DAQO NEW ENERGY

February 28, 2022

Q4 and Fiscal Year 2021 Financial Results Presentation

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Among other things, the outlook for the first quarter and the full year of 2022 and quotations from management in this announcement as well as Daqo New Energy’s strategic and operational plans, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its reports filed or furnished to the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the demand for photovoltaic products and the development of photovoltaic technologies; global supply and demand for polysilicon; alternative technologies in cell manufacturing; the Company’s ability to significantly expand its polysilicon production capacity and output; the reduction in or elimination of government subsidies and economic incentives for solar energy applications; the Company’s ability to lower its production costs; and the duration of COVID-19 outbreaks in China and many other countries and the impact of the outbreaks and the quarantines and travel restrictions instituted by relevant governments on economic and market conditions, including potentially weaker global demand for solar PV installations that could adversely affect the Company’s business and financial performance. Further information regarding these and other risks is included in the reports or documents the Company has filed with, or furnished to, the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date hereof, and the Company undertakes no duty to update such information or any forward-looking statement, except as required under applicable law.

DAQO NEW ENERGY

“A leading manufacturer of high-purity polysilicon for the global solar PV industry”

Management remarks I

Mr. Longgen Zhang, CEO of Daqo New Energy, commented, “We had an excellent year with great operational and financial performance. We produced 86,587 MT of polysilicon in 2021, exceeding our guidance of 83,000 to 85,000 MT and 12% higher than 77,288 MT produced in 2020. In 2021, approximately 99% of our production was mono-grade polysilicon, which had the highest pricing in the market and was the product most sought after by wafer customers. 2021 saw strong global policies supporting carbon neutrality and the de-carbonization of the energy sector that led to strong demand for solar energy products and resulted in higher polysilicon prices. We delivered a strong financial performance for the full year, with a gross margin of 65% and net income attributable to our shareholders of $756 million, representing a 485.3% increase compared to 2020. Daqo New Energy also achieved two additional major milestones in 2021. We successfully listed our subsidiary Xinjiang Daqo on the Shanghai Stock Exchange in China in July 2021, which will significantly amplify our future growth with access to a robust capital market in China. We also successfully completed the construction of our Phase 4B project and started pilot production in December 2021 with better than anticipated results. As such, we believe that we will continue to be one of the world’s best operators in the polysilicon industry, and a market leader in many aspects including production throughput, product quality, profit margin, cost structure, capital structure and balance sheet.”

“In the fourth quarter of 2021, we produced 23,616 MT of polysilicon, including 1,111 MT from our newly-built Phase 4B facility and we sold 11,642 MT. End of year seasonality impact combined with downstream inventory adjustments led to a temporary reduction in demand, when our customers in the wafer sector reduced their own raw material and product inventory levels and temporarily lowered their utilization rate. After extensive analysis of long-term supply and demand dynamics, we believe that the lower utilization level in the wafer sector was due to seasonality impact and temporary in nature. Therefore, we expect conditions to resume to normal once the solar value chain achieves a new balance when market demand bounces back. In January 2022, the solar market did see a strong pick-up in end market orders, and wafer sector utilization and demand quickly resumed to normal levels. As a result, polysilicon ASP started to recover meaningfully. Our inventory also quickly returned to a normal level by the end of January.”

Management remarks II

"In the fourth quarter, our production cost was $14.11/kg. The increase in production cost as compared to the third quarter was primarily due to the increase in the cost of raw material of silicon powder. The average procurement cost of silicon powder increased from $2.58/kg in the third quarter to $8.68/kg in the fourth quarter. Start-up costs related to our new Phase 4B facility also had a temporary impact on our costs in the fourth quarter. Despite the strong increase in raw material cost during the fourth quarter, most of this cost increase was passed to our downstream customers, as ASPs for the fourth quarter increased to $33.91/kg, compared to $27.55/kg in the third quarter. Moreover, the price of silicon powder started to decline quickly in January 2022 and the current market price of silicon powder is approximately $3.5/kg to $3.6/kg. We expect our production cost to decrease meaningfully in the first quarter of 2022 as a result of lower silicon powder prices and better operational efficiency in our Phase 4B facility."

"In terms of our new Phase 4B facility, we completed the project ahead of schedule despite significant difficulties and challenges resulting from the resurgence of COVID-19. We commenced the construction of Phase 4B in 2021 and harvested the first batch of polysilicon from the brand-new CVD furnaces in early December 2021, within the same year. This has been a new milestone in our company's history in terms of building new capacity and has also set a new benchmark for the industry. We produced approximately 1,111 MT and 2,825 MT of polysilicon from our Phase 4B facility in December 2021 and January 2022, respectively. We expect to reach more optimized output in February and March 2022 and to produce approximately 9,500 MT from our Phase 4B facility in the first quarter of 2022. Polysilicon production from this new facility has already been delivered to our mono wafer customers and met their quality standards."

Management remarks III

“Our Inner Mongolia polysilicon projects, consisting of a 100,000 MT polysilicon for the solar industry and a 1,000 MT polysilicon for the semiconductor industry, are expected to commence in March 2022 and to be completed by the end of the second quarter of 2023. We have already obtained the energy consumption approval and plan to partially use renewable energy to power these projects in the future. We also plan to expand to silicon powder production in Inner Mongolia in the future, which will allow us to further enhance our cost structure and improve our supply chain stability.”

“Global solar PV installations were approximately 160GW in 2021, representing a 23% increase compared to approximately 130 GW in 2020. The 2021 global PV market size was limited by the availability of polysilicon. In addition, solar module pricing increased by more than 20% during 2021. The increases both in volume and price in 2021 demonstrated a very strong market demand as solar broadly achieved grid parity in major power markets around the world, and the development and use of renewable energy has become a global consensus to meet the urgency of global climate challenges. We believe the strong momentum in the solar PV industry will continue to provide a huge market with significant growth potential in the future. In the solar PV industry, polysilicon production has the highest entry barrier, requiring substantial capital, complex and difficult-to-manage process and equipment, stringent product quality requirements, and long-lead times. We are confident that our advantages and competitive positioning, with first-class quality and competitive cost structure, will enable us to continuously increase our market share and enhance our global leadership in the polysilicon industry.”

Operational and financial highlights in Q4 2021

- Polysilicon production volume was 23,616 MT in Q4 2021, compared to 21,684 MT in Q3 2021
- Polysilicon sales volume was 11,642 MT in Q4 2021, compared to 21,183 MT in Q3 2021
- Polysilicon average total production cost(1) was $14.11/kg in Q4 2021, compared to $6.84/kg in Q3 2021
- Polysilicon average cash cost(1) was $13.32/kg in Q4 2021, compared to $5.96/kg in Q3 2021
- Polysilicon average selling price (ASP) was $33.91/kg in Q4 2021, compared to $27.55/kg in Q3 2021
- Revenue was $395.5 million in Q4 2021, compared to $585.8 million in Q3 2021
- Gross profit was $239.8 million in Q4 2021, compared to $435.2 million in Q3 2021. Gross margin was 60.6% in Q4 2021, compared to 74.3% in Q3 2021
- Net income attributable to Daqo New Energy Corp. shareholders was $148.6 million in Q4 2021, compared to $292.3 million in Q3 2021
- Earnings per basic American Depositary Share (ADS)(3) was $2.00 in Q4 2021, compared to $3.95 in Q3 2021
- EBITDA (non-GAAP)(2) was $251.1 million in Q4 2021, compared to $441.8 million in Q3 2021. EBITDA margin (non-GAAP)(2) was 63.5% in Q4 2021, compared to 75.4% in Q3 2021
- Adjusted net income (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders was $150.9 million in Q4 2021, compared to $294.7 million in Q3 2021
- Adjusted earnings per basic ADS(3) (non-GAAP)(2) was $2.03 in Q4 2021, compared to $3.98 in Q3 2021

Notes:

1. Production cost and cash cost only refer to production in our polysilicon facilities. Production cost is calculated by the inventoriable costs relating to production of polysilicon in Xinjiang divided by the production volume in the period indicated. Cash cost is calculated by the inventoriable costs relating to production of polysilicon excluding depreciation expense, divided by the production volume in the period indicated.
2. Daqo New Energy provides EBITDA, EBITDA margins, adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic ADS on a non-GAAP basis to provide supplemental information regarding its financial performance. For more information on these non-GAAP financial measures, please see the section captioned "Use of Non-GAAP Financial Measures" and the tables captioned "Reconciliation of non-GAAP financial measures to comparable US GAAP measures" set forth at the end of this press release.
3. ADS means American Depositary Share. On November 17, 2020, the Company effected a change of the ratio of its ADSs to ordinary shares from one (1) ADS representing twenty-five (25) ordinary shares to one (1) ADS representing five (5) ordinary shares. The earnings per ADS and number of ADS information has been retrospectively adjusted to reflect the change for all periods presented.

Xinjiang polysilicon facilities update

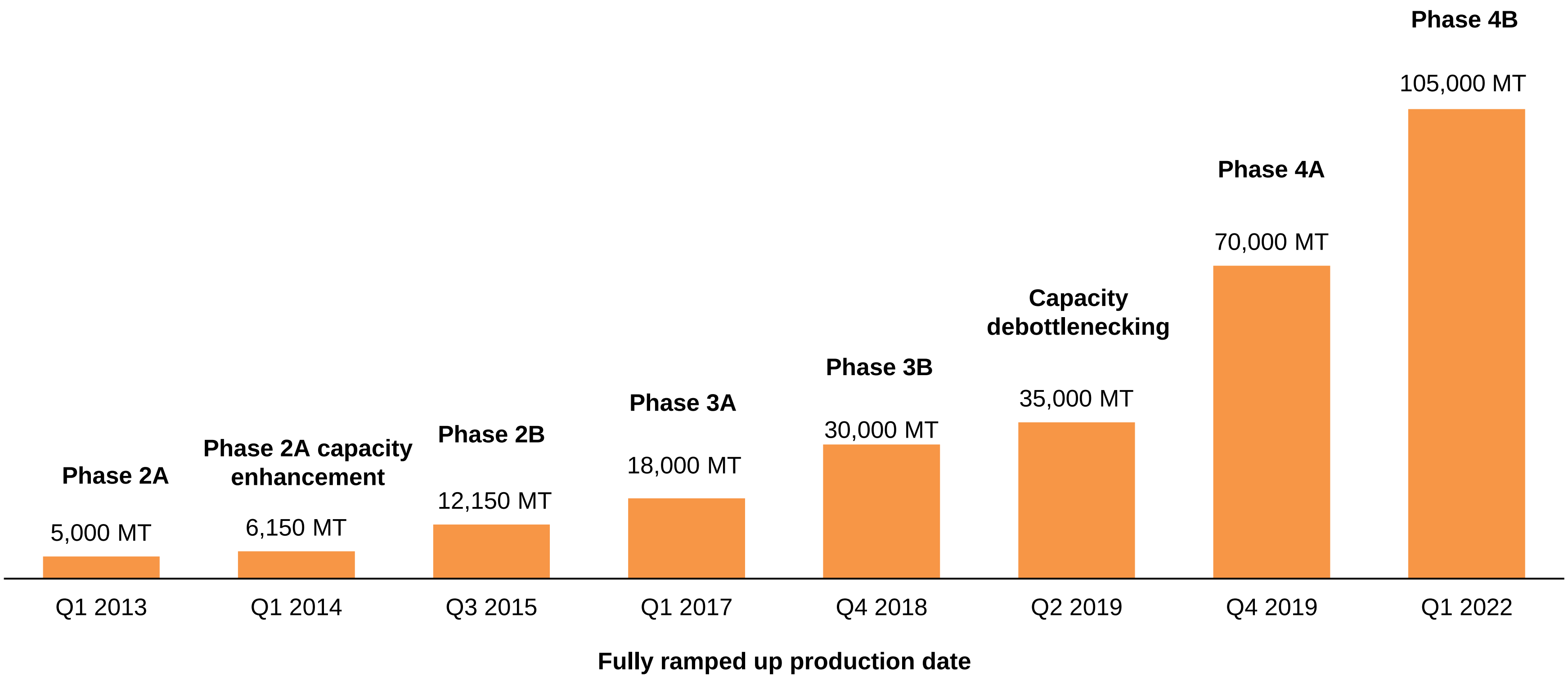
Q4 2021 key facts

- Quarterly production volume: 23,616 MT
- External sales volume: 11,642 MT
- Average total production cost : $14.11/kg
- Average cash cost: $13.32/kg

Outlook

- Expected production volume in Q1 2022: 31,000 ~ 32,000 MT
- Expected production volume in the full year of 2022: 120,000 ~ 125,000 MT

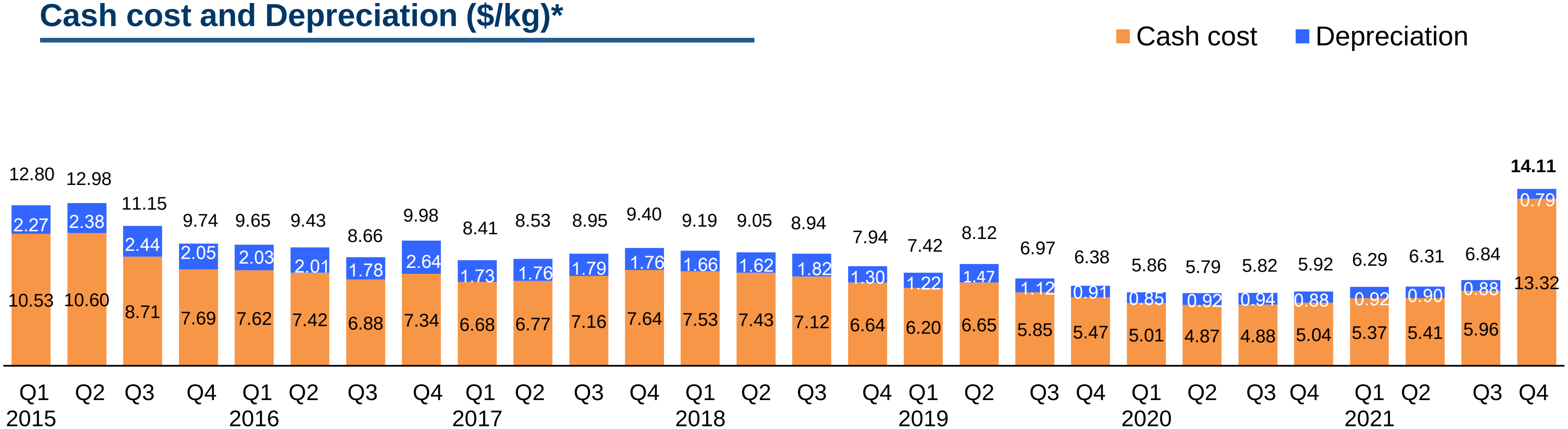
Polysilicon historical and projected capacity in Daqo's Xinjiang facilities * (MT)



Polysilicon manufacturing overview

Production Volume (MT)

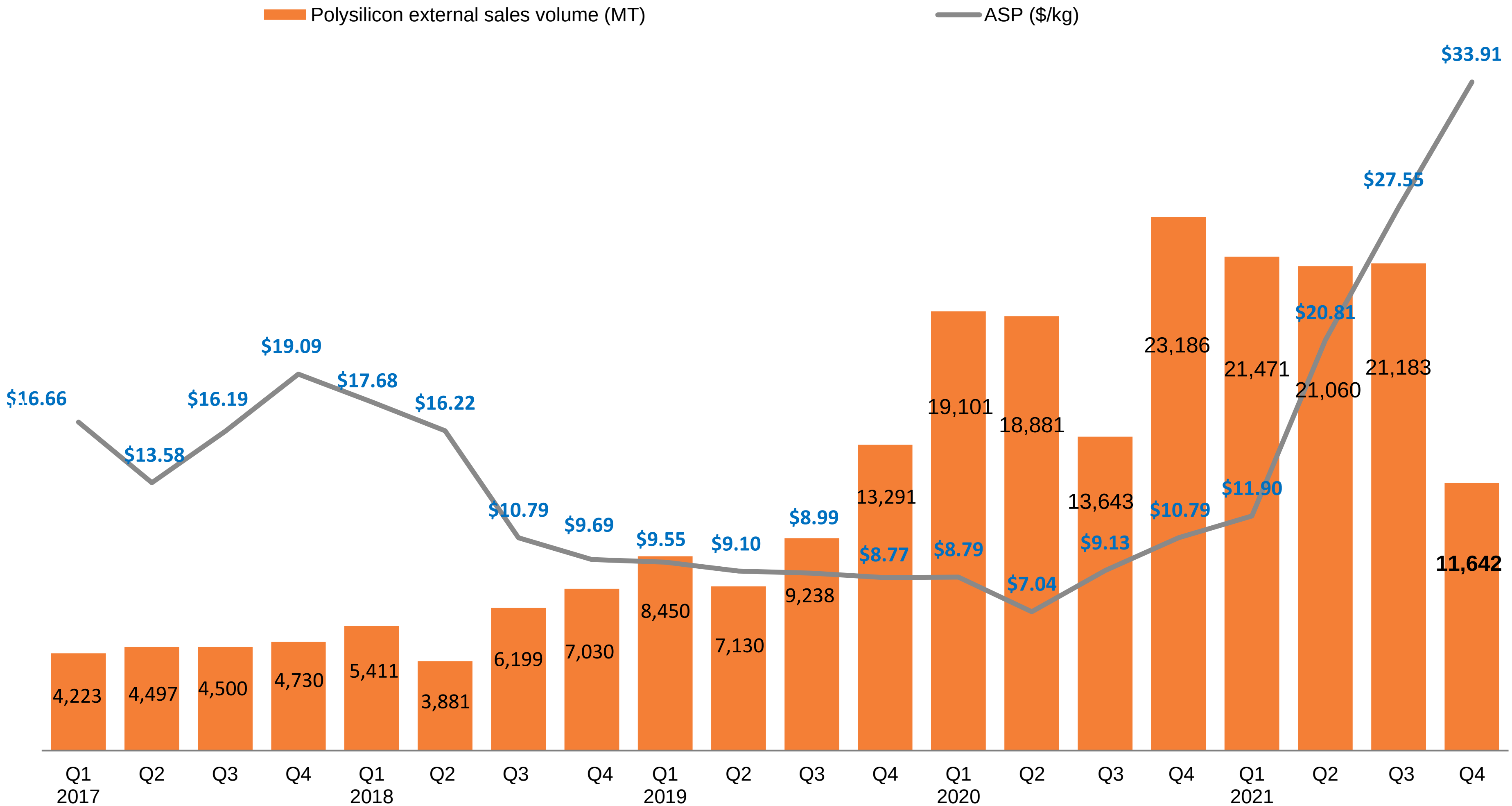
Cash cost and Depreciation ($/kg)*



* The cash cost and depreciation only refer to the polysilicon production in Xinjiang facilities.

Quarterly polysilicon sales volume and ASPs

Polysilicon external sales volume and ASPs



Income statement summary

($ in millions, unless otherwise stated)	Q4 2021	Q3 2021	Q4 2020	FY 2021	FY 2020
Revenues	**395.5**	**585.8**	**247.7**	**1,678.8**	**675.6**
Cost of revenues	(155.7)	(150.6)	(138.2)	(581.6)	(441.6)
Gross profit	239.8	435.2	109.5	1,097.2	234.0
Gross margin	**60.6%**	**74.3%**	**44.2%**	**65.4%**	**34.6%**
SG&A	(10.2)	(11.4)	(11.2)	(39.9)	(39.5)
R&D expense	(1.3)	(1.9)	(1.5)	(6.5)	(6.9)
Other operating income / (expenses)	(0.2)	(0.2)	1.2	0.6	0.2
Income from operations	**228.1**	**421.7**	**98.0**	**1,051.4**	**187.9**
Net income attributable to Daqo New Energy shareholders	**148.6**	**292.3**	**72.8**	**756.2**	**129.2**
Basic earnings per ADS (US$)	**2.00**	**3.95**	**1.01**	**10.24**	**1.82**
EBITDA (1)	**251.1**	**441.8**	**115.1**	**1,132.8**	**256.5**
EBITDA margin (1)	**63.5%**	**75.4%**	**46.5%**	**67.5%**	**38.0%**

Notes:
(1) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization

Balance sheet summary

($ in millions)	As of 12/31/2021	As of 9/30/2021	As of 12/31/2020
Cash, cash equivalent and restricted cash	724.0	660.9	118.4
Note receivables	365.9	353.3	0.2
Short-term investments	280.3	414.2	-
Inventories	327.8	46.2	42.2
Prepaid land use rights	40.7	36.9	30.8
Property, plant and equipment, net	1,559.1	1,442.5	1,027.1
Total assets	**3,343.7**	**2,989.9**	**1,239.1**
Advances from customers - short term portion	203.0	180.0	37.8
Advance from customers - long term portion	90.7	90.2	3.3
Payables for purchases of property, plant and equipment	142.9	81.9	49.6
Total liabilities	**672.5**	**543.7**	**440.2**
Total equity	**2,671.1**	**2,446.4**	**798.9**
Total liabilities and equity	**3,343.7**	**2,989.9**	**1,239.1**

Cash flow summary

($ in millions)	12 months ended 12/31/ 2021	12 months ended 12/31/ 2020
Net cash provided by operating activities – continuing operations	639.1	209.8
Net cash provided by operating activities – discontinued operations	-	(0.05)
Net cash provided by operating activities	**639.1**	209.7
Net cash used in investing activities – continuing operations	782.0	(118.3)
Net cash used in investing activities – discontinued operations	-	(0.2)
Net cash used in investing activities	**782.0**	**(118.5)**
Net cash provided by / (used in) financing activities – continuing operations	736.2	(95.5)
Net cash provided by / (used in) financing activities	**736.2**	**(95,5)**
Effect of exchange rate changes	12.2	7.4
Net increase in cash, cash equivalents and restricted cash	605.6	3.1
Cash, cash equivalents and restricted cash at the beginning of the period	118.4	115.3
Cash, cash equivalents and restricted cash at the end of the period	724.0	118.4

Non-GAAP reconciliation

US$ in millions	Q4 2021	Q3 2021	Q4 2020	FY 2021	FY 2020
Net income from continuing operations	186.3	355.8	76.3	872.1	133.9
Income tax expenses	43.1	62.1	13.6	162.8	28.2
Interest expense, net	2.0	4.5	8.1	20.5	25.7
Depreciation & amortization	19.7	19.4	17.1	77.4	68.7
EBITDA (1)	**251.1**	**441.8**	**115.1**	**1,132.8**	**256.6**
EBITDA margin (1)	**63.5%**	**75.4%**	**46.5%**	**67.5%**	**38.0%**
Share-based compensation	2.4	2.4	4.5	10.1	17.9
Adjusted net income (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders	**150.9**	**294.7**	**77.3**	**766.3**	**147.1**
Adjusted earnings per basic ADS (non-GAAP)(2)	**$2.03**	**$3.98**	**$1.07**	**$10.37**	**$2.07**

Note:
(1) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization
(2) Adjusted Net income and Adjusted Earnings per basic ADS excludes costs related to the non-operational polysilicon assets in Chongqing and costs related to share-based compensation.

Use of Non-GAAP financial measures

To supplement Daqo New Energy’s consolidated financial results presented in accordance with United States Generally Accepted Accounting Principles (“US GAAP”), the Company uses certain non-GAAP financial measures that are adjusted for certain items from the most directly comparable GAAP measures including earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDA margin; adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic and diluted ADS. Our management believes that each of these non-GAAP measures is useful to investors, enabling them to better assess changes in key element of the Company's results of operations across different reporting periods on a consistent basis, independent of certain items as described below. Thus, our management believes that, used in conjunction with US GAAP financial measures, these non-GAAP financial measures provide investors with meaningful supplemental information to assess the Company's operating results in a manner that is focused on its ongoing, core operating performance. Our management uses these non-GAAP measures internally to assess the business, its financial performance, current and historical results, as well as for strategic decision-making and forecasting future results. Given our management's use of these non-GAAP measures, the Company believes these measures are important to investors in understanding the Company's operating results as seen through the eyes of our management. These non-GAAP measures are not prepared in accordance with US GAAP or intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with US GAAP; the non-GAAP measures should be reviewed together with the US GAAP measures, and may be different from non-GAAP measures used by other companies.

The Company uses EBITDA, which represents earnings before interest, taxes, depreciation and amortization, and EBITDA margin, which represents the proportion of EBITDA in revenues. Adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic and diluted ADS exclude costs related to share-based compensation. Share-based compensation is a non-cash expense that varies from period to period. As a result, our management excludes this item from our internal operating forecasts and models. Our management believes that this adjustment for share-based compensation provides investors with a basis to measure the Company's core performance, including compared with the performance of other companies, without the period-to-period variability created by share-based compensation.

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Thank you