

The image features a large industrial facility, likely a polysilicon plant, viewed through a blue metal framework. The facility includes several large buildings, storage tanks, and complex piping systems. The foreground is dominated by the blue and yellow structural elements of the framework, creating a sense of depth. The sky is blue with scattered white clouds. The ground in the foreground is dry and dusty.

RECSiLICON

FOURTH QUARTER
2018

PRESENTATION

Disclaimer

This presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for REC Silicon ASA's (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for REC Silicon ASA's businesses, energy prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the presentation. Although REC Silicon ASA believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation. REC Silicon ASA makes no representations or warranties, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither REC Silicon ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

This presentation was prepared for the fourth quarter 2018 results on February 12, 2019. Information contained herein will not be updated. The following slides should be read and considered in connection with the information given orally during the presentation.

REC Silicon ASA shares have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act.

Agenda

Q4 Financial Results

Financial Overview

Market Outlook

Trade Update

Yulin JV Update

Market Development

Short Term Business Plan

Guidance

Q & A

Highlights

Revenues: \$48.9M
EBITDA: (\$ 3.8M) Loss

December 31, 2018 Cash Balance of \$31.8M

- Cash Decrease of (\$9.2M)
- Cash Outflows from Operations (\$8.7M)
 - Includes \$6.3M Interest Payment
- Working Capital Decrease of \$2.0M

FBR Production Costs of \$14.6/kg

- FBR Capacity Utilization ~25%
- Lower Spending Due to Continued Efforts to Reduce Costs
- FBR Production Volume of 1,209MT

Silicon Gas Sales

- Sales Volume of 920MT (6.3% Increase vs. Q3'18)
- 1.6% Silane Gas Price Decrease vs. Q3'18

Yulin JV Start-up

- ~5,400MT FBR Polysilicon Produced in 2018
- ~100MT Siemens Electronic Grade Polysilicon Produced in 2018

Temporary Shutdown of FBR Proposed Beginning March 1, 2019

- Maintain Sales from Existing Inventories
- Dependent on Market Developments and Restored Access to the Chinese Market

Key Metrics

Polysilicon Sales Volume **

Total	1,690MT
Inventory Decrease	26MT

FBR Production

Actual	1,209MT
Guidance*	1,190MT
Deviation	1.6%

FBR Cash Cost

Actual	\$14.6/kg
Guidance*	\$15.3/kg
Deviation	-4.6%

Total Polysilicon Production

Actual	1,664MT
Guidance*	1,660MT
Deviation	0.2%

Semiconductor Production

Actual	313MT
Guidance*	340MT
Deviation	-8.0%

Silicon Gases Sales Vol.

Actual	920MT
Guidance*	850MT
Deviation	8.2%

* Guidance Presented October 24, 2018

** Excludes Fines and Powders



Financial Review

RECSiLICON

Summary of Segments

(USD million)	Q4 2018		Q3 2018		YTD 2018	
	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA
Solar Materials (Moses Lake)	9.9	(9.1)	6.2	(9.9)	69.2	(26.6)
Semiconductor Materials (Butte)	39.0	11.0	37.6	9.3	152.9	52.2
Other	-	(5.6)	-	(5.4)	-	(30.0)
Eliminations	(0.0)	(0.0)	-	-	(0.9)	(0.5)
REC Silicon Group	48.9	(3.8)	43.7	(6.1)	221.2	(4.9)

Key Financial Results

Solar Materials

Revenues: \$9.9M (60.6% Increase vs. Q3'18)

EBITDA Contribution: (\$9.1M) Loss

- › Polysilicon Sales Volumes 1,270MT (93.1% Increase vs. Q3'18)
 - (18.2%) Average Price Decrease vs. Q3'18
 - (16.6%) Prime Grade Solar Price Decrease vs. Q3'18

Semiconductor Materials

Revenues: \$39.0M (3.8% Increase vs. Q3'18)

EBITDA Contribution: \$11.0M

- › Total Polysilicon Sales Volumes 420MT (7.7% Decrease vs. Q3'18)
 - (3.1%) Average Price Decrease vs. Q3'18
 - (4.7%) Semiconductor Grade Price Decrease vs. Q3'18
- › Silicon Gas Sales Volumes 920MT (6.3% Increase vs. Q3'18)
 - (1.6%) Silane Price Decrease vs. Q3'18

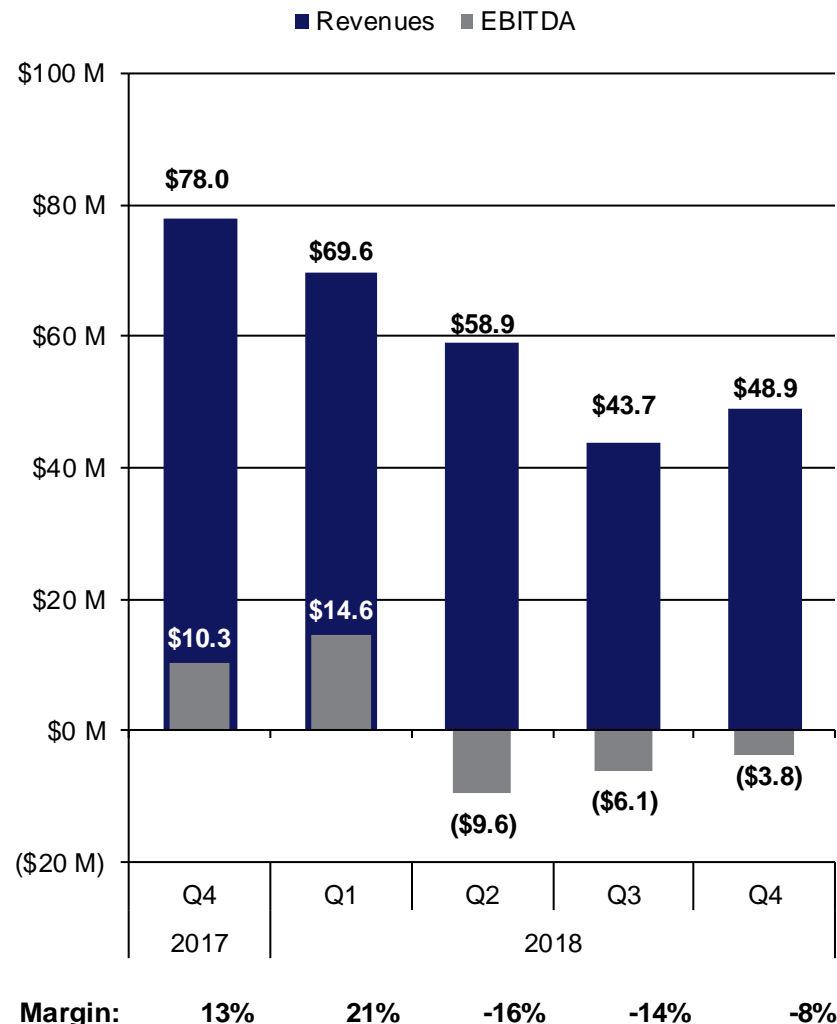
Other and Eliminations

Net Cost: (\$5.6M) (3.7% Increase vs. Q3'18)

EBITDA Loss of (\$3.8M)

Compared to Q3 EBITDA Loss of (\$6.1M)

- › Higher FBR Sales Volumes – Lower Prices
- › Higher Silicon Gas Sales Volumes
- › Inventory Write-downs in Q3'18



Cash Flows

Cash Outflows From Operating Activities (\$8.7M)

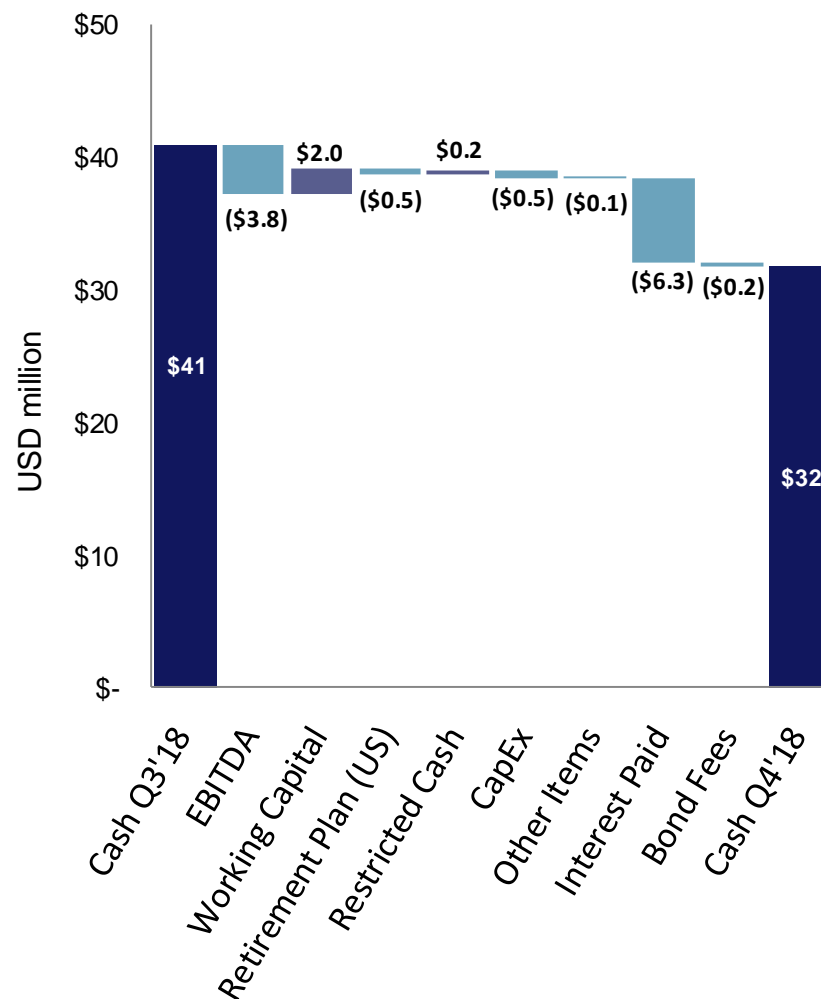
- › EBITDA - Loss of (\$3.8M)
- › Working Capital Decrease \$2.0M
 - Decrease in Inventories \$7.4M
 - Increase in Receivables (\$3.1M)
 - Decrease in Payables (\$2.3M)
- › Interest Paid (\$6.3M)
- › Retirement Plan Contribution (\$0.5M)
- › Other (\$0.1M)

Cash Out Flows From Investing Activities (\$0.2M)

- › Capex (\$0.5M)
- › Release of Restricted Cash \$0.2M

Cash Out Flows From Financing Activities (\$0.2M)

- › (\$0.2M) Fees Associated with Bond Issue



Liquidity

Nominal Debt - \$133.0M

- › Decrease of (\$1.5M) in Q4'18
 - (\$1.5M) Due to Stronger USD Relative to NOK

Nominal Net Debt - \$101.2M

- › Increase of \$7.7M in Q4'18
 - Decrease in Cash of \$9.2M
 - Decrease in Nominal Debt of (\$1.5M)

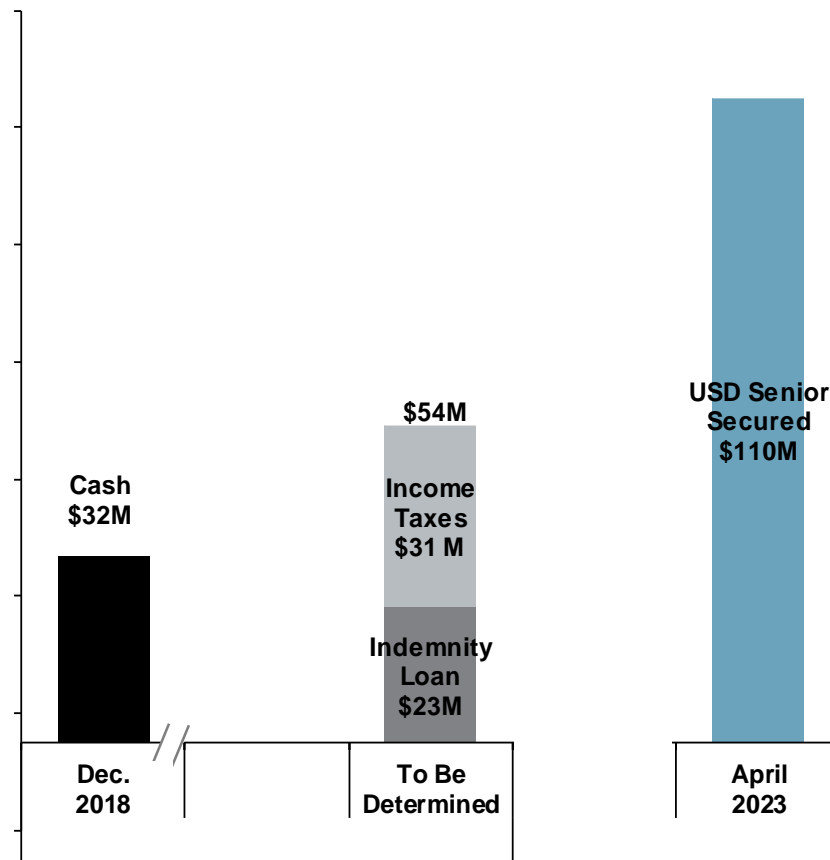
Indemnity Loan - \$23M

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

Reassessment of Tax - \$29M

- › Uncertain Timing and Outcome
- › Recent Decision by Norges Høyesterett in Yara Supports REC's Tax Position

USD Million



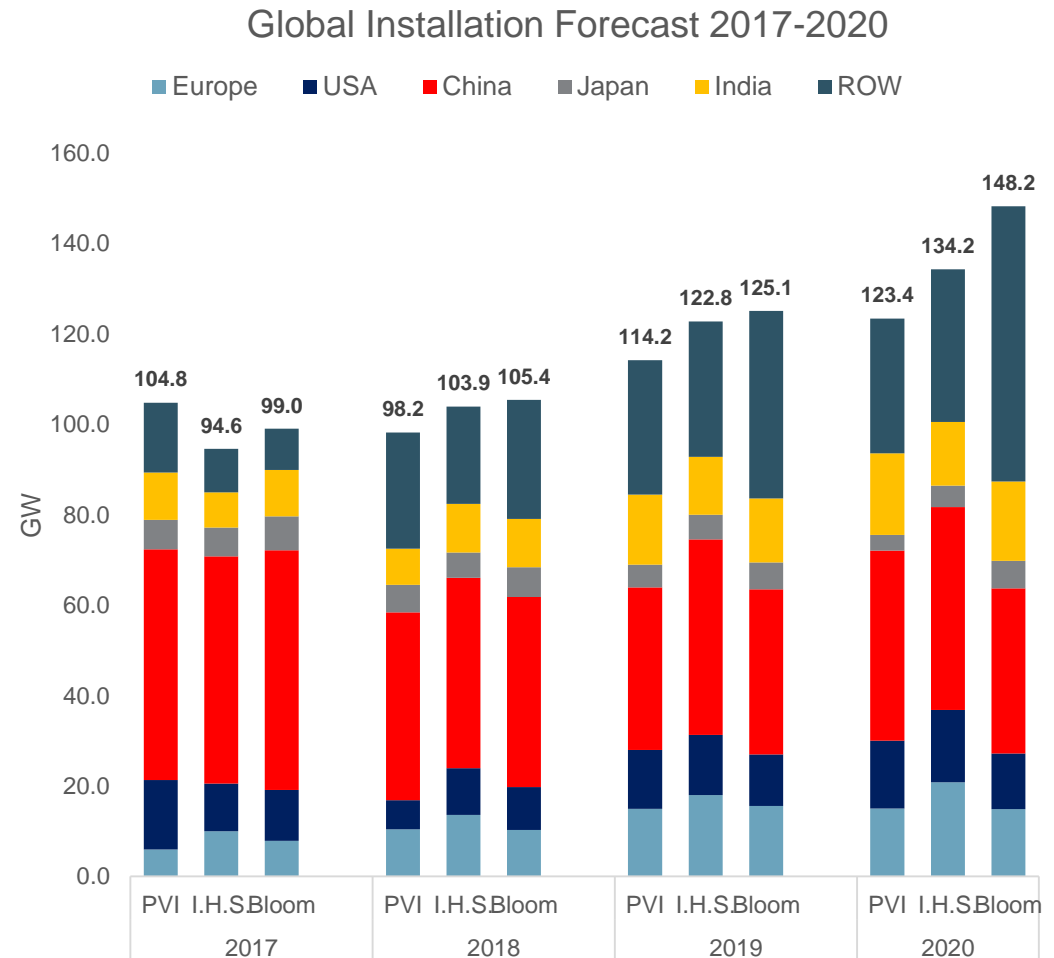


RECSiLICON

MARKET
OUTLOOK

Global PV Installation Forecast by Different Analysts

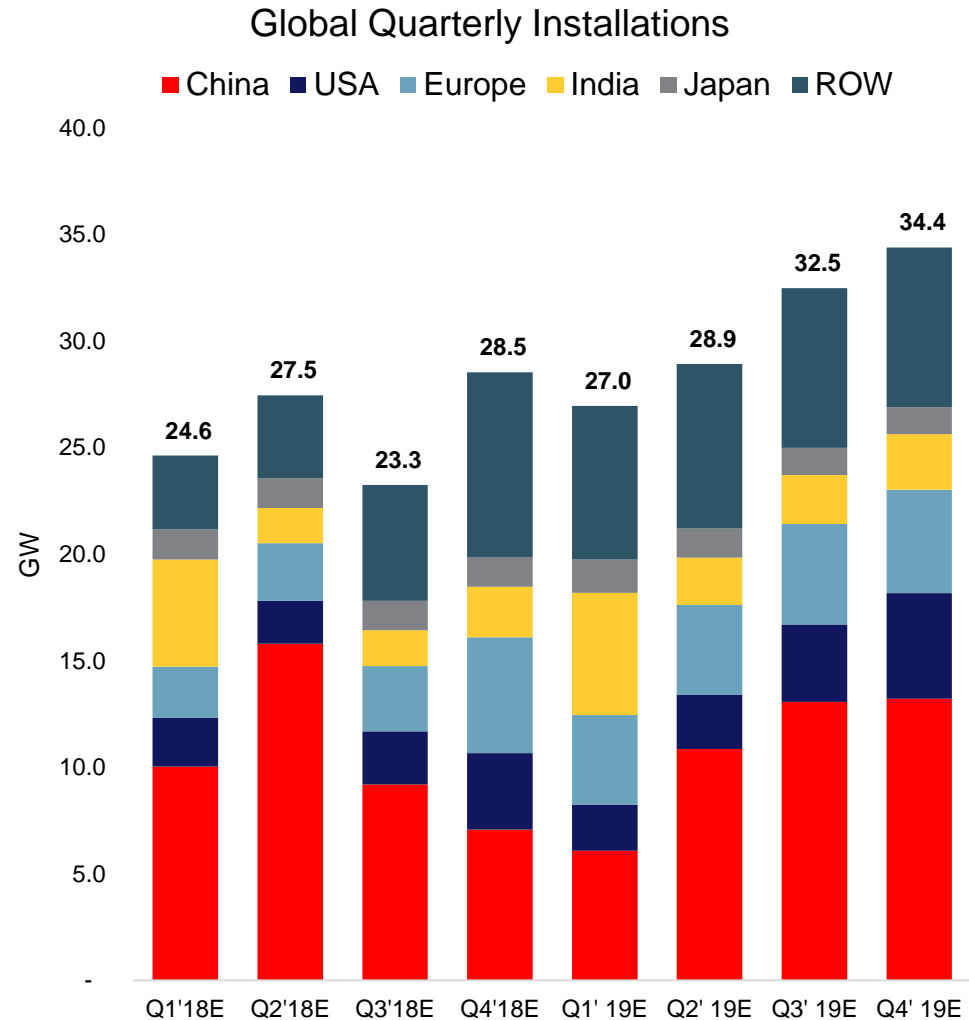
- › 2018 PV Installation
 - ~98 GW to 105 GW
- › 2019 Global PV Installation
 - ~115 GW to 125 GW
- › China PV Installation Declined in 2018
 - ~42 GW in 2018
 - ~50 GW in 2017
- › China's Target for 2019 is Still Uncertain
 - ~40 GW to 50 GW



Source: PV Infolink - Database dated January 2019, Bloomberg PV Market Outlook, Q4 Dated November 2018 IHS Installations Tracker Dated December 7, 2018

Quarterly Installation Estimates: 2018 – 2019

- › Prices Along the PV Value Chain Have Stabilized During Q4/18
- › Installation Growth Driven by Low PV Module Prices in 2018
 - Except for China
 - 40 GW Exports from China
- › Demand will Gradually Improve in the Next Three Quarters of 2019
 - Q1'19 Expected Demand to be Near Q4'18
- › Three Largest Markets In 2019
 - China
 - Europe
 - US



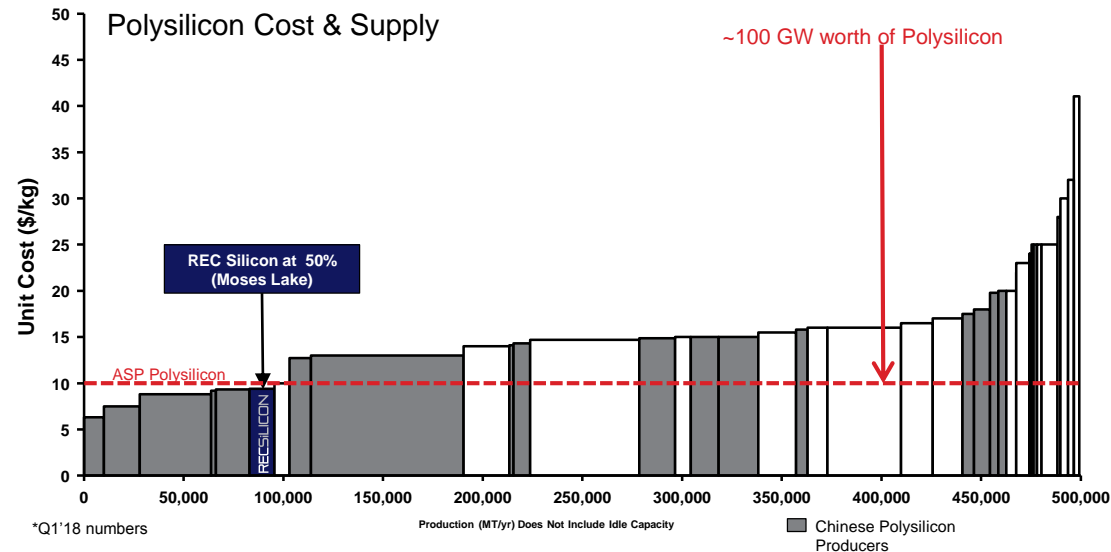
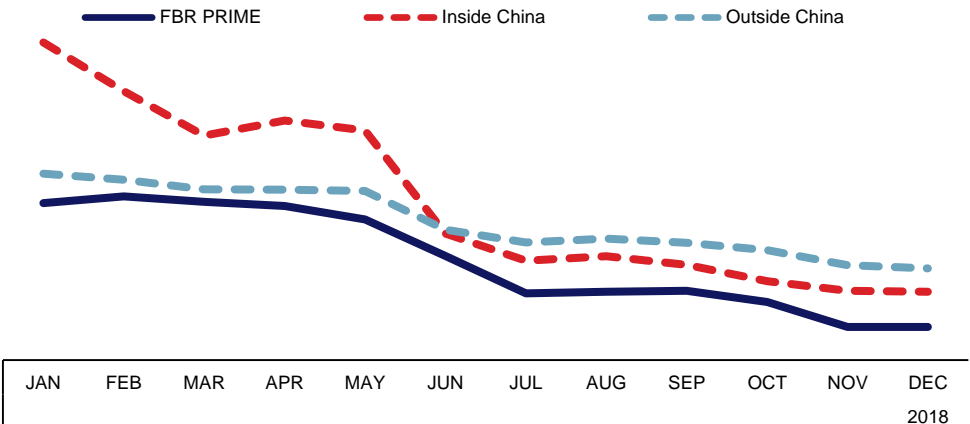
Source: IHS Markit PV Installations Tracker - Q4 2018, December 7, 2018

2018 Polysilicon Price Trend

- Chinese ASP Declined in H2'18 After May 31, 2018 Announcement
- ASP is below Cash Cost of Most of the Polysilicon Producers

2018 Polysilicon Pricing

Source: PV Insights



Current Polysilicon Prices Lead to Curtailments

- › Curtailments of Production Inside and Outside China
- › New Capacity will Partly be offset by Shutdown of Higher Cost Capacity
- › China NDRC in December 2018
 - “Notice on further pushing forward debt settlement for zombie enterprises and de-capacity enterprises”*
 - Policy aims to further push forward supply-side structural reform by actively dealing with debt issues of zombie enterprises and enterprises impacted by de-capacity campaign

PV InfoLink Supply And Demand

Calculation of Polysilicon Capacity Decrease/Increase from 4Q18 to 2Q19, Unit: Tons

Estimated Decrease	Capacity	Estimated Increase	Capacity
Company A	8,000	Company I	60,000
Company B	15,000	Company J	40,000
Company C	10,000	Company K	36,000
Company D	14,000	Company L	15,000
Company E	10,000	Company M	15,000
Company F	20,000	Company N	13,000
Company G	54,000	<u>Company O</u>	<u>6,000</u>
<u>Company H</u>	<u>26,000</u>	Total	185,000
Total	157,000		

The image features a large Chinese flag and a large US flag waving against a clear blue sky. The Chinese flag is red with five yellow stars in the canton. The US flag has thirteen horizontal stripes and fifty small, five-pointed white stars. A yellow diagonal line separates the top image from the bottom white section.

RECSILICON

TRADE WAR UPDATE

Trade Negotiations Between US and China to be Concluded March 1, 2019

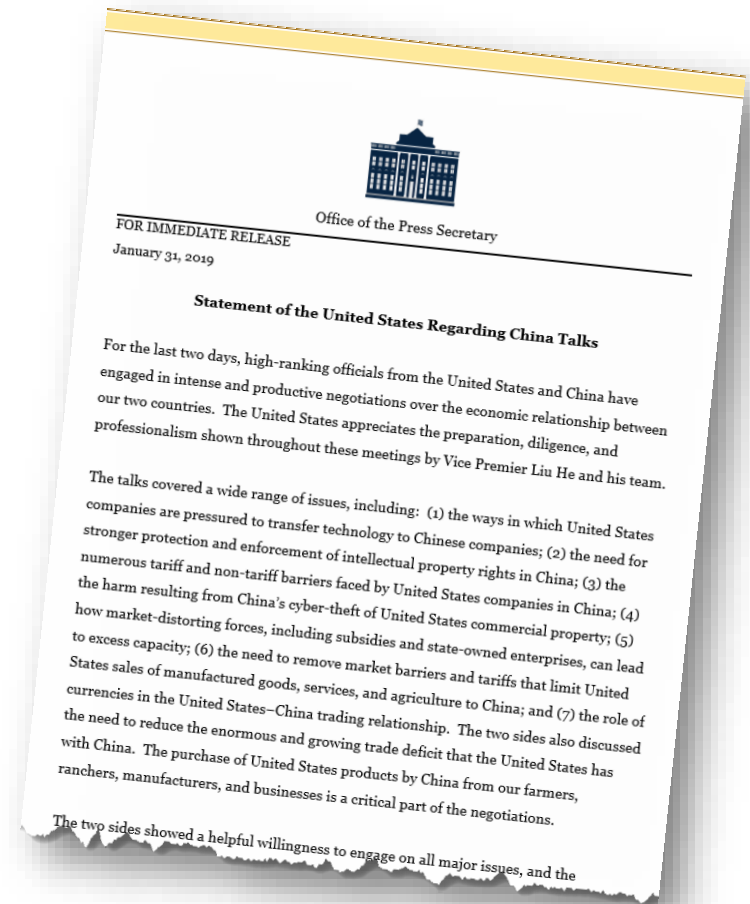
FOURTH QUARTER
2018

Statement of the United States Regarding China Talks

...(2) how market-distorting forces, including subsidies and state-owned enterprises, can lead to excess capacity;

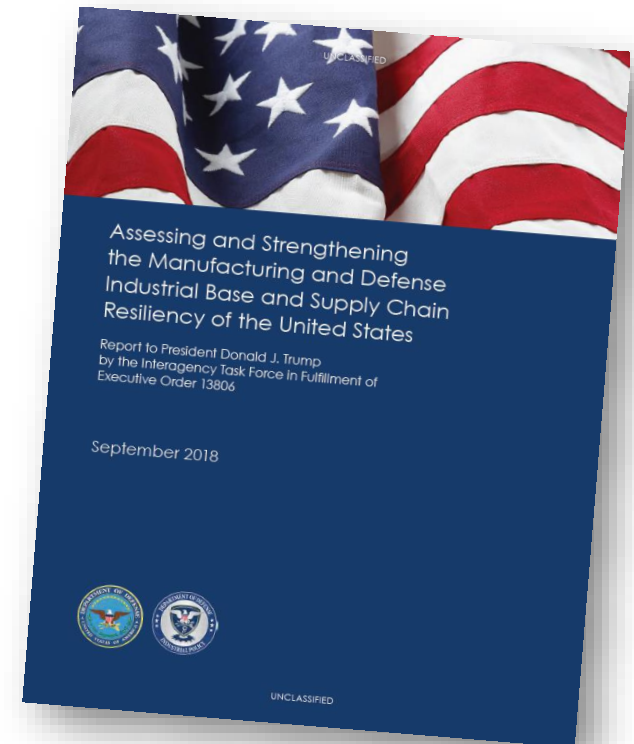
(3) the need to remove market barriers and tariffs that limit United States sales of manufactured goods, services, and agriculture to China

...Reduce the enormous and growing trade deficit that the United States has with China. The purchase of United States products by China from our farmers, ranchers, manufacturers, and businesses is a critical part of the negotiations...



Preserving Critical Materials an Increasing USG Priority 2018

- › USG is Focused on Value of Advanced Materials Particularly for Strategic Industries Like Energy, Lithium Battery and Electric Vehicles
 - Focused on Strengthening US Manufacturing, Internalizing and Supporting Supply Chains
 - Focused on Countering China's Industrial Policy/Planned Dominance in Batteries
- › REC Silicon is the Only US Producer of Silane Gas Which is Becoming a Critical Material for the Lithium Battery Supply Chain



RECSiLICON



YULIN JV UPDATE

Yulin JV Production Update

› 2018 Production

- ~1,850 MT of FBR Polysilicon in (Q4'18)
- Design Capacities Demonstrated
- EG Grade CZ and Float Zone Siemens Polysilicon Produced

› 2019 Targets

- ~14,000 MT of Polysilicon
- Start High Purity FBR Production



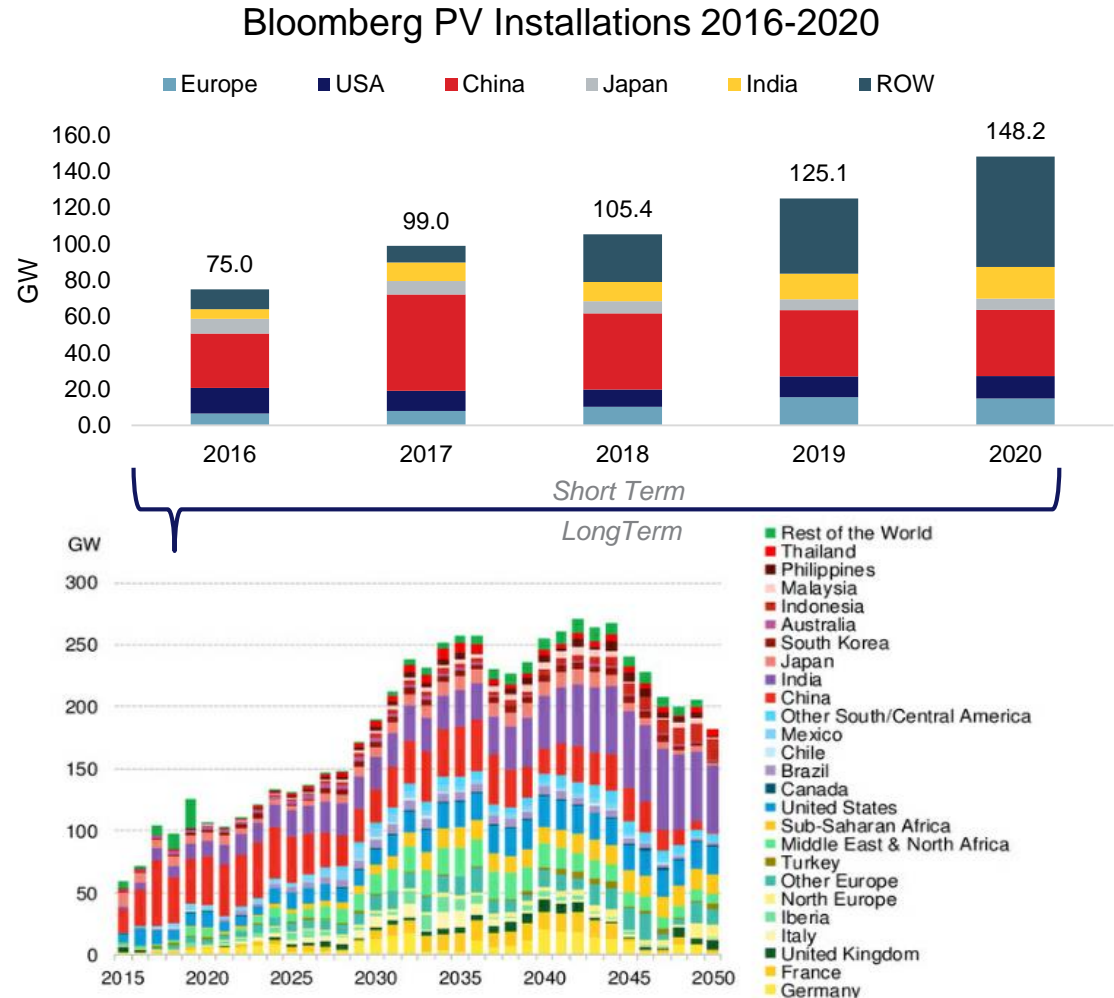


RECSiLICON

LONG TERM
MARKET
DEVELOPMENT

PV Market Will Double Within The Next 5-10 Years

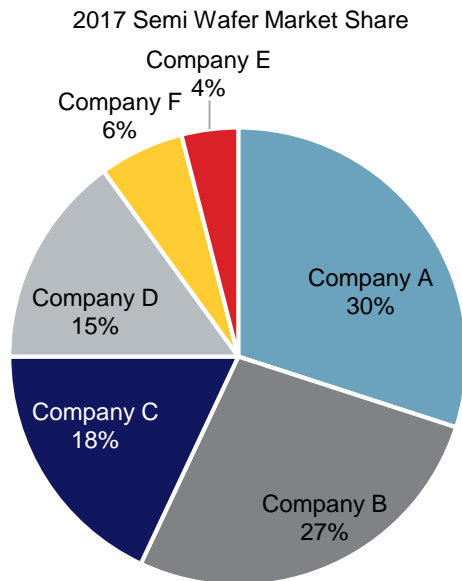
- › Gradually PV will be Competitive without Subsidies
- › Electricity Storage Solutions
- › Strong Focus on Clean Energy Due to Local Pollution and Climate Change Regulations
- › 90% of PV Modules are Based on Polysilicon



Strong Growth in Semiconductor Polysilicon Sales

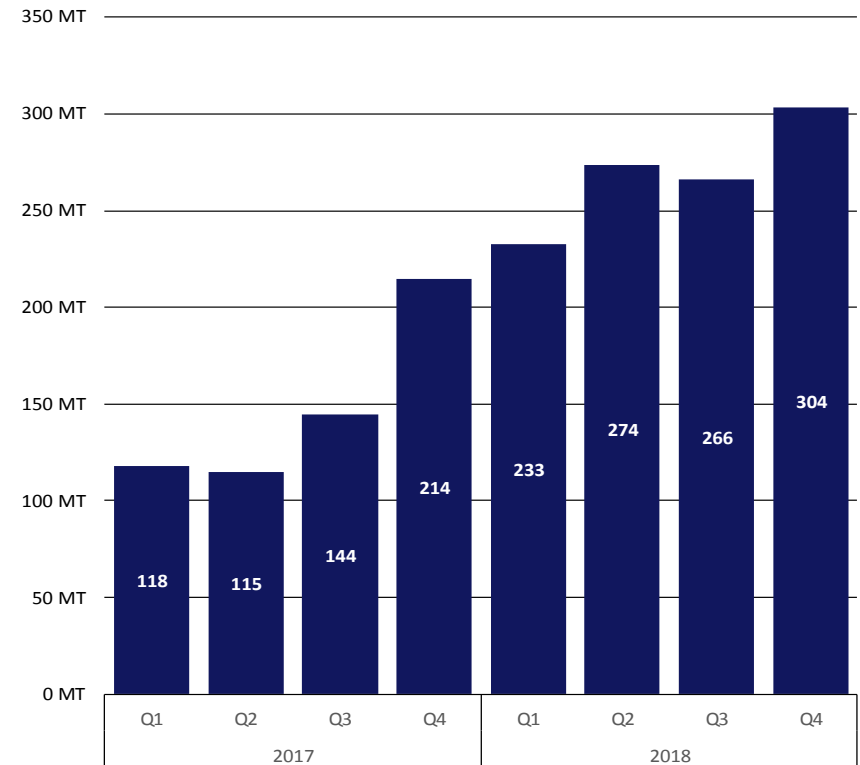
- **Quality Requirement Create Barriers for New Suppliers/Entrants**
- **Long-Term Supply Relationship**
- **REC Produces the Highest Purity Polysilicon for the FZ Industry**

Top 4 Silicon Wafer Companies Have 90% Market Share



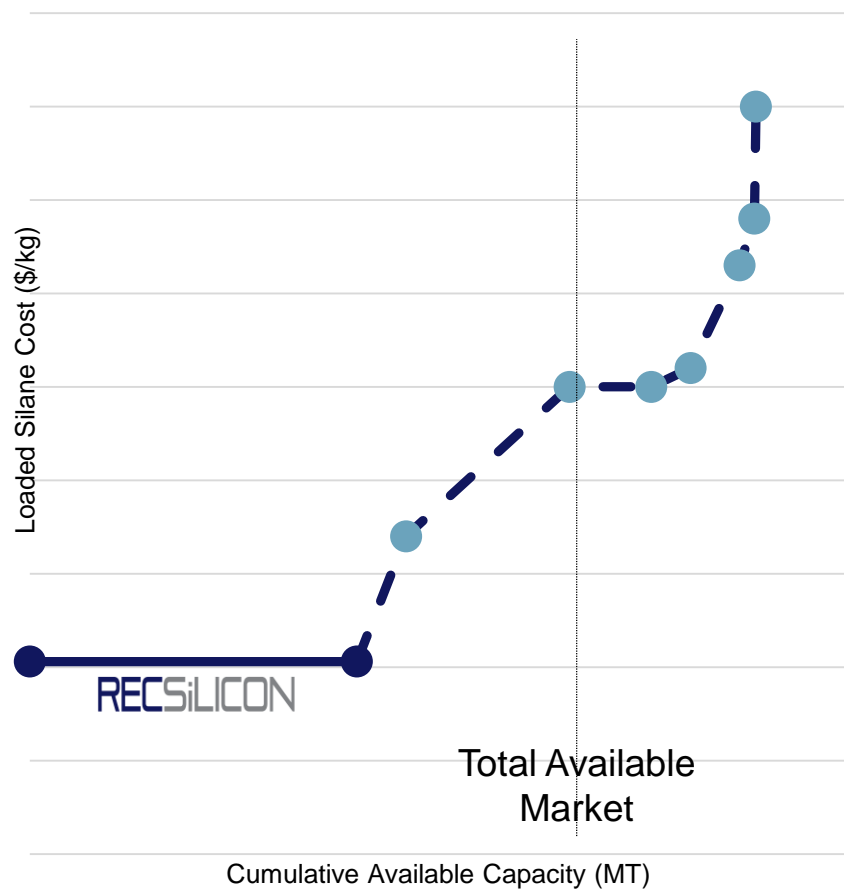
Sources: Market Analysis Data

Semiconductor Polysilicon Sales



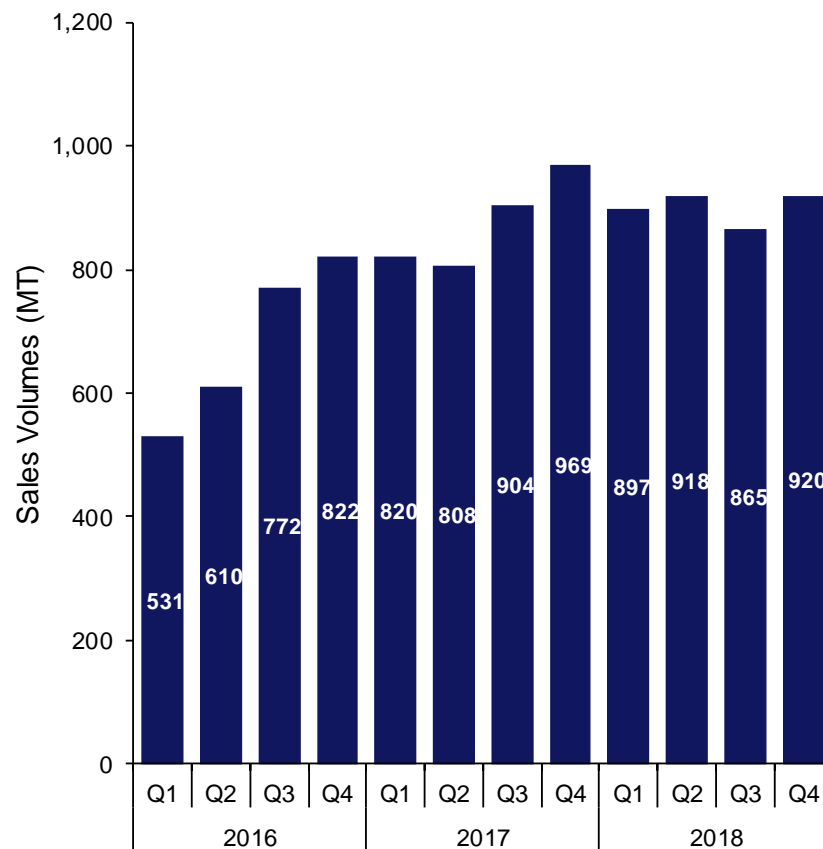
Silicon Gas Sales with Very Competitive Cash Cost

Global Silane Supply Stack



● Other companies

Silicon Gases



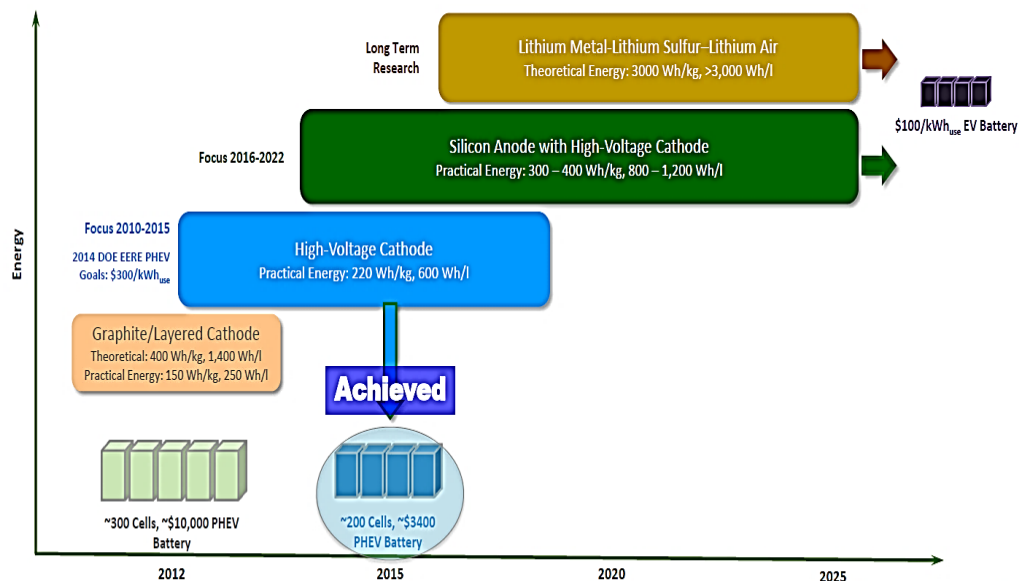
Silicon Anode Battery Technology Development Targeted by US Department of Energy

FOURTH QUARTER
2018

- › Silicon Anodes:
 - Only Battery Technology That Meets DOE's Cost Goal
 - Improves Energy Density
 - Reduces Weight
 - Allows Faster Charging
- › Industry Investing to Resolve Outstanding Issues

VTO R&D Materials Roadmap

Current emphasis: The development of high voltage cathodes and electrolytes coupled with high capacity metal alloy anodes. Research to enable lithium metal-Li sulfur systems.



5

Source: U.S. DOE Vehicle Technologies Office June 20, 2018

U.S. DEPARTMENT OF
ENERGY | Energy Efficiency & Renewable Energy



RECSiLICON

SHORT TERM BUSINESS PLAN

Managing Inventory Levels: Moses Lake Temporary Shutdown

FOURTH QUARTER

2018

Excessive Inventory Levels Due to:

- › Lack of Access to the Chinese Market
- › Market Conditions

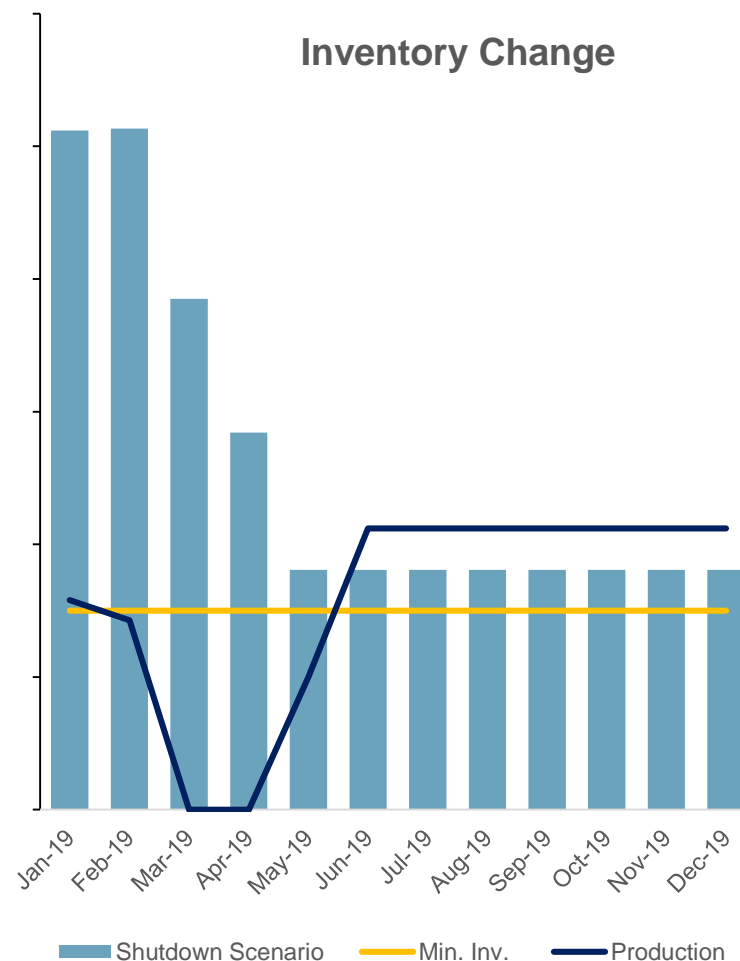
Managing Excessive Inventory Levels:

- › Propose a Two Month Temporary Shutdown
- › Decision to be Made by March 1, 2019 by REC Silicon Board
 - No Reduction in Headcount
 - Inventory Continues to be Sold to Customers

Resume Production at the Moses Lake Facility:

- › Once Inventory Levels Have Normalized
- › Demand Forecasts Indicate That Demand is Sufficient for Resuming Production

REC Silicon Expects that a Trade Resolution or Market Improvement Occurs in H2'19 to Justify Production at a Higher Capacity.



Solar Materials: Short Term Business Plan

Actions Taken:

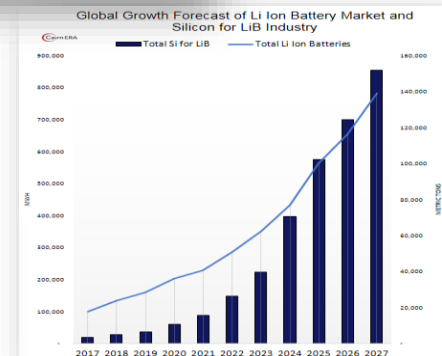
- › Reduced FBR Utilization
 - Operating at ~25% Capacity
 - Manage Inventory Levels
- › Reviewing All Costs
 - Reduce Expenditure Levels
 - Renegotiate Supply Contract Terms
- › Maintain Company Liquidity
 - Assumed Current Capacity Utilization

Next Steps:

- › Actively Pursue US/China Solar Trade War Resolution
- › Temporary Shutdown of Moses Lake Possible on March 1, 2019
 - Dependent On US Trade Negotiations with China
 - Two Month Shutdown Expected
 - Maintain Sales From Existing Inventories
 - Maintain Current Headcount
- › Maintain Company Liquidity

Potential Upside for REC Silicon ASA

- › Trade War Resolution
 - Substantial Increase in Revenue with 100% FBR Utilization, Higher ASP and Lower Cash Cost
- › The Battery Market
 - Substantial Increase in Demand for Silane
- › Increased Ownership in Yulin JV
 - Will be in a Good Negotiation Position





RECSiLICON

GUIDANCE

2018 Results vs. Guidance

FBR Production ***

2018	7,584MT
Guidance*	7,565MT
Deviation	0.2%

FBR Cash Cost

2018	\$12.2/kg
Guidance*	\$12.3/kg
Deviation	-0.8%

Total Polysilicon Production

2018	9,280MT
Guidance*	9,276MT
Deviation	0.0%

Semiconductor Production

2018	1,126MT
Guidance*	1,153MT
Deviation	-2.4%

Silicon Gas Sales

2018	3,600MT
Guidance*	3,530MT
Deviation	2.0%

2018 CapEx **

Maintenance	\$2M
Guidance*	\$3M
Deviation	-33.3%

* Guidance Presented October 24,2018

** Additions to Property Plant and Equipment

*** Excludes Fines and Powders

Q1 and 2019 Guidance

Semiconductor Production		Silicon Gas Sales		2019 CapEx *	
Q1	290MT	Q1	850MT	Maintenance	\$4M
2019	1,210MT	2019	3,840MT		

* Additions to Property Plant and Equipment

RECSiLICON



Q1 2019 Reporting
May 9, 2019

Follow us on
recsilicon.com **LinkedIn**