductor grade polysilicon sales volumes increased by 60MT (116.9 percent) to 112MT. Solar grade polysilicon sales volumes increased by 49MT (34.5 percent) to 191MT during the fourth quarter. However, overall average prices realized for all grades of polysilicon sold declined by 13.0 percent. Average prices realized for semiconductor grade polysilicon declined by only 1.0 percent compared to the prior quarter.

Total silicon gas sales volumes were 857MT during the fourth quarter of 2019 or 27MT above market guidance provided on October 30, 2019. Fourth quarter silicon gas sales volumes were broadly unchanged compared to the 860MT in the prior quarter. Sales prices realized by REC Silicon for silane gas decreased by 8.2 percent during the fourth quarter.

Total polysilicon production for the fourth quarter of 2019 was 281MT compared to guidance of 250MT provided with the third quarter earnings release on October 30, 2019. This increase was largely a result of higher semiconductor grade polysilicon production during the quarter which was 45MT above guidance at 175MT. Solar grade polysilicon was 105MT during the quarter compared to guidance of 120MT. The Company has limited production volumes to match sales volumes in order to manage inventory levels.

The Semiconductor Materials segment contributed USD 5.3 million of income to the Company's EBITDA during the fourth quarter of 2019. This represents a decrease of USD 2.8 million compared to USD 8.2 million contributed during the third quarter of 2019. Third quarter 2019 results included the impacts of lower production volumes caused by a production interruption. The remaining change in earnings are primarily a result of lower sales prices and higher electricity prices which increased from USD 37/MW during the third quarter to USD 42/MW during the fourth quarter.

SOLAR MATERIALS

REC Silicon has the capability to manufacture polysilicon for the solar energy markets from its manufacturing facility in Moses Lake, Washington.

Impacts of the solar trade dispute between China and the United States, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon resulted in the shutdown of the FBR polysilicon plant in Moses Lake, Washington on May 15, 2019. The facility will remain shut down until significant positive developments in solar grade polysilicon markets occur (see Risks and Uncertainties below).

Revenues for the Solar Materials segment were USD 1.7 million during the fourth quarter of 2019 a decrease of USD 4.9 million compared to third quarter 2019 revenues of USD 6.6 million.

Sales volumes of granular solar grade polysilicon were 340MT compared to 961MT during the third quarter of 2019. Average prices realized by REC Silicon for prime solar grade granular polysilicon declined by 5.6 percent. Total average prices realized by REC for all granular grades declined by 24.0 percent due to higher sales volumes of lower grade polysilicon as remaining inventories are depleted.

Granular polysilicon inventories declined by 340MT during the quarter resulting in remaining inventories of 133MT at December 31, 2019 (excluding fines and powders).

The Solar Materials segment contributed a loss of USD 3.8 million to the Company's EBITDA loss during the fourth quarter of 2019 compared to a loss of USD 6.1 million during the third quarter. The smaller loss is a result of declining expenditures resulting from the shutdown of the FBR facility as costs decline to match decreased activity levels to maintain the plant in a non-operating status and the Company's ongoing efforts to decrease spending to maintain liquidity.

Key Financials - Semiconductor Materials

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018	Q3 2019
Revenues	**30.0**	39.0	126.7	152.9	29.7
EBITDA contribution	**5.3**	11.0	37.8	52.2	8.2
Contribution margin	**17.7%**	28.2%	29.8%	34.2%	27.5%
Polysilicon production in MT (Siemens)	**281**	455	1,339	1,696	340
Polysilicon sales in MT (Siemens)	**303**	420	1,111	1,552	194
Silicon gas sales in MT	**857**	920	3,379	3,599	860

Key Financials - Solar Materials

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018	Q3 2019
Revenues	**1.7**	9.9	33.4	69.2	6.6
EBITDA contribution	**-3.8**	-9.1	-26.6	-26.6	-6.1
Contribution margin	**-223.8%**	-92.5%	-79.7%	-38.4%	-91.8%
Polysilicon production in MT (Siemens and granular)	**0**	1,209	1,770	7,584	0
Polysilicon sales in MT (Siemens and granular)	**340**	1,270	4,781	6,232	961
Multicrystalline brick sales in MT	**0**	0	0	2	0

Key Financials - Other and Eliminations

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018	Q3 2019
Revenues	**0.0**	0.0	0.1	-0.9	0.0
EBITDA contribution	**-4.5**	-5.6	-24.1	-30.5	-7.7
Polysilicon sales in MT (Siemens and granular)	**0**	0	0	0	0
Silicon gas sales in MT	**0**	0	1	1	0

OTHER AND ELIMINATIONS

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

Operating costs in Other and Eliminations were USD 4.5 million during the fourth quarter of 2019 compared to USD 7.7 million for the third quarter of 2019. Operating costs for the third quarter included USD 2.2 million reorganization costs associated with the workforce reduction announced on July 15, 2019 due to the shutdown of the FBR facility in Moses Lake, Washington. The remaining decrease compared to the prior quarter can be attributed to the Company's ongoing efforts to decrease spending and retain liquidity.

INVESTMENTS (YULIN JV)

During the fourth quarter of 2019, Company management determined that REC Silicon's 15 percent ownership share of the Yulin JV no longer afforded it the control necessary to justify the use of the equity method of accounting. While REC Silicon continues to exert significant influence over the technical aspects of operating the manufacturing facility, the Company's ability to influence decisions related to the work force, operational planning, purchasing, finance, and other areas of oversight and control have diminished through time. As a result, the method of accounting for this investment in associates was changed from the equity method to the fair value method during the fourth quarter. This change in accounting method resulted in a loss from investment in associates of USD 23.8 million for the fourth quarter which has been reported in profit and loss for the period. The loss from associates included a loss of USD 9.9 million in currency losses reclassified from

Financial Items - REC Silicon Group

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018	Q3 2019
Financial income	**0.1**	0.1	0.7	0.9	0.2
Interest expenses on borrowings	**-3.3**	-3.3	-13.0	-13.6	-3.3
Interest expense on leases	**-1.5**	0.0	-5.0	0.0	-1.5
Expensing of up-front fees and costs	**-0.1**	-0.1	-0.3	-0.2	-0.1
Other financial expenses	**-0.3**	-0.3	-1.4	-4.2	-0.4
Net financial expenses	**-5.0**	-3.7	-19.6	-18.0	-5.2
Net currency gains/losses	**-2.7**	4.7	-1.2	3.1	2.0
Net financial items	**-7.5**	1.2	-20.2	-14.0	-3.0

other comprehensive income. This currency loss was caused by a stronger USD since the investment was made in February 2014 and has been reported as a component of other comprehensive income during prior periods. In addition, the loss from associates included a gain USD 29.7 million due to the recognition of deferred income associated with the sale of technology to the Yulin JV and a loss of USD 43.6 million due to an impairment loss due to the remeasurement of the investment to its estimated market value using discounted estimated future cashflows (see note 5 Investments in Associates).

The Yulin JV produced approximately 1,970MT of total polysilicon during the fourth quarter of 2019 and 6,110MT for the entire year 2019. FBR polysilicon production was 1,935MT and 6,016MT for the same periods respectively. In addition, the Yulin JV loaded 31MT of silane during the fourth quarter and 47MT of silane for 2019. The relatively low utilization rate of the capacity of the Yulin plant in 2019 was due to an incident during the third quarter that impacted production for several months, delays in the availability of high purity liners for the FBR reactors, and difficult market conditions for solar grade polysilicon.

However, the Yulin JV has demonstrated the production of high purity granular polysilicon and will be installing high purity liners as they are delivered.

Both silane units and the FBR reactors have demonstrated design capacities and utilization rates are expected to increase through time. For 2020, the Yulin JV targets FBR polysilicon production of 10,000MT, Siemens polysilicon production of 60MT, and 300MT of loaded silane.

FINANCIAL ITEMS

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

During the first quarter of 2019, the Company implemented IFRS 16 Leases. As a result, the Company recognized interest of USD 1.5 million during the quarter. See note 4 for additional information on leases.

Net currency gains and (losses) are primarily related to the impact of exchange rate fluctuations between transaction currencies and the USD which is the primary functional currency for the group. Currency gains and losses for the fourth quarter of 2019 consisted of losses of approximately USD 2.7 million associated with liabilities denominated in NOK due to a weaker USD.

See note 8 for additional information on borrowings.

INCOME TAX

The loss before tax of USD 45.5 million in the fourth quarter of 2019 resulted in no effective tax impact since it is offset by changes in the unrecognized deferred tax assets. The loss before tax includes a loss of USD 23.8 million associated with the write-down of the JV to its estimated fair value (see note 5 Investments in Associates). The remaining loss can primarily be attributed to the Company's operations in the United States. These losses represent an increase in the Company's unrecognized deferred tax asset. The losses will continue to be available to offset taxable income during future periods.

See note 18 to the consolidated financial statements for 2018 for additional information on income taxes.

CASH FLOW

Net cash outflows from operating activities were USD 14.5 million during the fourth quarter of 2019. Cash outflows were primarily a result of the EBITDA loss of USD 3.0 million, interest payments of USD 7.8 million, contributions to the frozen defined benefit pension plan in the United States of USD 1.5 million, and an increase in working capital of USD 2.5 million. The increased investment in working capital was due to a decrease in accounts payable of USD 6.7 million and sales in excess of customer collections of USD 3.0 million. These increases in working capital were offset by a decrease in inventories of USD 7.3 million. These cash outflows were offset by a gain of USD 0.6 million due to the impact of a weaker USD on cash balances denominated in NOK. The remaining USD 0.3 million cash outflow can be attributed to changes in other assets and liabilities.

Cash outflows from investing activities were USD 0.7 million and were a result of capital expenditures of USD 0.8 million and an increase of USD 0.1 million in restricted cash. These were offset by the proceeds from the sale of land adjacent to the Moses Lake plant for USD 0.3 million.

Cash outflows from financing activities were USD 1.6 million and were the result of a USD 1.6 million reduction in lease liabilities which have been imputed based upon the requirements of IFRS 16 Leases. See note 4 for additional information on leases.

In total, cash balances decreased by USD 16.8 million to USD 29.4 million at December 31, 2019.

FINANCIAL POSITION

Shareholders' equity decreased to USD 0.8 million (0.3 percent equity ratio) at December 31, 2019, compared to USD 42.4 million (12.5 percent equity ratio) at September 30, 2019. This decrease was a result of a loss from total operations of USD 45.5 million. The operating loss for the fourth quarter included USD 23.8 million loss from investment in associates. The loss from associates included USD 9.9 million in currency losses reclassified from other comprehensive income. This currency loss was caused by a stronger USD since the investment was made in February 2014 and has been reported as a component of other comprehensive income during prior periods. The recognition of this currency loss was triggered by a change in the method of accounting for this investment from the equity method to the fair value method. The remaining USD 13.9 million loss from associates is an impairment loss due to the remeasurement of the investment to estimated fair value using discounted estimated future cashflows (see note 5 Investments in Associates). Other comprehensive income was USD 4.0 million and included the net currency gain of USD 9.9

million reclassified to profit/loss (discussed above) which was offset by a loss associated with the remeasurement of pension plan obligations caused by a change in the discount rate.

Net debt increased by USD 15.9 million to USD 150.6 million at December 31, 2019, from USD 134.6 million at September 30, 2019. This increase is a result of a decrease in cash of USD 16.8 million and a decrease of USD 1.7 million in lease liabilities under IFRS 16 Leases. These were offset by an increase of USD 0.9 million due to changes in the value of the NOK denominated indemnification loan caused by a weaker USD relative to NOK.

Net debt includes unamortized loan fees. Excluding unamortized loan fees, nominal net debt increased by USD 15.9 million to USD 152.0 million at December 31, 2019 compared to USD 136.1 million at September 30, 2019.

See note 17 to the consolidated financial statements for 2018 and note 8 to this report for further information on interest bearing liabilities.

RISKS AND UNCERTAINTIES

Please refer to the annual report for 2018, specifically, note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report.

CHINESE TARIFFS ON US POLYSILICON

REC Silicon's access to polysilicon markets in China has been restricted by tariffs imposed by the Government of China on US polysilicon. Accordingly, the Company curtailed the operation of its FBR production facility in Moses Lake, Washington during the second quarter of 2019.

On January 15, 2020 the Phase I economic and trade agreement was signed by the Government of the United States and the Government of China. This agreement prioritizes polysilicon and contains commitments for China to purchase goods manufactured in the United States during 2020 and 2021 which include solar grade polysilicon. REC Silicon has been advised by US government officials that specific commitments for China to purchase specific quantities of solar grade polysilicon manufactured in the United States are contained in non-public annexes to the agreement. REC Silicon has received indication from these US government officials that Chinese markets for solar grade polysilicon are open to US solar grade polysilicon without tariffs and that these commitments override the extension of tariffs on US made polysilicon announced by the Ministry of Commerce of the People's Republic of China on January 19, 2020.

The Company is evaluating the potential impacts of the Phase I trade agreement. The timing or outcome of any decision to resume operations at the FBR facility in Moses Lake remains uncertain.

In addition, general economic conditions and the effects of the trade war between China and the United States has had an adverse impact on markets served by the semiconductor materials facility in Butte, Montana. REC Silicon is also evaluating the potential impacts of the Phase I trade agreement on the overall economy and its impact on markets served by the Butte, Montana semiconductor materials facility.

INCOME TAXES

REC Silicon previously received notices of reassessment from the Norwegian Central Tax Office (CTO) regarding tax returns for tax years 2009 through 2011. The CTO questioned the deductibility of losses on loans and guarantees provided to subsidiaries and affiliates. The timing and amount of any potential outcome is subject to substantial uncertainty.

PROPERTY TAX

REC Silicon has contested Grant County, Washington's valuations of taxable property. The appeal for year 2012 is currently before the Washington Court of Appeals. The Company has also appealed assessments for the years 2013 through 2015. The Company will not be required to pay disputed tax amounts until all appeals are exhausted. The timing and outcome of these appeals is subject to uncertainty.

INDEMNIFICATION LOAN

The indemnification loan is related to the bankruptcy of a former subsidiary in 2012. At December 31, 2019, the indemnification loan is NOK 200.0 million (USD 22.8 million) and can only be called when certain conditions are met. Once the loan is called, outstanding amounts will bear interest at a rate of NIBOR plus 0.5 percent.

The Company has received a claim dated December 16, 2019 of NOK 150 million from Nordea under the indemnification loan. According to the claim letter from Nordea, Nordea's current claim for NOK 150 million is based on an assumption that its loss will exceed said amount when the estates are concluded. However, the relevant bankruptcy estates have not yet been concluded. Therefore, the amount of loss suffered by Nordea as a result of the bankruptcy cannot be calculated at this time. Accordingly, the Company has responded by denying the claim.

The status and timing of the indemnification loan continue to be subject to uncertainty.

GOING CONCERN

Impacts of the solar trade dispute between China and the United States, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon continue to contribute to the Company's high liquidity risk.

Current market conditions and the solar trade dispute have forced the curtailment of production at the FBR facility in Moses Lake, Washington. Management and the board of directors have placed the FBR plant in a long-term shutdown to reduce spending and to maintain the Company's liquidity. This shutdown of the FBR facility is intended to retain the liquidity necessary to maintain operations at the semiconductor materials facility in Butte, Montana. 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 solar grade polysilicon markets. Additional impairments and provisions would be required if the FBR facility is not restarted.

In addition, general economic conditions and the effects of the trade war between China and the United States is having an adverse impact on markets served by the semiconductor materials facility in Butte, Montana. In response, the Company is implementing plans to reduce spending and activity levels to further conserve cash. As a consequence, the Company's current liquidity position and the estimated results of operations are considered sufficient to meet the operating cash flow requirements for remaining operations and to meet debt service obligations for the next twelve months assuming no payments on the indemnity loan or unfavorable outcome of the notices of reassessment from the Norwegian Central Tax Office (the tax examinations).

The Group reported consolidated equity of USD 0.8 million at December 31, 2019. The low equity level reported by the consolidated group is caused by the impairment of the Solar Materials segment (see note 3 fixed assets) and the relatively low carrying of operating assets in the Semiconductor Materials segment. However, the Company expects to report net equity of USD 148.2 million in the financial statements of the parent company, REC Silicon ASA, at December 31, 2019. The parent company equity consists of share capital of USD 33.9 million and other equity and retained earnings of USD 114.3 million. The Board of Directors considers the equity level of the Company adequate for the Company's current situation. The Board of Directors will monitor equity levels and take appropriate action as necessary.

Please refer to the Company's annual report for 2018. Specifically, the sections on the Company's liquidity risk and the impacts of tariffs imposed by China on US polysilicon which creates significant uncertainty for the Group, its customers, certain other competitors, and the industry as a whole. In addition, if conditions surrounding the call of the indemnity loan or the outcome of tax examinations are negative (See note 31 to the consolidated financial statements for 2018), the Company plans to issue additional equity, issue debt, and/or sell assets to satisfy financial obligations and to meet operating cash flow requirements.

Accordingly, these financial statements have been prepared under the assumption that the Company is a going concern. However, the events and conditions discussed above, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

IMPACT OF CORONAVIRUS OUTBREAK

Recent media reports indicate that the spread of the Coronavirus will adversely impact the Chinese economy and may disrupt global supply chains. Specifically, there have been reports of underutilization of production capacity in industry segments served by REC Silicon. REC Silicon has not been advised by its customers of reductions to anticipated orders, however, communication has been limited due to the Lunar New Year holiday. In addition, REC Silicon has restricted travel to the Asia-Pacific region to protect its employees and to prevent further spread of the virus. The impacts of the coronavirus outbreak on REC Silicon's financial performance are dependent upon the extent and duration of the outbreak. Company management will continue to monitor the situation and take appropriate action as additional developments occur.

MARKET OUTLOOK

Industry forecasts estimate that semiconductor device production will increase during 2020 which is expected to result in stronger demand for semiconductor grade polysilicon in the second half of the year. During the first quarter of 2020, REC Silicon's shipments of semiconductor grade polysilicon are expected to be seasonally weak due to contractual delivery times and reduced order levels to manage inventory levels. Subsequent quarters may continue to be affected by delays in the start-up of new wafer capacity and the completion of product qualifications. During 2020, REC Silicon's shipments of semiconductor grade polysilicon are expected to grow in certain key segments and are forecast by customers to increase in total compared to 2019 due to the completion of product qualifications and a stronger demand profile in the second half of the year. Over the long run, macro demand factors associated with data transmission and storage, mobility, and increasing silicon content in automobiles and other consumer goods are expected to result in demand growth.

Demand for silicon gases in certain semiconductor applications is expected to increase in 2020 compared to 2019. However, continued volatility in solar cell production, the shift of production of basic flat panel displays into China, and overcapacity in China are expected to adversely affect REC Silicon sales volumes. Competitive pressure due to overcapacity will continue to limit sales opportunities and is expected to place downward pressure on prices for silicon gases. For 2020 in total, current customer forecasts indicate that REC Silicon sales volumes of silicon gases will increase compared to 2019. In the longer term, demand for silicon gases is expected to recover due to technology improvements in flat panel display and semiconductor applications. In addition, macro-economic trends of increased demand for consumer goods with silicon content are expected to grow.

End use PV demand for 2020 is expected to grow by approximately 13 percent to 136.9GW compared to 120.7GW in 2019 (PV InfoLink – PV Market Monthly Note – December 2019). Demand growth in 2020 is expected to be driven by increased PV demand in China which is forecast to increase from 26 percent of global PV demand in 2019 to 36 percent of global PV demand in 2020. Growth in PV demand is expected to grow consistent with seasonal trends throughout 2020. However, PV demand during the first quarter of 2020 is expected to decrease by 4GW to 28.5GW compared to fourth quarter of 2019. This is mainly related to

Production targets

	ACTUAL RESULTS		TARGETS	
POLYSILICON PRODUCTION VOLUME (MT)	Q4 2019	2019	Q1 2020	2020
Granular	0	1,770	0	0
Semiconductor Grade	175	867	180	710
Siemens Solar Grade	105	472	100	390
Total	281	3,109	280	1,100
Silicon Gas Sales Volume (MT)	857	3,380	850	3,570

the Lunar New Year Holiday in China. Demand in China is expected to drop to 7GW during the first quarter of 2020 compared to 12.2GW in the fourth quarter of 2019. The coronavirus outbreak in China could adversely impact the PV supply chain.

GUIDANCE

The Company curtailed the operation of the FBR facility in Moses Lake as of May 15, 2019 and will not restart the FBR facility until significant positive developments in solar grade polysilicon markets occur.

The Company will continue to operate its manufacturing facility in Butte, Montana.

PRODUCTION TARGETS

REC Silicon targets polysilicon production of 280MT during the first quarter of 2020 and 1,100MT for the full year 2020. Semiconductor grade polysilicon production is targeted at 180MT for the first quarter and 710MT for the full year 2020.

Silicon gas sales volumes are targeted at 850MT for the first quarter of 2020 and 3,570MT for the full year 2020. This estimate does not reflect the estimated impacts of the Phase I trade agreement between the US and China or other developments in trade relations and their related impacts on the overall economy and on PV markets. The effects of additional developments in trade relations could impact demand for silicon gases.

INVESTMENT AND EXPANSION ACTIVITIES

Capital expenditures were USD 2.0 million in 2019 and are expected to be approximately USD 2.0 million during 2020. Capital spending includes only the capital necessary to maintain safe and reliable operations. The Company will continue to defer and delay capital spending when possible, while maintaining safe operating conditions to maintain liquidity.

FORWARD LOOKING STATEMENTS

This report contains statements regarding the future in connection with the Group's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Market Outlook" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to the Group's activities described in the section "Risks and Uncertainties" above and in REC Silicon's Annual Report for 2018, including the section Risk Factors in the Board of Directors' Report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION REC SILICON GROUP

(USD IN MILLION)	NOTES	**DEC 31, 2019**	SEP 30, 2019	DEC 31, 2018
ASSETS				
Non-current assets				
Intangible assets	3	**1.1**	1.2	11.8
Land and buildings	3	**39.1**	39.9	41.1
Machinery and production equipment	3	**73.1**	72.8	90.9
Other tangible assets	3	**4.2**	3.9	4.8
Assets under construction	3	**3.9**	3.6	9.4
Property, plant and equipment	3	**120.2**	120.2	146.2
Right of use assets	4	**33.8**	34.5	0.0
Investments in associates	5	**0.0**	31.9	34.2
Other investments	5	**18.0**	0.0	0.0
Other non-current receivables		**4.1**	5.1	6.4
Financial assets and prepayments		**22.1**	37.0	40.6
Total non-current assets		**177.3**	192.9	198.6
Current assets				
Inventories	7	**47.7**	64.9	79.1
Trade and other receivables	12	**30.5**	30.6	40.8
Current tax assets		**1.3**	1.3	2.7
Restricted bank accounts		**4.4**	4.2	4.4
Cash and cash equivalents		**29.4**	46.2	31.8
Total current assets		**113.4**	147.3	158.7
Total assets		**290.6**	340.2	357.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION REC SILICON GROUP

(USD IN MILLION)	NOTES	DEC 31, 2019	SEP 30, 2019	DEC 31, 2018
EQUITY AND LIABILITIES				
Shareholders' equity	**14**			
Paid-in capital		**2,812.3**	2,812.3	3,158.0
Other equity and retained earnings		**-2,811.4**	-2,769.9	-3,051.3
Total shareholders' equity		**0.8**	42.4	106.7
Non-current liabilities				
Retirement benefit obligations		**19.5**	15.0	15.5
Non-current provision, interest calculation	10	**3.3**	3.2	3.0
Non-current financial liabilities, interest bearing	8	**109.0**	108.8	108.6
Non-current lease liabilities	4	**41.6**	43.5	0.0
Non-current prepayments, interest calculation		**0.5**	1.1	4.2
Other non-current liabilities, not interest bearing		**0.1**	0.1	5.3
Total non-current liabilities		**174.0**	171.8	136.6
Current liabilities				
Trade payables and other liabilities		**56.6**	68.0	62.1
Current tax liabilities	11	**24.3**	23.5	24.5
Derivatives	6	**1.4**	1.4	1.5
Current financial liabilities, interest bearing	8	**22.4**	21.7	22.7
Current lease liabilities	4	**7.0**	6.8	0.0
Current prepayments, interest calculation		**4.1**	4.7	3.2
Total current liabilities		**115.8**	126.0	114.0
Total liabilities		**289.8**	297.9	250.6
Total equity and liabilities		**290.6**	340.2	357.3

CONSOLIDATED STATEMENT OF INCOME REC SILICON GROUP

(USD IN MILLION)	NOTES	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Revenues		**31.8**	48.9	160.2	221.2
Cost of materials	7	**-4.2**	-12.4	-25.6	-57.3
Changes in inventories	7	**-4.0**	-0.2	-20.7	1.5
Employee benefit expenses		**-9.4**	-12.7	-44.9	-59.7
Other operating expenses		**-17.8**	-27.4	-79.9	-110.1
Other income and expense		**0.6**	0.0	-2.0	-0.5
EBITDA		**-3.0**	-3.8	-12.9	-4.9
Depreciation	3	**-10.3**	-10.6	-42.0	-61.1
Amortization	3	**0.0**	0.0	-0.3	-0.5
Depreciation of right of use assets	4	**-0.7**	0.0	-7.1	0.0
Impairment	3, 4	**-0.2**	0.0	-20.4	-340.5
Total depreciation, amortization and impairment		**-11.1**	-10.6	-69.8	-402.2
EBIT		**-14.1**	-14.4	-82.6	-407.1
Profit/loss from investments in associates	5	**-23.8**	-0.1	-24.2	73.0
Financial income		**0.1**	0.1	0.7	0.9
Net financial expenses		**-5.0**	-3.7	-19.6	-18.0
Net currency gains/losses		**-2.7**	4.7	-1.2	3.1
Net financial items		**-7.5**	1.2	-20.2	-14.0
Profit/loss before tax		**-45.5**	-13.4	-127.0	-348.0
Income tax expense/benefit		**0.0**	5.3	0.0	6.5
Profit/loss		**-45.5**	-8.0	-127.0	-341.6
Attributable to:					
Owners of REC Silicon ASA		**-45.5**	-8.0	-127.0	-341.6
Earnings per share (In USD)	14				
-basic		**-0.16**	-0.03	-0.47	-1.34
-diluted		**-0.16**	-0.03	-0.47	-1.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME REC SILICON GROUP

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Profit/loss	**-45.5**	-8.0	-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	-1.9
Remeasurement of defined benefit plans	**-5.9**	3.5	-5.9	3.5
Currency translation effects	**0.0**	0.0	0.0	1.5
Sum items that will not be reclassified to profit or loss	**-5.9**	3.5	-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	-3.7
- transferred to profit/loss for the period [2]	**9.9**	0.0	9.9	0.0
Sum items that may be reclassified subsequently to profit or loss	**9.9**	0.0	8.0	-3.7
Total other comprehensive income	**4.0**	3.5	2.1	-0.6
Total comprehensive income	**-41.5**	-4.5	-124.9	-342.2
Total comprehensive income attributable to:				
Owners of REC Silicon ASA	**-41.5**	-4.5	-124.9	-342.2

1) Impact of adopting IFRS 9
2) See note 5 Investments

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY REC SILICON GROUP

		ATTRIBUTABLE TO EQUITY HOLDERS OF REC SILICON ASA						
(USD IN MILLION)	NOTES	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**
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	-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**
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	14	-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**

This table presents details of comprehensive income

(USD IN MILLION)	TRANSLATION DIFFERENCES THAT CAN BE TRANSFERRED TO PROFIT AND LOSS	ACQUISITION	RETAINED EARNINGS	**TOTAL**
Year 2018				
Accumulated at January 1, 2018	23.7	20.9	-2,927.9	**-2,883.4**
Profit/loss	0.0	0.0	-341.6	**-341.6**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Fair value adjustment on own credit risk	0.0	0.0	-1.9	**-1.9**
Remeasurement of defined benefit plans	0.0	0.0	3.5	**3.5**
Currency translation effects	0.0	0.0	1.5	**1.5**
Sum items that will not be reclassified to profit or loss	0.0	0.0	3.1	**3.1**
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	-3.7	0.0	0.0	**-3.7**
Sum items that may be reclassified to profit or loss	-3.7	0.0	0.0	**-3.7**
Total other comprehensive income for the period	-3.7	0.0	3.1	**-0.6**
Total comprehensive income for the period	-3.7	0.0	-338.5	**-342.2**
Accumulated at December 31, 2018	20.0	20.9	-3,266.4	**-3,225.6**
Year 2019				
Accumulated at January 1, 2019	20.0	20.9	-3,266.4	**-3,225.6**
Profit/loss	0.0	0.0	-127.0	**-127.0**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	0.0	0.0	-5.9	**-5.9**
Currency translation effects	0.0	0.0	0.0	**0.0**
Sum items that will not be reclassified to profit or loss	0.0	0.0	-5.9	**-5.9**
Items that may be reclassified to profit or loss:				
Currency translation differences taken to equity	-1.9	0.0	0.0	**-1.9**
Currency translation differences transferred to profit/loss for the period	9.9	0.0	0.0	**9.9**
Sum items that may be reclassified to profit or loss	8.0	0.0	0.0	**8.0**
Total other comprehensive income for the period	8.0	0.0	-5.9	**2.1**
Total comprehensive income for the period	8.0	0.0	-132.9	**-124.9**
Accumulated at December 31, 2019	27.9	20.9	-3,399.3	**-3,350.5**

CONSOLIDATED STATEMENT OF CASH FLOWS TOTAL OPERATIONS REC SILICON GROUP

(USD IN MILLION)	NOTES	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Cash flows from operating activities					
Profit/loss before tax		**-45.5**	-13.4	-127.0	-348.0
Income taxes paid/received		**0.0**	0.0	2.7	0.7
Depreciation, amortization and impairment	3, 4	**11.1**	10.6	69.8	402.2
Investment in associates, impairment financial assets, gains/losses on sale	5	**24.2**	0.1	24.2	-72.5
Changes in receivables, prepayments from customers etc.	12	**-3.0**	-4.6	5.4	9.7
Changes in inventories	7	**7.3**	7.4	21.5	3.8
Changes in payables, accrued and prepaid expenses		**-8.5**	-2.7	-7.8	-5.7
Changes in provisions	10	**0.0**	0.0	0.0	-0.3
Changes in VAT and other public taxes and duties		**0.0**	-2.9	0.0	0.0
Changes in derivatives		**0.0**	-0.1	0.0	-0.1
Currency effects not cash flow or not related to operating activities		**1.3**	-3.0	-0.5	-1.7
Other items		**-1.4**	-0.2	-1.4	1.9
Net cash flow from operating activities		**-14.5**	-8.7	-13.0	-10.1
Cash flows from investing activities					
Proceeds/Payments finance receivables and restricted cash		**-0.1**	0.2	0.0	0.0
Proceeds from sale of property, plant and equipment and intangible assets		**0.3**	0.0	1.5	0.6
Payments for property, plant and equipment and intangible assets	3	**-0.8**	-0.5	-2.0	-1.7
Net cash flow from investing activities		**-0.7**	-0.2	-0.6	-1.2
Cash flows from financing activities					
Increase in equity	14	**0.0**	0.0	19.0	0.0
Payments of lease liabilities	4	**-1.6**	0.0	-7.8	0.0
Payments of borrowings and up-front/waiver loan fees [1)]		**0.0**	-0.2	0.0	-171.4
Proceeds from borrowings		**0.0**	0.0	0.0	110.0
Net cash flow from financing activities		**-1.6**	-0.2	11.2	-61.4
Effect on cash and cash equivalents of changes in foreign exchange rates		**0.0**	0.0	0.0	0.0
Net increase/decrease in cash and cash equivalents		**-16.8**	-9.2	-2.4	-72.7
Cash and cash equivalents at the beginning of the period		**46.2**	41.0	31.8	104.5
Cash and cash equivalents at the end of the period		**29.4**	31.8	29.4	31.8

1) Payment of borrowings include fees and costs for issue and repurchase of interest bearing debt.

NOTES

1 GENERAL

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

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

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

FINANCIAL STATEMENTS
These consolidated interim financial statements, combined with other relevant financial information in this report, have been prepared in accordance with IAS 34. They have not been audited or subject to a review by the auditor. They do not include all the information required for full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2018. The consolidated financial statements for 2018 are available upon request from the Company's registered office in Fornebu, Norway or at www.recsilicon.com.

The Board of Directors has prepared these interim financial statements under the assumption that the Company is a going concern and is of the opinion that this assumption was realistic at the date of the accounts. Please refer to the section Risks and Uncertainties in this report for additional information.

ACCOUNTING POLICIES
The consolidated financial statements for 2018 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The accounting policies adopted by the Company are consistent with those of the previous fiscal year. See note 2.24 to the consolidated financial statements for 2018.

IFRS 16 was issued in January 2016, and outlines the principles for the recognition, measurement, presentation and disclosure of leases requiring lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance lease under IAS 17 and established a balance sheet lease accounting model that increases transparency and comparability.

The new standard which supersedes existing lease guidance, including IAS 17, IFRIC 4, and SIC-27 applies to periods beginning January 1, 2019. The group adopted IFRS 16 on the required effective date using the modified retrospective approach. As a result, prior year amounts have not been restated (See note 4).

IFRS 16 includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less) which will be recognized as expense in profit or loss when incurred.

At the commencement date of a lease, a lessee recognizes a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

SEGMENT INFORMATION

REC Silicon produces silicon gas and polysilicon for the semiconductor industries at its manufacturing facility in Butte, Montana. The Company also has the capability to produce polysilicon for the photovoltaic industry at its manufacturing facility in Moses Lake, Washington. Due to market conditions and the ongoing solar trade dispute between China and the United States, the manufacturing facility in Moses Lake, Washington has been temporarily shut down (see note 11 below). Accordingly, management has determined that there are two operating segments; Solar Materials and Semiconductor Materials. The operating segments include revenues less cost of manufacturing excluding depreciation for products sold while Other include general, administrative, and selling expenses which support both operating segments in addition to administrative costs for the Company's headquarters in Fornebu, Norway. Eliminations include the reversal of the impact of transactions between group members and affiliates. The results of the operating segments plus Other and Eliminations taken together reconcile to total EBITDA for the Group.

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

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

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). REC Silicon AS and REC Solar AS have a functional currency of NOK. The Company and its remaining subsidiaries have a functional currency of USD. The Group's reporting currency is USD. See note 2.4 to the consolidated financial statements for 2018.

ESTIMATES AND JUDGMENTS

Preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4 to the consolidated financial statements for 2018.

2 SEGMENT INFORMATION

See notes 2.3 and 5 to the consolidated financial statements for 2018 and note 1 to these financial statements for further information on segments.

The following table summarizes key financial results by segment:

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Revenues				
Semiconductor Materials	**30.0**	39.0	126.7	152.9
Solar Materials	**1.7**	9.9	33.4	69.2
Other	**0.0**	0.0	0.0	0.0
Eliminations	**0.0**	0.0	0.0	-0.9
Total	**31.8**	48.9	160.2	221.2
EBITDA				
Semiconductor Materials	**5.3**	11.0	37.8	52.2
Solar Materials	**-3.8**	-9.1	-26.6	-26.6
Other	**-4.5**	-5.6	-24.1	-30.0
Eliminations	**0.0**	0.0	0.0	-0.5
Total	**-3.0**	-3.8	-12.9	-4.9
EBIT				
Semiconductor Materials	**-1.9**	4.3	7.5	86.6
Solar Materials	**-7.5**	-12.9	-65.1	-466.7
Other	**-4.8**	-5.9	-25.1	-26.4
Eliminations	**0.0**	0.0	0.0	-0.5
Total	**-14.1**	-14.4	-82.6	-407.1

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

Semiconductor Materials - Segment

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Revenues	**30.0**	39.0	126.7	152.9
Cost of materials	**-4.1**	-6.3	-18.1	-22.9
Change in inventories	**-1.9**	1.0	2.8	0.5
Employee benefit expense	**-5.4**	-5.2	-21.3	-21.4
Other operating expenses	**-13.4**	-17.5	-52.4	-56.7
Other income and expenses	**0.0**	0.0	0.0	-0.1
Total current costs	**-24.7**	-28.0	-88.9	-100.2
EBITDA contribution	**5.3**	11.0	37.8	52.2
Depreciation of fixed Assets	**-6.5**	-6.7	-26.5	-21.2
Amortization	**0.0**	0.0	0.0	0.0
Depreciation of leased Assets	**-0.6**	0.0	-3.6	0.0
Impairment	**-0.1**	0.0	-0.1	55.5
Total depreciation, amortization, and impairment	**-7.3**	-6.7	-30.3	34.4
EBIT contribution	**-1.9**	4.3	7.5	86.6

Solar Materials - Segment

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Revenues	**1.7**	9.9	33.4	69.2
Cost of materials	**-0.1**	-6.1	-7.5	-34.7
Change in inventories	**-2.1**	-1.2	-23.5	1.1
Employee benefit expense	**-1.6**	-4.1	-12.5	-20.6
Other operating expenses	**-2.4**	-7.7	-16.9	-41.4
Other income and expenses	**0.7**	0.1	0.3	-0.1
Total current costs	**-5.5**	-19.0	-60.0	-94.7
EBITDA contribution	**-3.8**	-9.1	-26.6	-26.6
Depreciation of fixed Assets	**-3.5**	-3.7	-14.6	-39.2
Amortization	**0.0**	0.0	-0.3	-0.2
Depreciation of leased Assets	**-0.1**	0.0	-3.4	0.0
Impairment	**0.0**	0.0	-20.1	-400.7
Total depreciation, amortization, and impairment	**-3.7**	-3.7	-38.5	-440.1
EBIT contribution	**-7.5**	-12.9	-65.1	-466.7

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

(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Non-Contract Revenue	**17.6**	33.5	102.8	153.8
Structured (Regional/Volume pricing)	**13.1**	14.0	52.3	59.6
Tiered (Volume pricing)	**1.1**	1.4	5.1	7.8
Contract Revenue	**14.2**	15.4	57.4	67.4
Total	**31.8**	48.9	160.2	221.2

3 FIXED ASSETS

See note 6 to the consolidated financial statements for 2018.

Property, plant and equipment and intangible assets

(USD IN MILLION)	LAND AND BUILDINGS	MACHINERY AND PRODUCTION EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	ASSETS UNDER CONSTRUCTION	**TOTAL PROPERTY, PLANT AND EQUIPMENT**	TOTAL INTANGIBLE ASSETS	**TOTAL**
Carrying value at January 1, 2019	41.1	90.9	4.8	9.4	**146.2**	11.8	**158.0**
Net additions [1]	0.9	10.5	0.3	0.2	**11.9**	-0.1	**11.9**
Disposals	-1.2	-1.6	-0.1	0.0	**-2.9**	0.0	**-2.9**
Depreciation and amortization	-2.5	-38.3	-1.1	0.0	**-42.0**	-0.3	**-42.3**
Impairment [2]	0.9	11.6	0.1	-5.7	**6.9**	-10.3	**-3.4**
Carrying value at December 31, 2019	39.1	73.1	4.2	3.9	**120.2**	1.1	**121.4**
At December 31, 2019							
Historical cost	140.9	2,141.5	80.5	60.4	**2,423.3**	68.7	**2,492.0**
Accumulated depreciation/amortization/impairment	-101.8	-2,068.4	-76.3	-56.6	**-2,303.1**	-67.6	**-2,370.7**
Carrying value at December 31, 2019	39.1	73.1	4.2	3.9	**120.2**	1.1	**121.4**

1) Net additions include transfers from assets under construction
2) Includes reallocation of previous impairment (see note 4 for additional impairment)

IMPAIRMENT REVIEWS

See note 7 to the consolidated financial statements for 2018.

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

The Group conducted a review of impairment indicators and impairment testing was performed at December 31, 2019. For the Solar CGU, impairment indicators were identified that could give rise to a change in impairment included decreases in the Company's market capitalization and recurring net operating losses (see note 11 and 15 below).

Value in use for the Solar CGU has been estimated using discounted cash flows over a 5-year period with the last year used as a basis for the terminal value. A discount rate of 13.5 percent was estimated on an after-tax basis and adjusted to estimate the equivalent before tax discount rate of 16.2 percent.

Long term impacts on polysilicon market conditions caused by the solar trade dispute between the US and China are difficult to determine. Forecasts used to arrive at estimated future cash flows include the assumption that market conditions will support the restart of production in the Moses Lake FBR facility in 2022. The timing and length of the shutdown of the FBR facility are dependent on whether significant positive developments in solar grade polysilicon markets occur. Additional impairment of the Solar Materials CGU would be required if the FBR facility is not restarted.

The Company has not considered the potential impacts of the Phase I trade agreement which was signed by the US and China on January 15, 2020 on estimates used to calculate value in use for impairment testing. For example, this agreement has the potential to accelerate the restart of the FBR facility in Moses Lake, Washington compared to estimates used to determine the value in use for impairment testing (see note 15 below).

The resulting value in use of the Solar Materials CGU is estimated to approximate the carrying value at December 31, 2019. Therefore, no additional impairment or reversal of impairment has been recognized.

4 LEASES

Right-of-Use assets

(USD IN MILLION)	MACHINERY	GAS PLANTS	COMPUTER HW/SW	MOTOR VEHICLES	TOTAL
Balance at January 1, 2019	0.0	28.8	0.1	0.0	**28.9**
Depreciations	-0.2	-6.9	0.0	0.0	**-7.1**
Additions	3.2	0.2	0.0	0.0	**3.4**
Impairments	-2.9	-14.0	0.0	0.0	**-17.0**
Adjustments	0.0	25.6	0.0	0.0	**25.6**
Termination	0.0	0.0	0.0	0.0	**0.0**
Balance at December 31, 2019	0.1	33.7	0.0	0.0	**33.8**

Lease Liabilities

		MATURITY ANALYSIS - CONTRACTUAL PAYMENTS TO BE MADE					
(USD IN MILLION)	TOTAL FUTURE LEASE PAYMENTS	2019	2020	2021	2022	2023	AFTER 2023
Lease liabilities at December 31 [1)]	93.2	0.0	12.6	8.6	7.8	7.8	56.5

1) Amounts listed are undiscounted.

Adjustments include USD 25.3 million associated with a 15-year extension of a long-term lease on the existing plant gas facility in Butte, Montana in addition to USD 0.3 million for semi-annual and annual CPI index adjustments related to plant gas facility leases.

The weighted average incremental borrowing rate applied to lease liabilities at December 31, 2019 is 13.1 percent.

Leases expensed in the period

(USD IN MILLION)	**Q4 2019**	YEAR 2019
Interest on lease liabilities	**1.5**	5.0
Expenses relating to short-term leases	**0.1**	1.4
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**0.0**	0.0

Right-of-use assets associated with contracts which expire in 2019 are expensed in accordance with the short-term exemption available upon implementation of IFRS 16.

In the fourth quarter, the Group made lease payments totaling USD 3.1 million (imputed interest included). In addition, current period expense payments for leases exempted from IFRS 16 such as low value and short-term leases totaled USD 0.1 million.

5 INVESTMENTS

INVESTMENT IN ASSOCIATES

The Group is a party to a joint arrangement in China; Shaanxi Non-Ferrous Tian Hong REC Silicon Materials Co., Ltd. (Yulin JV). On February 1, 2018, REC Silicon Pte. Ltd (REC Silicon) and Shaanxi Non-Ferrous Tian Hong New Energy Co. Ltd. (SNF) entered into a supplemental agreement in relation to outstanding capital contributions. REC Silicon's ownership is 15 percent of the Yulin JV. See note 8 to the consolidated financial statements for 2018.

During the fourth quarter of 2019, Company management determined that REC Silicon's 15 percent ownership share of the Yulin JV no longer afforded it the control necessary to justify the use of the equity method of accounting. While REC Silicon continues to exert significant influence over the technical aspects of operating the manufacturing facility, the Company's ability to influence decisions related to the work force, operational planning, purchasing, finance, and other areas of oversight and control have diminished through time. As a result, the method of accounting for this investment in associates was changed from the equity method to the fair value method during the fourth quarter.

When the accounting method of an investment is changed from the equity method to fair value, all deferred gains and losses are recognized in profit / loss. The remaining deferred gain associated with the sale of technology to the Yulin JV of USD 29.7 million has been included in profit/ loss from investments in associates in the consolidated statement of income during the fourth quarter of 2019. The release of the deferred gain resulted in a carrying value for the investment of USD 73.3 million.

During the Group's review of impairment indicators, impairment indicators were identified that could result in the impairment of the Company's investment in the Yulin JV. The market value of the investment was estimated using a similar method used to evaluate the impairment of cash generating units described in note 3. In addition, assumption used to estimate the value of the Yulin JV are consistent with those used for impairment testing in note 3 fixed assets. Discounted estimated future cash flows from Yulin JV operations over a 5-year period with the last year used as a basis for the terminal value. A discount rate of 13.5 percent was estimated on an after-tax basis and adjusted to estimate the equivalent before tax discount rate of 15.1 percent. The estimated value of the investment in the Yulin JV exceeded the carrying amount of the investment. Therefore, an impairment loss of USD 43.6 million has been included in the loss from investments in associates.

The total loss from investments reported in the Consolidated Statement of Income is USD 23.8 million which consists of a loss of USD 9.9 million reclassification of currency losses from other comprehensive income, a gain USD 29.7 million due to the recognition of deferred income due associated with the sale of technology to the Yulin JV, and a loss of USD 43.6 million due to impairment.

The following table presents a reconciliation of the Group's investment in in the Yulin Joint Venture in China using the equity method of accounting:

Investment in associates - equity method

(USD IN MILLION)	DEC 31, 2019	DEC 31, 2018
Carrying value at January 1	34.2	-34.7
Share of joint venture profit/loss	-0.3	-0.5
Deferred income/expense	0.0	0.8
Change in Deferred Gain of Tech Transfer	29.7	67.2
Change in Retained earnings due to change in ownership	0.0	5.0
Effects of changes in currency exchange rates	-1.9	-3.7
Impairment of Investment in Associates	-43.6	0.0
New cost basis of fair value Investment	-18.0	0.0
Carrying value at end of period	0.0	34.2

OTHER INVESTMENTS

In accordance with International Accounting Standard (IAS) 28, the carrying amount of the investment at that date the equity method is discontinued has been reported as the initial new cost basis of the investment in the Yulin JV at fair value and USD 18.0 million has been reported in the line other investments in the consolidated statement of financial position at December 31, 2019.

6 DERIVATIVES

See notes 3, 11, and 30 to the consolidated financial statements for 2018.

Derivatives consist of an option contract which is a part of the indemnification agreement associated with the REC Wafer bankruptcy (see note 11 below).

At December 31, 2019, the option contract was a liability valued at USD 1.4 million (USD 1.5 million at December 31, 2018).

7 INVENTORIES

See note 13 to the consolidated financial statements for 2018.

Inventories at end of period

	DEC 31, 2019			DEC 31, 2018		
(USD IN MILLION)	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS	BEFORE WRITEDOWNS	WRITEDOWNS	AFTER WRITEDOWNS
Stock of raw materials	**4.2**	**0.0**	**4.2**	4.9	0.0	4.9
Spare parts	**42.2**	**-32.9**	**9.3**	42.5	-19.0	23.5
Work in progress	**10.7**	**-1.1**	**9.6**	12.5	-1.7	10.8
Finished goods	**41.6**	**-17.0**	**24.6**	90.9	-51.0	39.9
Total	**98.7**	**-51.0**	**47.7**	150.8	-71.7	79.1

8 BORROWINGS AND GUARANTEES

See notes 4, 17, and 30 to the consolidated financial statements for 2018.

Carrying amounts of interest-bearing liabilities at December 31, 2019 and contractual repayments (excluding interest payments) are specified in the table below.

	CARRYING AMOUNT		CONTRACTUAL PAYMENTS, EXCLUDING INTEREST		
(USD IN MILLION)	CURRENCY	USD	TOTAL	2019	2023
Capitalized Borrowing Cost, non-current (USD) [1]	-1.0	-1.0			
Captialized Borrowing Cost, current (USD) [1]	-0.4	-0.4			
Senior secured bond (USD)	110.0	110.0	110.0	0.0	110.0
Indemnification loan (NOK)	200.0	22.8	22.8		
Total		131.4	132.8	0.0	110.0

1) Amortized as part of effective interest.

The indemnification loan is related to the bankruptcy of a former subsidiary in 2012. At December 31, 2019, the indemnification loan is NOK 200.0 million (USD 22.8 million) and can only be called when certain conditions are met. Once the loan is called, outstanding amounts will bear interest at a rate of NIBOR plus 0.5 percent.

The Company has received a claim dated December 16, 2019 of NOK 150 million from Nordea under the indemnification loan. According to the claim letter from Nordea, Nordea's current claim for NOK 150 million is based on an assumption that its loss will exceed said amount when the estates are concluded. However, the relevant bankruptcy estates have not yet been concluded. Therefore, the amount of loss suffered by Nordea as a result of the bankruptcy cannot be calculated at this time. Accordingly, the Company has responded by denying the claim.

The status and timing of the indemnification loan continue to be subject to uncertainty (see note 11 below).

Guarantees
See note 29 to the consolidated financial statements for 2018.

At December 31, 2019, the Company had provided USD 4.8 million in bank guarantees against which the Company has pledged USD 3.8 million of restricted cash. This included bank guarantees for the benefit of REC Solar of USD 1.1 million with USD 0.2 million of restricted cash as security.

The Company has also provided parent company guarantees related to the performance of solar panels and systems sold by the REC Solar Group. These guarantees were USD 54.7 million at December 31, 2019 and December 31, 2018.

The Company has been provided with offsetting guarantees by REC Solar Holdings AS as part of the sale of REC Solar in 2013.

Fair values of financial instruments
See note 30 to the consolidated financial statements for 2018.

The option contract in the indemnification agreement associated with the REC Wafer Norway AS bankruptcy is subject to level 3 of the fair value hierarchy of IFRS 13. The value of this option was USD 1.4 million at December 31, 2019 and USD 1.5 million at December 31, 2018.

The fair value of the USD senior secured bond at December 31, 2019 is estimated at 105.5 percent of nominal value. The USD senior secured bond is subject to level 2 of the fair value hierarchy of IFRS 13.

USD Senior Secured Bond

(USD IN MILLION)	**DEC 31, 2019**	**SEP 30, 2019**	JUN 30, 2019	MAR 31, 2019	DEC 31, 2018
Nominal value	**110.0**	110.0	110.0	110.0	110.0
Capitalized Borrowing Cost, non-current [1]	**-1.0**	-1.2	-1.2	-1.3	-1.4
Net carrying amount, non-current	**109.0**	108.8	108.8	108.7	108.6
Captialized Borrowing Cost, current [1]	**-0.4**	-0.3	-0.3	-0.3	-0.3
Net carrying amount	**108.6**	108.5	108.4	108.4	108.3

1) Amortized as part of effective interest.

The following table represents change due to IFRS 9 related to the USD convertible bond.

	CHANGES DUE TO IFRS 9			
(USD IN MILLION)	Q4 2019	Q4 2018	YEAR 2019	YEAR 2018
Profit/Loss	0.0	0.0	0.0	0.0
Other Comprehensive Income	0.0	0.0	0.0	1.9
Total	0.0	0.0	0.0	1.9

9 COMMITMENTS

Contractual purchase obligations and minimum operating lease payments at December 31, 2019

(USD IN MILLION)	TOTAL FUTURE PAYMENTS	REMAINING 2019	2020	2021	2022	2023	2024	AFTER 2024
Purchase of goods and services	14.5	0.0	14.5	0.0	0.0	0.0	0.0	0.0
Minimum operating lease payments	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Total purchase obligations and minimum lease payments	14.6	0.0	14.6	0.0	0.0	0.0	0.0	0.0

10 PROVISIONS

(USD IN MILLION)	2019
Carrying value at January 1	**3.0**
Net periodic asset retirement obligation costs including net interest	**0.3**
Provision for Restructuring	**0.0**
Carrying value at December 31	**3.3**

See note 20 to the consolidated financial statements for 2018.

The AROs represent the present value of estimated future costs discounted between 8 to 11.5 percent and between 10 to 40 years.

11 CLAIMS, DISPUTES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Please refer to the annual report for 2018, specifically, note 31 to the consolidated financial statements and the risk factors section of the Board of Directors' Report.

CHINESE TARIFFS ON US POLYSILICON

REC Silicon's access to polysilicon markets in China has been restricted by tariffs imposed by the Government of China on US polysilicon. Accordingly, the Company curtailed the operation of its FBR production facility in Moses Lake, Washington during the second quarter of 2019.

On January 15, 2020 the Phase I economic and trade agreement was signed by the Government of the United States and the Government of China. This agreement prioritizes polysilicon and contains commitments for China to purchase goods manufactured in the United States during 2020 and 2021 which include solar grade polysilicon. REC Silicon has been advised by US government officials that specific commitments for China to purchase specific quantities of solar grade polysilicon manufactured in the United States are contained in non-public annexes to the agreement. REC Silicon has received indication from these US government officials that Chinese markets for solar grade polysilicon are open to US solar grade polysilicon without tariffs and that these commitments override the extension of tariffs on US made polysilicon announced by the Ministry of Commerce of the People's Republic of China on January 19, 2020.

The Company is evaluating the potential impacts of the Phase I trade agreement. The timing or outcome of any decision to resume operations at the FBR facility in Moses Lake remains uncertain.

In addition, general economic conditions and the effects of the trade war between China and the United States has had an adverse impact on markets served by the semiconductor materials facility in Butte, Montana. REC Silicon is also evaluating the potential impacts of the Phase I trade agreement on the overall economy and its impact on markets served by the Butte, Montana semiconductor materials facility.

INCOME TAXES
REC Silicon previously received notices of reassessment from the Norwegian Central Tax Office (CTO) regarding tax returns for tax years 2009 through 2011. The CTO questioned the deductibility of losses on loans and guarantees provided to subsidiaries and affiliates. The timing and amount of any potential outcome is subject to substantial uncertainty.

PROPERTY TAX
REC Silicon has contested Grant County, Washington's valuations of taxable property. The appeal for year 2012 is currently before the Washington Court of Appeals. The Company has also appealed assessments for the years 2013 through 2015. The Company will not be required to pay disputed tax amounts until all appeals are exhausted. The timing and outcome of these appeals is subject to uncertainty.

INDEMNIFICATION LOAN
The indemnification loan is related to the bankruptcy of a former subsidiary in 2012. At December 31, 2019, the indemnification loan is NOK 200.0 million (USD 22.8 million) and can only be called when certain conditions are met. Once the loan is called, outstanding amounts will bear interest at a rate of NIBOR plus 0.5 percent.

The Company has received a claim dated December 16, 2019 of NOK 150 million from Nordea under the indemnification loan. According to the claim letter from Nordea, Nordea's current claim for NOK 150 million is based on an assumption that its loss will exceed said amount when the estates are concluded. However, the relevant bankruptcy estates have not yet been concluded. Therefore, the amount of loss suffered by Nordea as a result of the bankruptcy cannot be calculated at this time. Accordingly, the Company has responded by denying the claim.

The status and timing of the indemnification loan continue to be subject to uncertainty.

GOING CONCERN
Impacts of the solar trade dispute between China and the United States, uncertain market conditions, and reduced demand for the Company's solar grade polysilicon continue to contribute to the Company's high liquidity risk.

Current market conditions and the solar trade dispute have forced the curtailment of production at the FBR facility in Moses Lake, Washington. Management and the board of directors have placed the FBR plant in a long-term shutdown to reduce spending and to maintain the Company's liquidity. This shutdown of the FBR facility is intended to retain the liquidity necessary to maintain operations at the semiconductor materials facility in Butte, Montana. 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 solar grade polysilicon markets. Additional impairments and provisions would be required if the FBR facility is not restarted.

In addition, general economic conditions and the effects of the trade war between China and the United States is having an adverse impact on markets served by the semiconductor materials facility in Butte, Montana. In response, the Company is implementing plans to reduce spending and activity levels to further conserve cash. As a consequence, the Company's current liquidity position and the estimated results of operations are considered sufficient to meet the operating cash flow requirements for remaining operations and to meet debt service obligations for the next twelve months assuming no payments on the indemnity loan or unfavorable outcome of the notices of reassessment from the Norwegian Central Tax Office (the tax examinations).

The Group reported consolidated equity of USD 0.8 million at December 31, 2019. The low equity level reported by the consolidated group is caused by the impairment of the Solar Materials segment (see note 3 fixed assets) and the relatively low carrying of operating assets in the Semiconductor Materials segment. However, the Company expects to report net equity of USD 148.2 million in the financial statements of the parent company, REC Silicon ASA, at December 31, 2019. The parent company equity consists of share capital of USD 33.9 million and other equity and retained earnings of USD 114.3 million. The Board of Directors considers the equity level of the Company adequate for the Company's current situation. The Board of Directors will monitor equity levels and take appropriate action as necessary.

Please refer to the Company's annual report for 2018. Specifically, the sections on the Company's liquidity risk and the impacts of tariffs imposed by China on US polysilicon which creates significant uncertainty for the Group, its customers, certain other competitors, and the industry as a whole. In addition, if conditions surrounding the call of the indemnity loan or the outcome of tax examinations are negative (See note 31 to the consolidated financial statements for 2018), the Company plans to issue additional equity, issue debt, and/or sell assets to satisfy financial obligations and to meet operating cash flow requirements.

Accordingly, these financial statements have been prepared under the assumption that the Company is a going concern. However, the events and conditions discussed above, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

IMPACT OF CORONAVIRUS OUTBREAK

Recent media reports indicate that the spread of the Coronavirus will adversely impact the Chinese economy and may disrupt global supply chains. Specifically, there have been reports of underutilization of production capacity in industry segments served by REC Silicon. REC Silicon has not been advised by its customers of reductions to anticipated orders, however, communication has been limited due to the Lunar New Year holiday. In addition, REC Silicon has restricted travel to the Asia-Pacific region to protect its employees and to prevent further spread of the virus. The impacts of the coronavirus outbreak on REC Silicon's financial performance are dependent upon the extent and duration of the outbreak. Company management will continue to monitor the situation and take appropriate action as additional developments occur.

12 RECEIVABLES

See notes 12 and 30 to the consolidated financial statements for 2018.

Aging of receivables at December 31, 2019

(USD IN MILLION)	TOTAL CARRYING AMOUNT	AGING OF RECEIVABLES THAT ARE NOT IMPAIRED PAST DUE					
		NOT DUE	< 30 DAYS	>30<90 DAYS	>90<365 DAYS	>365 DAYS	IMPAIRED
Trade receivables and accrued revenues	37.6	17.0	1.1	1.0	4.2	0.0	14.4
Provision for loss on trade recivables	-14.4	0.0	0.0	0.0	0.0	0.0	-14.4
Other current receivables	1.3	1.3	0.0	0.0	0.0	0.0	0.0
Total receivables	24.5	18.2	1.1	1.0	4.2	0.0	0.0
Prepaid Costs	6.0						
Total trade and other receivables	30.5						

There was no bad debt expense recorded for the fourth quarter of 2019.

13 TRANSACTIONS WITH RELATED PARTIES

See notes 10 and 16 to the consolidated financial statements for 2018.

In the fourth quarter of 2019, REC Silicon invoiced the Yulin JV USD 1.1 million for engineering and project services (see note 5 above).

14 SHAREHOLDER MATTERS

PRIVATE PLACEMENT OF EQUITY

On May 14, 2019 new share capital reflecting the issue of the 25,438,187 new A-shares approved at the Company's annual general meeting (AGM) was registered in the Norwegian Register of Business Enterprises. As of that date, the Company's share capital is NOK 2,569,256,972, consisting of 2,543,818,785 ordinary shares and 25,438,187 class A-shares, all of NOK 1 par value.

SHARE CAPITAL REDUCTION

On July 3, 2019 the share capital reduction and the conversion of the Class A Shares (see shareholder matters above) was completed and registered with the Norwegian Register of Business Enterprises. Consequently, the new share capital of the Company is NOK 279,820,065.50 divided on 2,798,200,655 ordinary shares, each with a par value of NOK 0.10.

REVERSE SHARE SPLIT

On July 9, 2019 the Company's shares were combined in a ratio of 10:1, whereby 10 old shares were combined to give 1 new share. Subsequent to the share consolidation, the Company has 279,820,066 shares in issue, each with a nominal value of NOK 1.

15 EVENTS AFTER THE REPORTING PERIOD

PHASE I TRADE AGREEMENT BETWEEN THE US AND CHINA

On January 15, 2020 the Phase I economic and trade agreement was signed by the Government of the United States and Government of China. This agreement prioritizes polysilicon and contains commitments for China to purchase goods manufactured in the United States during 2020 and 2021. REC Silicon has been advised by US government officials that specific commitments for China to purchase specific quantities of solar grade polysilicon manufactured in the United States are contained in non-public annexes to the agreement. REC Silicon has received indication from these US government officials that Chinese markets for solar grade polysilicon are open to US solar grade polysilicon without tariffs and that these commitments override the extension of tariffs on US made polysilicon announced by the Ministry of Commerce of the People's Republic of China on January 19, 2020.

The Company is evaluating the potential impacts of the Phase I trade agreement. The timing or outcome of any decision to resume operations at the FBR facility in Moses Lake remains uncertain. The Company has not considered the potential impacts of this agreement in calculating estimates used to prepare these financial statements. For example, this agreement has the potential to accelerate the restart of the FBR facility in Moses Lake, Washington compared to estimates used to determine the value in use for impairment testing described in note 3 above.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

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

The Company has identified the following APMs used in reporting:

EBIT - EBIT is an acronym for Earnings Before Tax and represents profit/loss from total operations excluding income tax expense/benefit, net financial items, and share of profit/loss from investments in associates.
EBIT is reflected on the consolidated statement of income on the line titled EBIT. EBIT has been reported as a loss of USD 14.1 million for the fourth quarter of 2019.

EBIT Margin - EBIT margin is calculated by dividing EBIT by revenues. EBIT and revenues are reflected on the Company's statement of income, in note 2 segments, and in the financial highlight tables in this report in lines titled similarly.
EBIT margin has been calculated and is reported in the financial highlight tables for REC Silicon Group.

EBITDA - EBITDA is an acronym for Earnings Before Tax, Depreciation, and Amortization. EBITDA is EBIT excluding depreciation, amortization and impairment.
EBITDA is reflected on the consolidated statement of income on the line titled EBITDA. EBITDA has been reported as a loss of USD 3.0 million for the fourth quarter of 2019.

EBITDA Margin - EBITDA margin is calculated by dividing EBITDA by revenues. EBITDA and revenues are reflected on the Company's statement of income, in note 2 segments, and in the financial highlight tables in this report in lines similarly titled.
EBITDA margin has been calculated and is reported in the financial highlight tables for REC Silicon Group, in the key financials table for each operating segment, and in note 2 segments.

EBITDA Contribution - EBITDA contribution is used to describe the contribution of each of the operating segments, other, and eliminations to the Company's total EBITDA. For the operating segments, EBITDA contributions represents revenues less cost of manufacturing excluding depreciation and amortization. For other, EBITDA contribution represents primarily operating costs.
A table reconciling the EBITDA contribution of each operating segment along with other and eliminations to the Company's total EBITDA can be found in note 2 segments.

EBIT Contribution - EBIT contribution is used to describe the contribution of each of the operating segments, other, and eliminations to the Company's total EBIT. For the operating segments, EBIT contributions represents revenues less cost of manufacturing including depreciation and amortization. For other, EBIT contribution represents primarily operating costs.
A table reconciling the EBIT contribution of each operating segment along with other and eliminations to the Company's total EBIT can be found in note 2 segments.

Equity Ratio - The equity ratio is calculated by dividing total shareholders' equity by total assets. Total shareholders' equity and total assets are reflected on lines similarly titled on the Company's statement of financial position.
At December 31, 2019, the equity ratio is 0.3 percent and is calculated by dividing USD 0.8 million total shareholders' equity by USD 290.6 million in total assets.

Net Debt - Net debt is the carrying value of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.
The carrying value of debt can be found in note 8 borrowing in the table under the caption carrying amount, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.
At December 31, 2019, net debt was USD 150.6 million or USD 131.4 million total carrying value of the Company's debt (from note 8) plus USD 48.6 million current and non-current lease liabilities (from the balance sheet) less USD 29.4 million in cash and cash equivalents.

Nominal Net Debt – Nominal Net debt is the contractual repayment values of interest-bearing debt instruments (including financing leases) less cash and cash equivalents.
The contractual repayment values of debt can be found in note 8 borrowing in the table under the caption contractual repayments excluding interest, the amounts of lease liabilities are reflected on the balance sheet, and cash can be found in the statement of financial position on the line titled cash and cash equivalents.
At December 31, 2019, nominal net debt was USD 152.0 million or USD 132.8 million contractual repayment values of the Company's debt (from note 8) plus USD 48.6 million current and non-current lease liabilities (from the balance sheet) less USD 29.4 million in cash and cash equivalents.

Artbox.no

FOR MORE INFORMATION, PLEASE CONTACT

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About REC Silicon

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

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