

RECSiLICON

FOURTH QUARTER
2017

PRESENTATION

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Agenda

REC Silicon Q3 Financial Results

T. Torvund, CEO

Financial Overview

J.A. May II, CFO

PV Market Outlook

T. Torvund

U.S. / China Trade Dispute Update

T. Torvund

Yulin JV Update

T. Torvund

Guidance

T. Torvund

Q & A

Highlights

Revenues: \$78.0M

EBITDA: \$10.3M

FBR Cash Cost of \$10.4/kg

- FBR Facility Continues Operation at ~50% Capacity Utilization
- Continued Low Cost Demonstrates Capability of FBR Technology

Strong Silicon Gas Sales Volumes

- Sales Volume of 969MT (7.2% Increase vs. Q3'17)
- 0.9% Silane Gas Price Decrease vs. Q3'17

December 31, 2017 Cash Balance of \$104.5M

- Cash Increase of \$16.6M vs. Q3'17
- \$18.8M Cash Flows From Operations (\$10.1M From Working Capital)
- Anticipate Sufficient Liquidity to Meet Bond Maturity in May 2018 (REC03)

Yulin JV Started up in December 2017

- Full Capacity Utilization During H2'18
- Resolution to Equity Contribution Negotiation Announced on February 1, 2018

Key Metrics

Polysilicon Sales Volume **

Total	3,943MT
Inventory Decrease	1,328MT

FBR Production

Actual	2,329MT
Guidance*	2,260MT
Deviation	3.1%

FBR Cash Cost

Actual	\$10.4/kg
Guidance*	\$11.2/kg
Deviation	-7.1%

Total Polysilicon Production

Actual	2,616MT
Guidance*	2,610MT
Deviation	0.2%

Semiconductor Production

Actual	156MT
Guidance*	220MT
Deviation	-29.0%

Silicon Gases Sales Vol.

Actual	969MT
Guidance*	920MT
Deviation	7.7%

* Guidance Presented October 30, 2017

** Excludes Fines and Powders

Strong Silicon Gas Sales

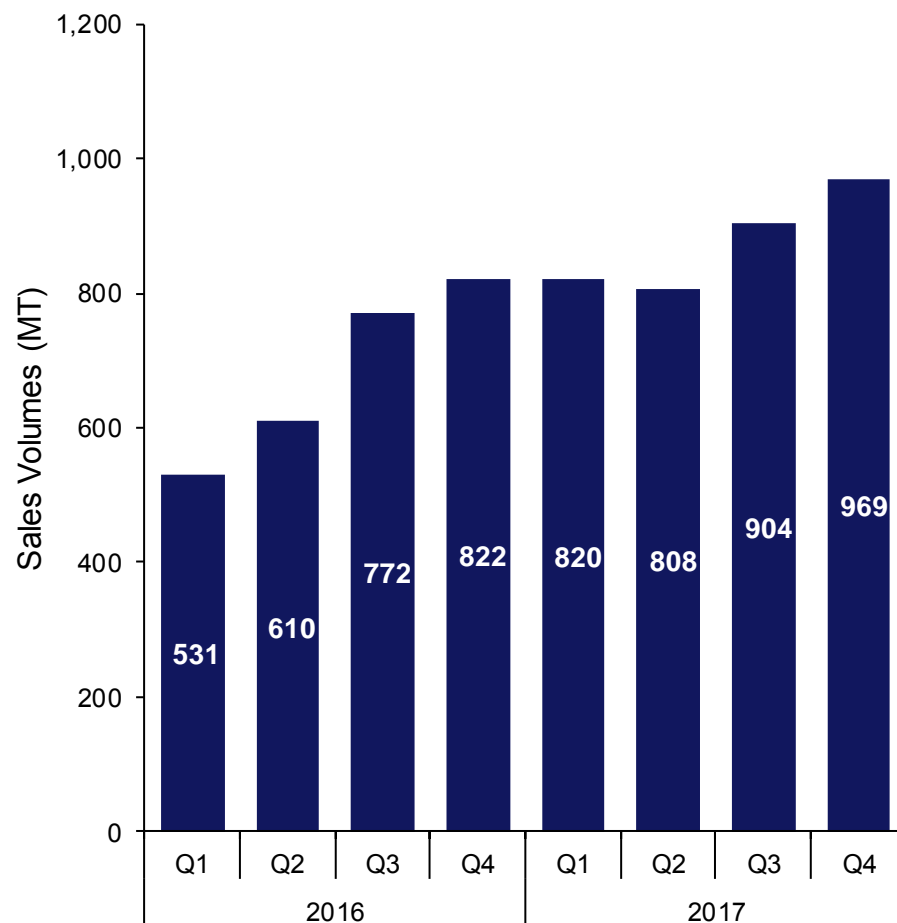
› Silicon Gas Sales Volumes 969MT

- Increased 7.2% Compared to Q3'17
- Increased 11.8% Compared to Q4'16

› Strong Underlying Growth in Silicon Gas Markets

- Silane
- MCS
- DCS
- Disilane

Silicon Gases





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FINANCIAL REVIEW

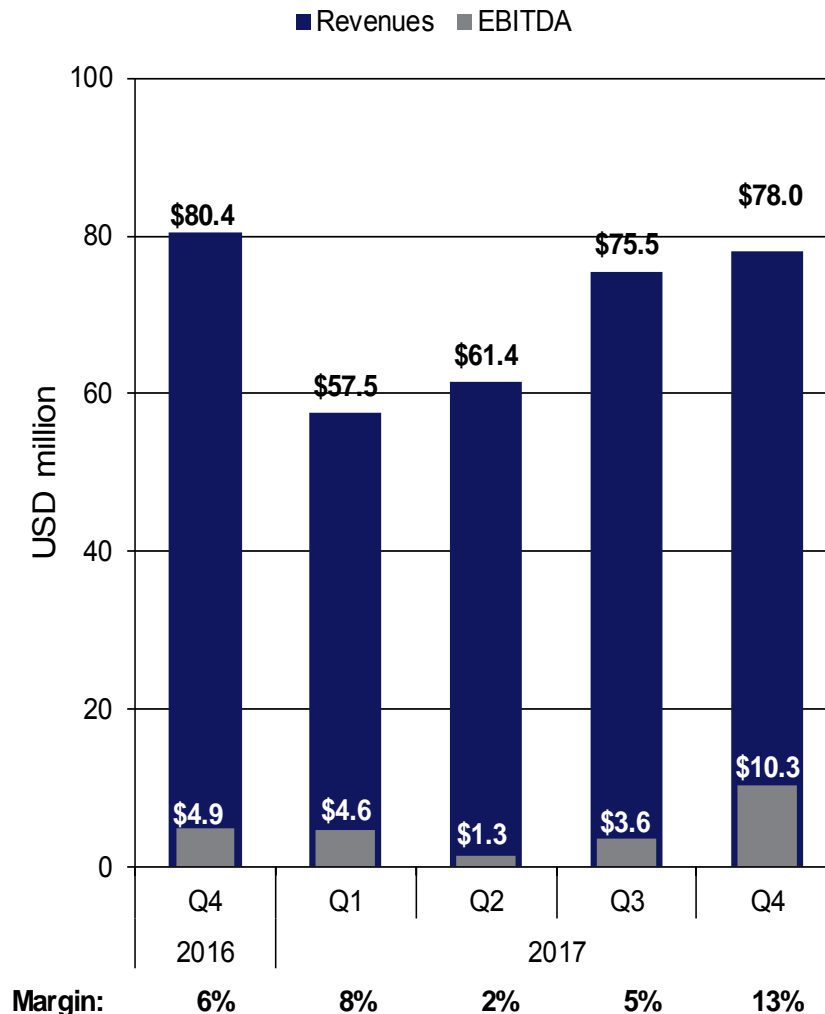
Key Financial Results

Revenues - \$78.0M

- › 3.4% Increase vs. Q3'17
- › Polysilicon Sales Volumes 3,943MT
(Excluding Fines & Powders)
 - (3.6%) Sales Volume Decrease vs. Q3'17
 - (0.8%) Average Solar Price Decrease vs. Q3'17
 - 6.4% Prime Grade Solar Price Increase vs. Q3'17
- › Silicon Gas Sales Volumes 969MT
 - 7.2% Sales Volumes Increase vs. Q3'17
 - (0.9%) Silane Price Decrease vs. Q3'17

EBITDA of \$10.3M

- › Reflects:
 - High Silicon Gas Sales Volumes
 - Prime Solar Grade Price Increase
 - FBR Cash Cost of \$10.4/kg



Cash Flows

Cash Flows From Operating Activities \$18.8M

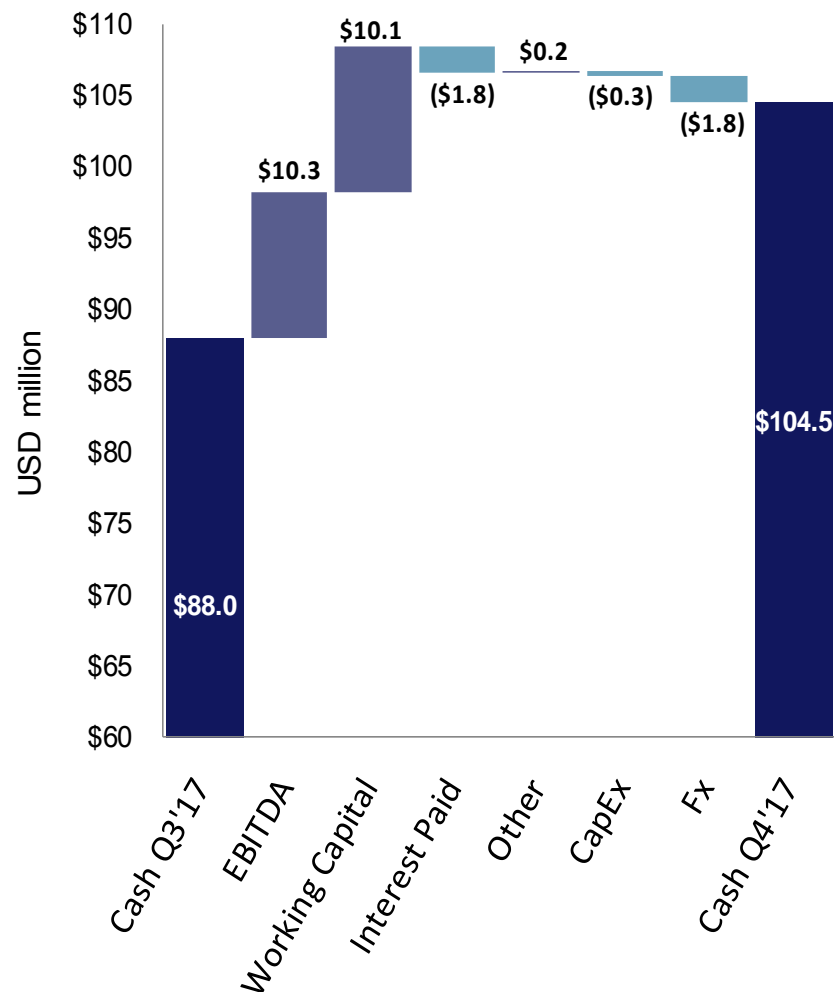
- › EBITDA of \$10.3M
- › Working Capital Decrease \$10.1M
 - Decreased Inventories \$10.3M
 - Increased Accounts Payable \$0.9M
 - Increased Accounts Receivable (\$1.1M)
- › Interest payments (\$1.8M)
- › Other \$0.2M

Cash Outflows From Investing Activities (\$0.3M)

- › CapEx (\$0.3M)

Currency Loss of (\$1.8M)

- › Stronger USD vs. NOK

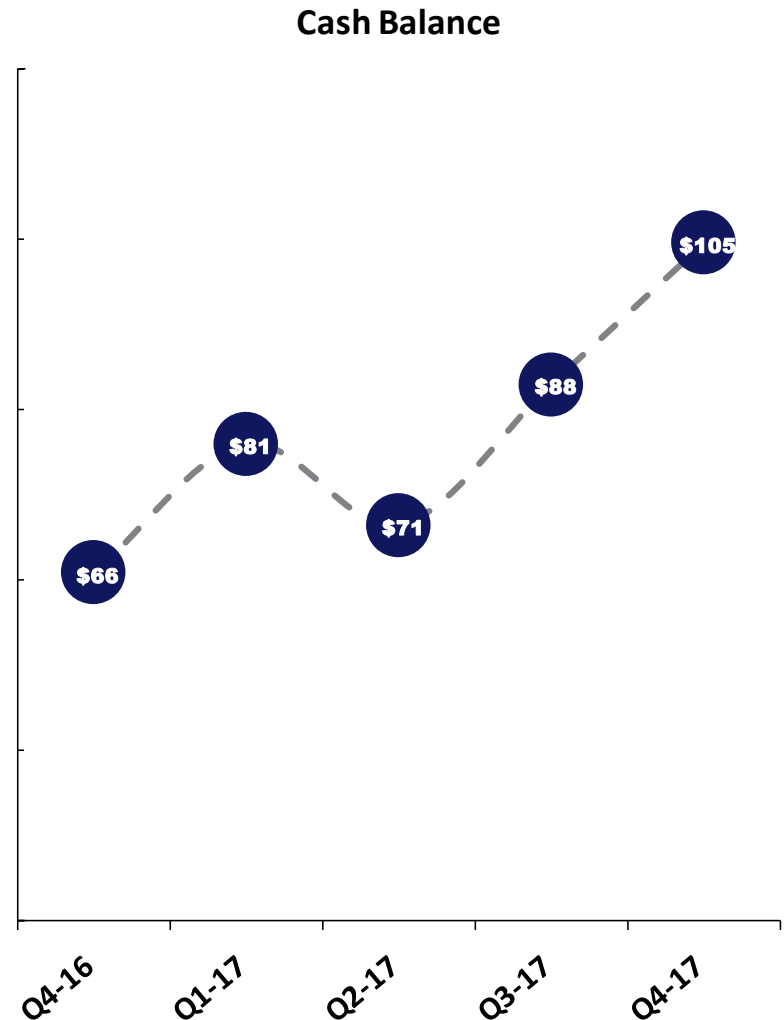


Cash Flow Trend

Continued Positive Cash Flows From Operations

- › Cost Savings Initiatives Have Reduced Spending
- › Low FBR Cash Costs due to Stable Operations at ~50% Capacity Utilization
- › Increases in Silane Sales Volumes
- › Increases in Prime Solar Polysilicon Prices
- › Increases in Receivable Turnover Efficiency
- › Substantial Contribution from Inventory Decline

Expect to be Slightly Cash Positive During Q1 2018



Liquidity at December 31, 2017

Nominal Debt - \$190M

- › Decreased by \$2M in Q4'17
 - Due to Stronger USD Relative to NOK

Nominal Net Debt - \$85M

- › Decreased by \$19M in Q4'17
 - Increase in Cash of \$17M
 - Decrease in Nominal Debt of \$2M

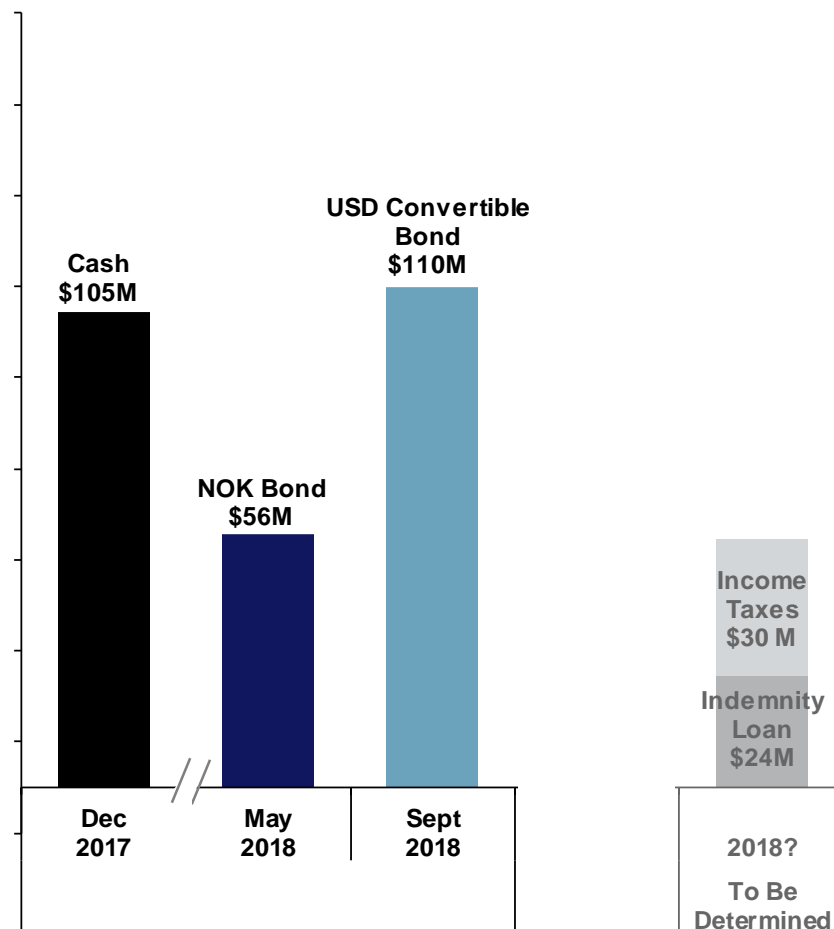
Indemnity Loan - \$24M

- › Callable Beginning in February 2016
- › Has not Been Called
- › Due Date is Uncertain

Reassessment of Tax - \$30M

- › Response to Norwegian Central Tax Office Filed
- › Do Not Expect Final Ruling Before H2'18
- › Uncertain Timing and Outcome

USD Million





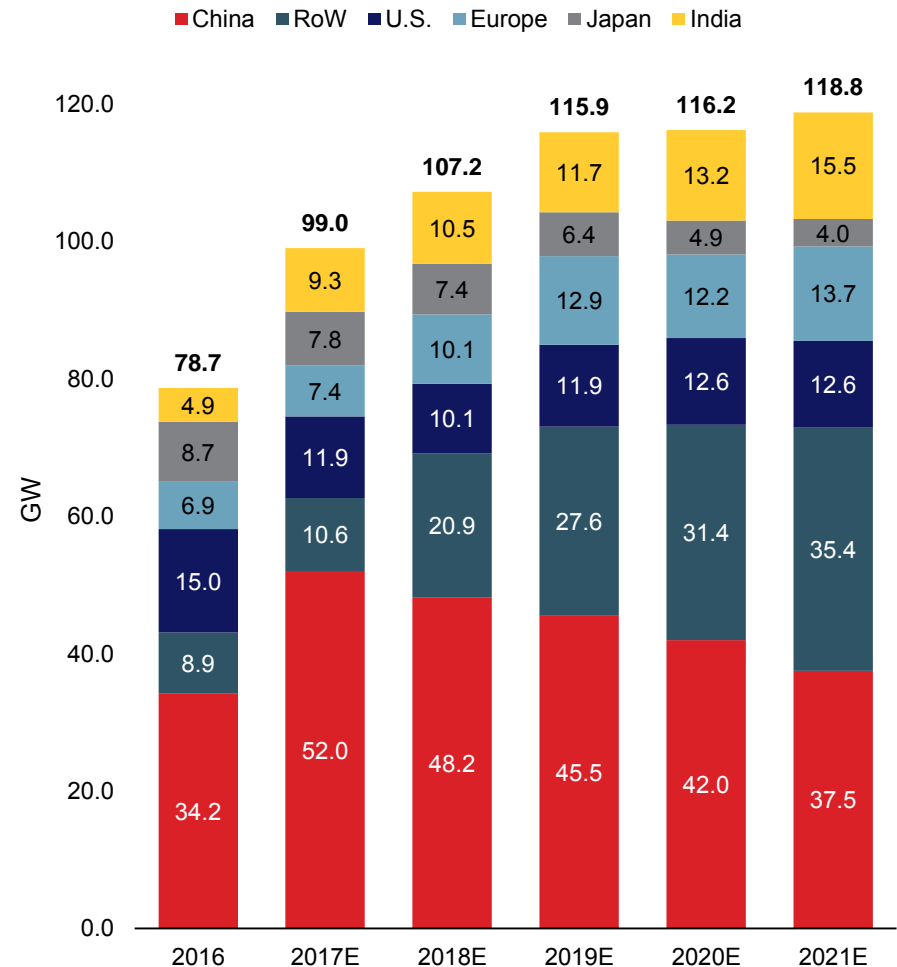
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PV MARKET
OUTLOOK

Forecasted Demand Remains Strong Through 2021

- › Continued Growth Expected For PV Installations
- › China Continues to Dominate Demand
- › Response to 201 Decision:
 - Highest Impact to US Utility Scale Installations
 - Stockpile of Module Inventories Deplete in 2018
- › Demand Growth in Europe

GTM Installation Forecast 2016-2021E

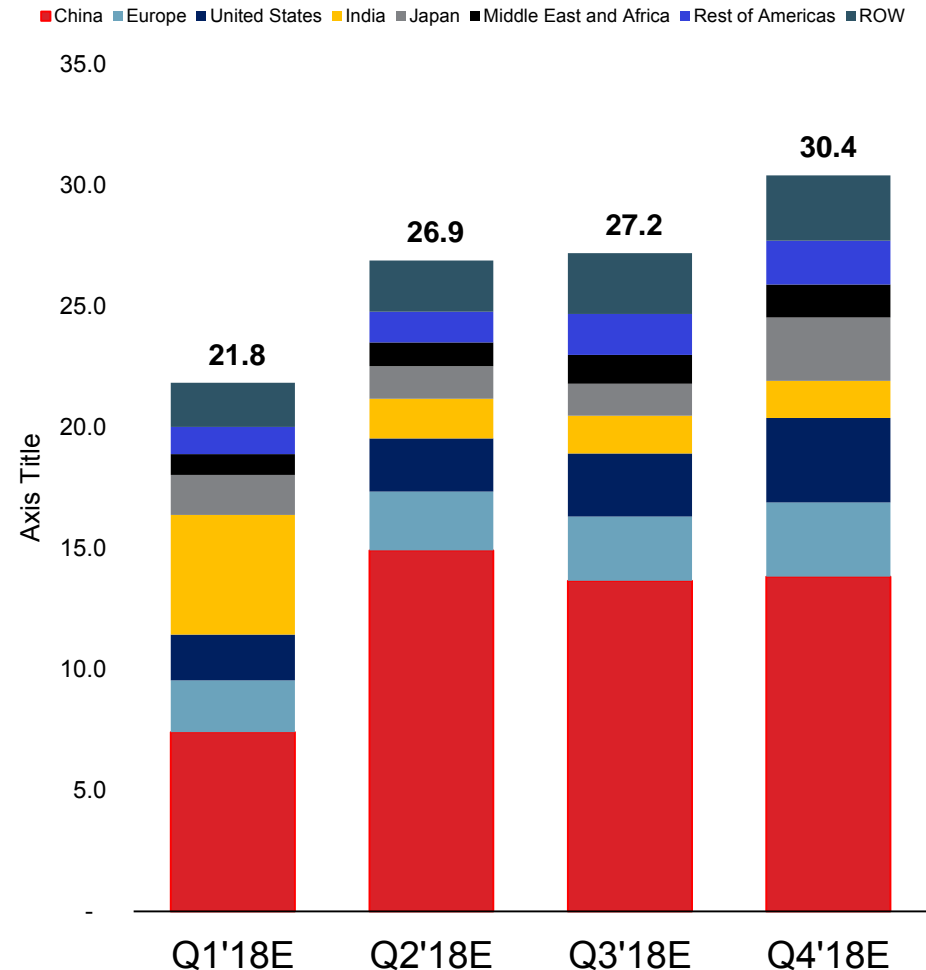


Source: GTM Market Demand Tracker – February 1, 2018

Balanced Demand During 2018

- › High Demand in India in Q1'18
 - 2017 Installations Delayed
- › China 2017 FiT Rates Extended to June 2018
- › Global Trade Barriers Limit Market Access for Chinese Modules
 - May Increase Domestic Installations

IHS Markit 2018 Quarterly Installation Forecast



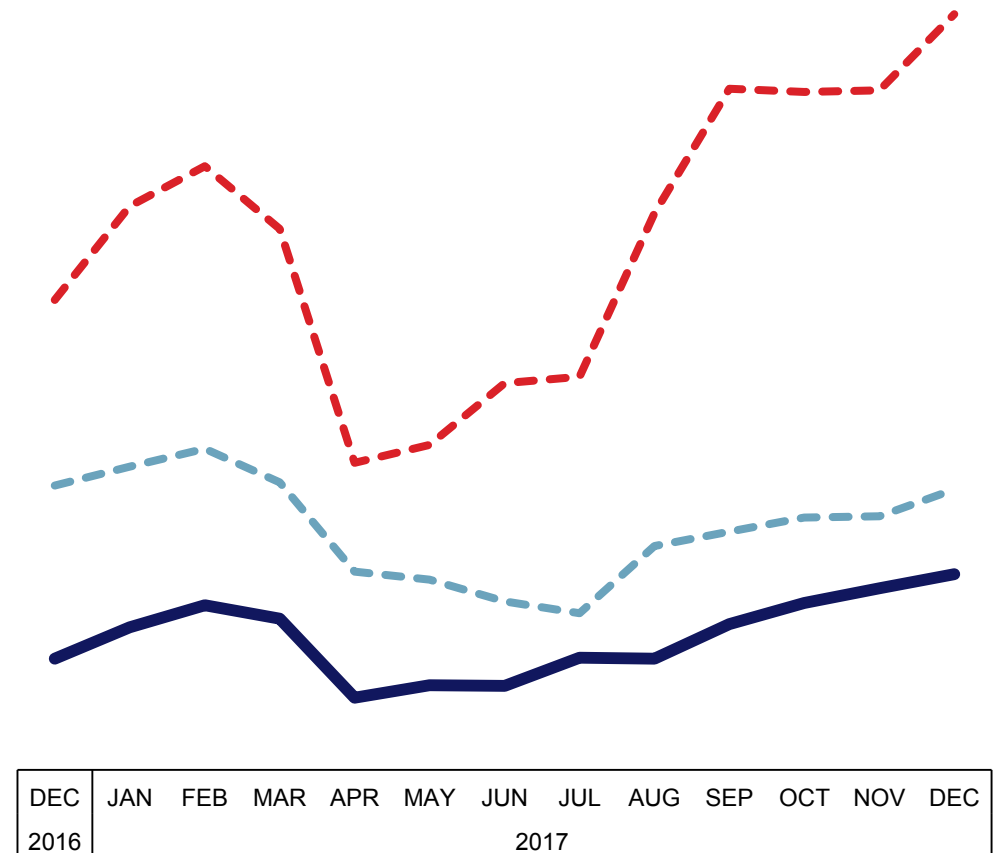
Source: I.H.S Markit PV Demand Market Tracker – Q4 2018 - December 6 2017

Polysilicon Spot Price

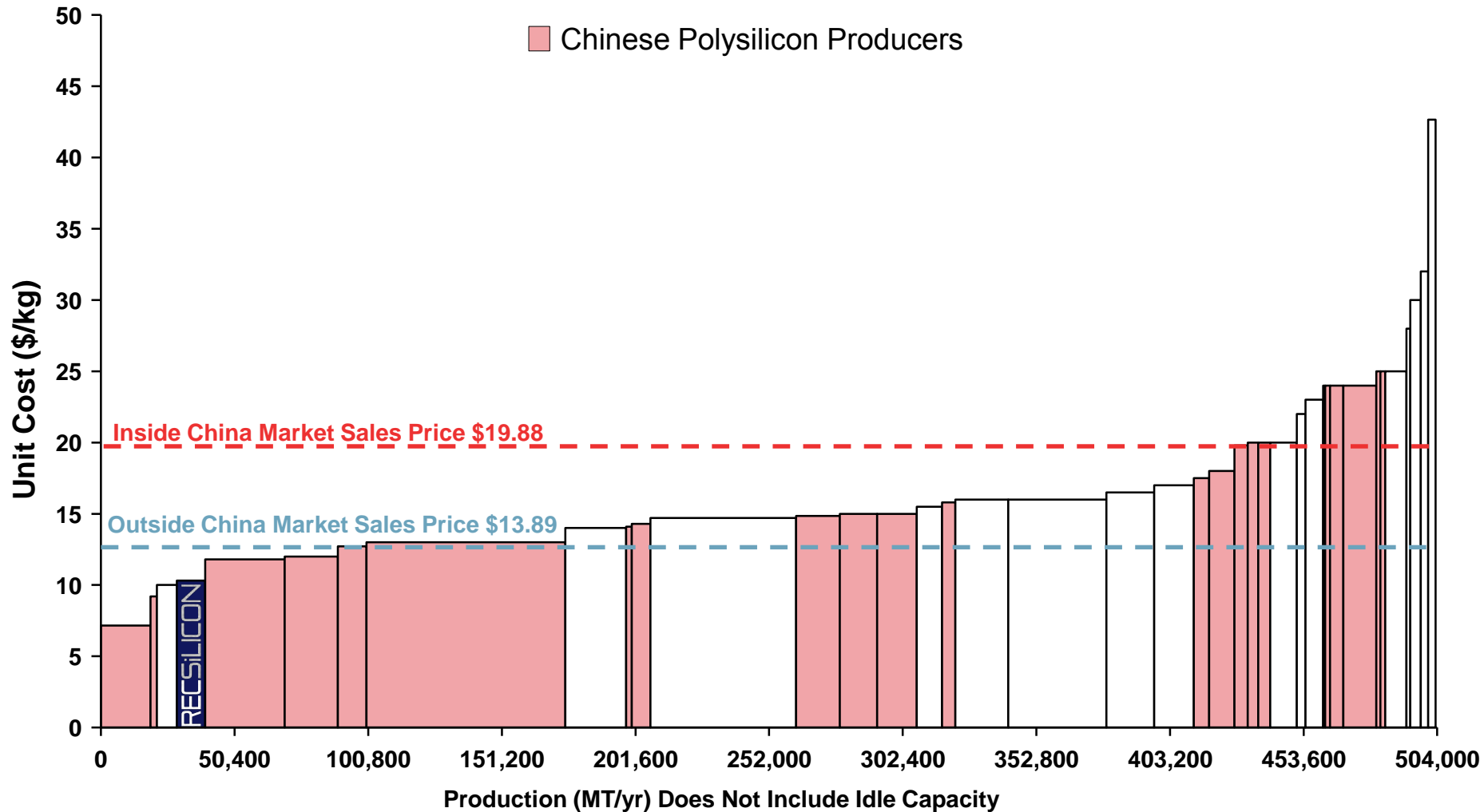
FBR Prime Vs. Solar Indices

— FBR PRIME - - - Inside China - - - Outside China

- › Polysilicon Supply Remains Tight Inside China
- › REC Continues Discounts to Maintain Market Share Outside China
- › REC Expects Stable Prices During 1st Quarter 2018

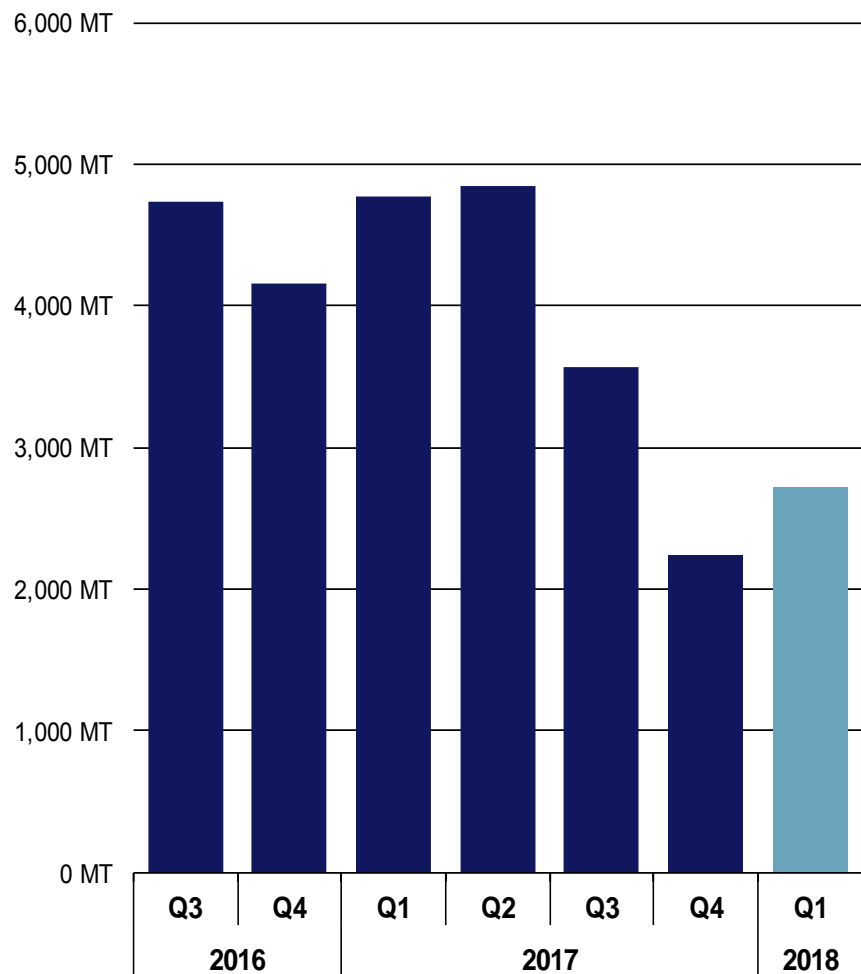


REC Silicon Remains a Low Cost Leader

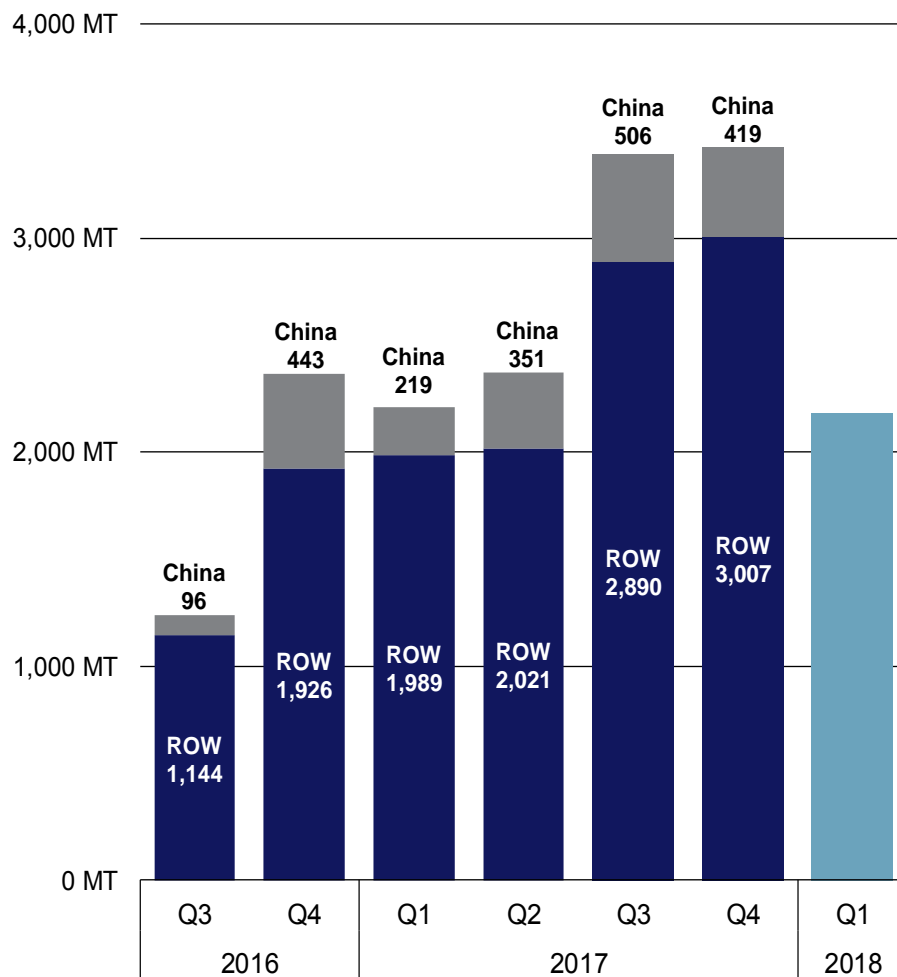


FBR Production Balanced With Sales Volumes

Polysilicon Inventory



FBR Sales



Note: Excludes Fines & Powder

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U.S./ CHINA TRADE DISPUTE UPDATE

US / China Solar Trade Dispute Continues

› Section 201

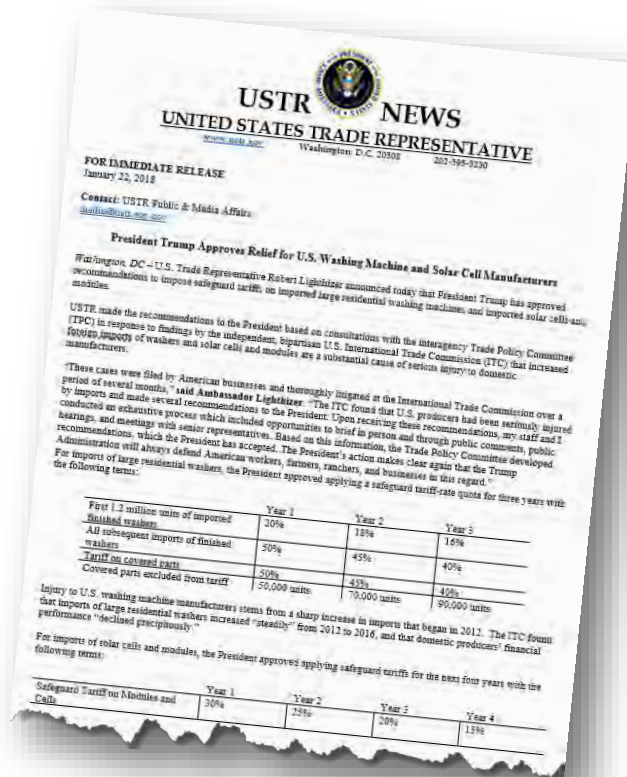
- Affects all Imported Cells & Modules into US from all Countries
- 4 year remedy announced effective in early February 2018
 - 30% tariff on cells & modules, stepdown to 5% over 4 years
 - 2.5 GW cell quota
 - Much less severe than requested by Petitioners, Solarworld & Suniva

› AD/CVDs

- Section 201 tariffs in addition to existing AD/CVDs on Chinese & Taiwanese Cells And Modules
- US AD/CVDs on Chinese solar products recently increased for 2016 imports to 62%

› USG Express Commitment to Pursue Settlement for US Polysilicon

- New USG is focused on value of US Polysilicon industry
- Section 201 Announcement noted "The U.S. Trade Representative will engage in discussions... **that could lead to positive resolution of the separate antidumping and countervailing duty measures currently imposed on Chinese solar products and U.S. polysilicon.**"



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安全 生命 高于 一切
责任 重于 泰山

YULIN JV UPDATE

youser 天瑞硅材料
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Yulin JV Financial History

› 2014 Yulin JV Agreement:

- Received \$198M for Technology Transfer
 - Paid off \$142.7M of REC Debt
- REC's Equity Contribution
 - 15% August 2014: \$75M
 - 34% July 2017: \$169M Resolved

› 2018 Framework Agreement:

- Yulin JV Shareholding:
 - SNF ~85%, REC Silicon ~15%
- REC to Pay:
 - \$ 0.6M in Interest
 - \$10.4M in 3 Installments
- After 3 years, REC has the option to:
 - Buy back ~34% Equity Interest from SNF,
 - or Remain a ~15% Equity Holder,
 - or Sell REC's ~15% Equity Interest



Yulin JV Signing Ceremony
February 2014

Yulin JV - Start-Up Status

- › First Silane Unit and FBR Reactors Started up December 2017
 - Production at 25% Capacity by End of Q1 2018

- › Second Silane Unit and Remaining FBR Reactors Start-up in Q2 2018
 - Full Production Capacity by H2'2018

- › 2018 Targets:
 - Poly Production = 8,000 MT (FBR & Siemens)
 - Demonstrate High Purity EG Poly Production

- › Total Investment Within Budget of \$1.25 Billion



First Granular
Product Produced

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GUIDANCE

2017 Results vs. Guidance

FBR Production	
2017	9,379MT
Guidance*	9,310MT
Deviation	0.7%

FBR Cash Cost	
2017	\$10.6/kg
Guidance*	\$10.8/kg
Deviation	-1.9%

Total Polysilicon Production	
2017	11,636MT
Guidance*	11,630MT
Deviation	0.1%

Semiconductor Production	
2017	844MT
Guidance*	908MT
Deviation	-7.0%

Silicon Gas Sales	
2017	3,501MT
Guidance*	3,452MT
Deviation	1.4%

2017 CapEx **	
Maintenance	\$3M
Guidance*	\$4M
Deviation	-35.0%

* Guidance Presented October 30, 2017

** Additions to Property Plant and Equipment

Q1 and 2018 Guidance

FBR Production

Q1	2,620MT
2018	9,760MT

FBR Cash Cost

Q1	\$11.1/kg
2018	\$11.7/kg

Total Polysilicon Production

Q1	2,990MT
2018	11,330MT

Semiconductor Production

Q1	210MT
2018	870MT

Silicon Gas Sales

Q1	880MT
2018	3,700MT

2018 CapEx *

Maintenance	\$4M
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* Additions to Property Plant and Equipment

Capital Funding Requirements

Debt Maturities

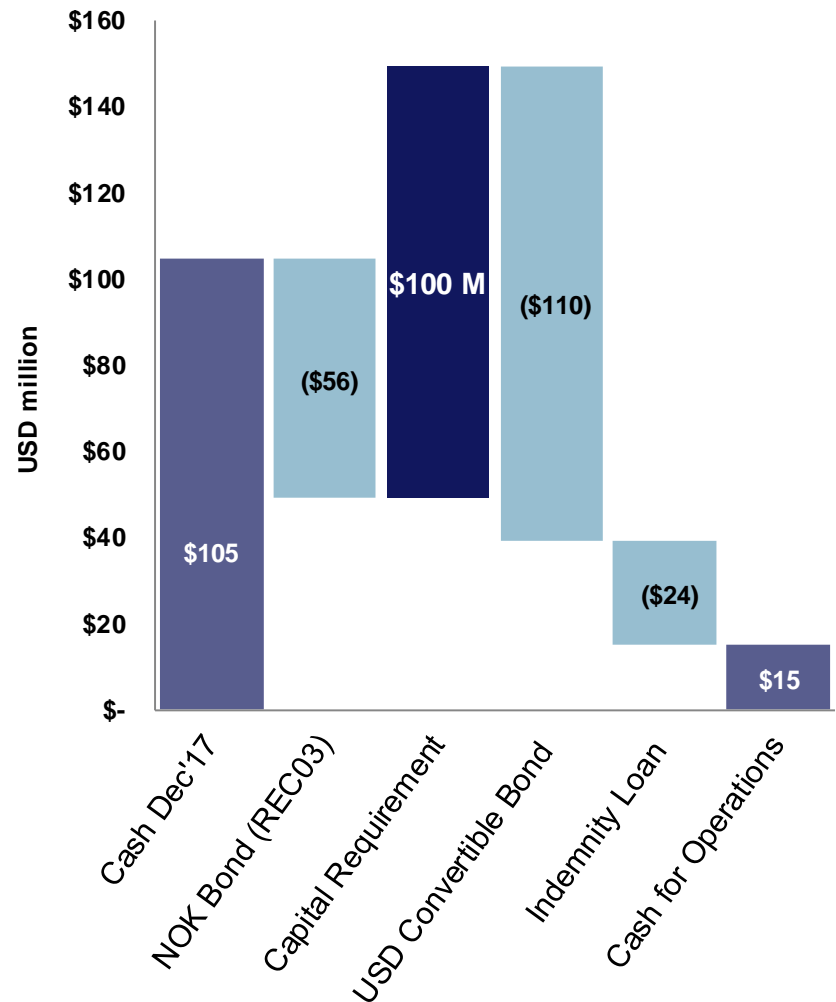
- › \$ 55.5M NOK Bond (REC03) Due in May 2018
- › \$110.0M USD Convertible Bond Due in Sept. 2018

Expect to Repay REC03 with Cash on Hand

- › Expect to be Slightly Cash Positive During Q1 2018
- › Sufficient Liquidity to Pay Indemnity Loan if Called Prior to September 2018

\$100M Additional Capital Required

- › Evaluating Alternatives to Meet Debt Maturities in 2018
 - › Debt Refinance
 - › Divestment of Non-core Assets



A photograph of a large industrial facility, likely a chemical or petrochemical plant, at night. The scene is illuminated by warm yellow lights. In the foreground, two large, vertical, cylindrical storage tanks are visible, surrounded by yellow safety railings and ladders. The background shows a complex network of pipes, structural steel beams, and multiple levels of walkways. The overall atmosphere is industrial and brightly lit.

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Q1 2018 Reporting
April 26, 2018
