

To the shareholders of Norwegian Crystals AS (the "**Company**")

CONVERTIBLE LOAN – OFFER TO PARTICIPATE AND FURTHER INFORMATION

7 December 2018

Dear Shareholders,

In our notice of summons to a general meeting dated 23 November 2018, we referred to a prospective loan transaction. Following the approval of that transaction at the General Meeting held on 3 December 2018, the Company entered into a convertible loan agreement dated 3 December 2018 between the Company as borrower and Rebelijo AS, Capricorn Libra Team LLC, Finance Resources ToDo AS, Novus Special Situations LLC, Storstein AS and Schoutbynact AS, as principle lenders (the "**Principal Lenders**") and NC Finance CV as NCF lender (together with the Principal Lenders, the "**Original Lenders**") (the "**Loan Agreement**"), whereby the Original Lenders made available to the Company a \$3 million loan facility.

Pursuant to the Loan Agreement, the Company has the right to offer participation in the loan to its shareholders, Original Lenders and others up to a maximum additional amount of \$7 million (the "**Additional Loans**"), so that the total loan facility under the Loan Agreement is \$10 million. The terms and conditions are the same for the full convertible loan of up to \$10 million as for the Principal Lenders, but there is an extra incentive to shareholders who oversubscribe in the loan within 31 December 2018. With this letter, we give a description of the opportunity and of the process by which you, as a shareholder of the Company, can participate and the relevant documentation to enable you to subscribe for an amount of your choosing.

The Loan Agreement is included in the zip file referred to in paragraph 5 (Additional Information) below.

1. TERMS OF THE LOAN FACILITY

The Loan Agreement sets out all the relevant financial terms of the loan facility. All those who participate as lenders (the "**Additional Lenders**") will have the same rights and obligations as the Principal Lenders under the loan facility in terms of security, repayment, prepayment and maturity. In order for you to consider whether it might be of interest to you, the broad terms of the Loan Agreement are as follows:

Facility Size: Up to \$10 million (including the \$3 million already provided by the Original Lenders)

Subscription: The subscription period is open until 15 February 2019, with incentives to shareholders who oversubscribe prior to 31 December 2018

Security: Secured through a pledge in the Company's machinery and plant in the total amount of USD 17,600,000 (nominal amount set high to cover accumulating interest)

Maturity: 30 June 2020, and the Company may on certain conditions apply for extension to 31 December 2021 at the discretion of the lenders. The Company may also repay the

loan, without any penalty becoming due at any time after the 180th day after the Disbursement Date (as defined in the Loan Agreement) (however, so that each lender may choose to convert its part of the Loan rather than receiving such repayment)

Yield: At maturity, interest at the rate of 14% per annum, compounded monthly, will be payable in cash (or be convertible into shares at the lenders discretion)

Conversion: Each lender has the right, at any time and at the lender's sole discretion, to convert all or some of its portion of the Total Outstanding Amount (as defined in the Loan Agreement) into shares in the Company. The subscription price for each Conversion Share (as defined in the Loan Agreement) shall be the lower of: i) NOK 60 per share, or ii) the share price of the last equity issuance of at least NOK 50 million in total

2. OVERSUBSCRIPTION – ISSUE OF WARRANTS

As an incentive for subscription in the convertible loan, shareholders who at the latest by 31 December 2018 subscribe for more than their pro rata portion of the loan based on their ownership share in the Company per the date of the general meeting held 3 December 2018, will as a group be granted 100,000 warrants to be distributed to the qualified subscribers pro rata according to the individual subscribers' over-subscription amount in relation to all qualified subscribers total over-subscription amount based on the board of directors' resolution for allocation of Additional Loans. The shareholders who over-subscribe are automatically considered to have subscribed for warrants. The board of directors will calculate the number of warrants and award the relevant number of warrants to each lender (including the Original Lenders) whom have over-subscribed, as soon as practically possible following 31 December 2018. Each warrant will give right to subscribe for one share at face value (NOK 3 per share). The warrants are not transferable. Any shares acquired on basis of the warrants are however transferable without any restrictions in accordance with the Company's Articles of Association.

If the loan is converted and/or warrants are issued and declared under the loan facility in accordance with the paragraph above, there will be a dilutive effect on the shareholders. Participation in the loan facility is one way that the shareholders can avoid or reduce that dilutive effect.

3. FURTHER PROCESS

3.1 Subscription

Each shareholder may subscribe for participation in the Additional Loans.

Shareholders wishing to participate in the Loan Agreement as an Additional Lender must request so on the separate subscription form no later than 31 December 2018 if they want to ensure a participation in the loan and the opportunity to receive warrants in accordance with section 2 above. The subscription form is a binding request to participate in the loan facility, and is attached hereto as Appendix 1. After 31 December 2018, this offer to participate in the Loan Agreement as an Additional Lender will be open to shareholders and third parties up to 15 February 2019, but no warrants will be issued to subscribers who request participation after 31 December 2018.

Each shareholder must complete and sign an Additional Lender Notice (as defined in the Loan Agreement). The Additional Lender Notice formally constitutes the shareholder as a party to the Loan Agreement, and is attached hereto as Appendix 2.

If there are questions related to the completion of the subscription form and/or the Additional Lender Notice, please contact oyvind.molmann@crystals.no/ e.blakstad@selmer.no.

Subscriptions for an amount of the Additional Loans that is lower or higher than the shareholder's pro rata share is allowed. In case of oversubscription, shareholders will have a right to be allocated a pro rata share of the Additional Loans based on the number of shares in the Company held by each shareholder.

Multiple subscriptions are allowed and should the Company receive more than one subscription form from a shareholder, all subscription forms will be counted and aggregated unless identical. If two or more identical subscription forms are received, the subscription form will only be counted once unless otherwise explicitly is stated on one of the subscription forms.

Accurately completed and signed subscription forms, together with a completed Additional Lender Notice, must be received by the Company within the deadline for subscription as set out in section 3.2 below if the shareholder wants to ensure participation and the opportunity to receive warrants in accordance with section 2 above, subject to any extension of the deadline by the Company. Subscription forms sent by regular mail close to the end of the deadline are likely to arrive after the deadline. The Company may not be held responsible for postal delays, unavailable internet lines, servers, or other logistical or technical matters that may result in subscriptions not being received in time or at all by the Company. For subscription guidance, the Additional Lender Notice shall be fully completed save for the amount of Additional Loan. The Company will complete the Additional Lender Notice with the applicable numbers after allocation has been made as set out in section 3.2 below.

3.2 Allocation principles

The allocation of the Additional Loans between the Additional Lenders having requested participation in the Additional Loans will be resolved by the board of directors of the Company based on the following principles:

- **First allocation:** All shareholders will receive full allocation for subscriptions up to the relevant shareholder's pro rata share of the Additional Loans based on the number of shares in the Company held by each shareholder at 3 December 2018.
- **Second allocation:** In the event that one or several shareholders and Original Lenders have subscribed for less than their pro rata share, the resulting available commitment will be allocated between the shareholders and the Original Lenders (if any) having subscribed for more than their pro rata share, allocated among them pro rata based on the number of shares in the Company held by each such shareholder at 3 December 2018, and for each shareholder limited upwards to its subscription.
- **Offer to third party lenders:** In the event that Additional Loans following the second allocation in aggregate is less than USD 7,000,000, the Company may invite third parties to participate in the remaining Additional Loans as Additional Lenders. The Company will determine the allocation of Additional Loans between any third-party lenders, with a view to establish an appropriate long-term shareholder structure for the Company. In making such allocations, the Company is expecting to take

into account factors such as perceived investor quality, subscription size, sector knowledge, credit worthiness and investment horizon.

The allocation of warrants, provided there is an oversubscription in the convertible loan prior to 31 December 2018, will be resolved by the board of directors of the Company pro rata based on the individual subscribers' over-subscription amount in relation to all qualified subscriber's total over-subscription amount.

3.3 Contemplated timeline

Action	Date
Deadline for requesting participation in the Additional Loans with right to over-subscription warrants through the subscription form	31 December 2018
Deadline for requesting participation in the Additional Loans through the subscription form	15 February 2019
Additional Lender Notices (Appendix 2) completed by each Additional Lender, and forwarded to the Company for inclusion of the applicable loan amount allocated following the allocation of Additional Loans, in accordance with the proxy provided by the Additional Lender in the subscription form	31 December 2018 or 15 February 2019 as applicable
Board of directors' resolution for allocation of Additional Loans and warrants (as applicable)	4 January 2019 or 20 February 2019 as applicable
Drawdown request for the Additional Loans from the Company to the Additional Lenders	7 January 2019 or 21 February 2019 as applicable
Disbursement of the relevant loan amounts from each Additional Lender	9 January 2019 or 25 February 2019 as applicable
Warrants issued and transferred to the relevant Additional Lenders	10 January 2019

4. COMPANY UPDATE

Please find attached the financial report for Third Quarter 2018 and a company presentation from the general meeting held 3 December 2018 attached. Øyvind Mølmann (oyvind.molmann@crystals.no and mobile +4798298892 and Gøran Bye (goran.bye@crystals.no and mobile +4791830827) are available for meetings and further details.

5. ADDITIONAL INFORMATION

Copies of the following documents are attached in the zip file sent together with this offer to participate.

- The Company's financial report for Third Quarter 2018 – reviewed by KPMG.
- The company's presentation from the general meeting held 3 December.
- Loan Agreement.

Each person considering to subscribe for Additional Loans is urged to read and make sure he fully understands all information concerning the Company and its operations as set out in this Offer to Participate in Additional Loans as well as in the available information before making an investment decision.

6. RESTRICTIONS

This opportunity to participate will be available solely to each shareholder of the Company, or specifically identified third parties as set out in section 3.2 above, and may not be sold or otherwise transferred to any other party.

The Company has not taken any actions to allow the distribution of this letter in any jurisdiction where action would be required for such purposes. The letter has not been registered with, or approved by, any public authority, stock exchange or regulated market. The distribution of this letter, as well as any subscription, purchase, sale or transfer of Additional Loans or any shares of the Company purchasable pursuant to the terms of Additional Loans may be restricted by law in certain jurisdictions, and the recipient should inform himself about, and observe, any such restriction. For United States residents, please note that neither the Additional Loans nor the shares of the Company purchasable pursuant to the terms of Additional Loans have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction in the United States. In the United States, the Additional Loans will be offered only to "qualified institutional buyers" as defined in Rule 144A(a)(1) under the Securities Act or to another type of "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act. Outside the United States, the Additional Loans will be offered in accordance with Regulation S under the Securities Act to non-U.S. persons (as defined in Regulation S). For United Kingdom residents, please note that this communication is exempt from Section 21 of the Financial Services and Markets Act 2000 (FSMA) on the basis that it is made on behalf of the Company to persons who are existing shareholders and relates to instruments giving entitlements to investments in the Company.

7. CONTACT DETAILS

Any questions related to the offer and/or company update provided herein may be directed to the Company's CFO by email to:

oyvind.molmann@crystals.no

with a copy to the Company's CEO by email to:

goran.bye@crystals.no

Yours sincerely

NORWEGIAN CRYSTALS AS

Reidar Langmo
Chairman

Appendix 1

SUBSCRIPTION FORM - ADDITIONAL LOANS

1. SUBSCRIPTION OF ADDITIONAL LOANS

This subscription form (the "**Subscription Form**") is a binding acceptance of an offer to participate as an additional lender ("**Additional Lender**") in the additional loans ("**Additional Loans**") under the convertible loan agreement dated 3 December 2018 (the "**Loan Agreement**") with Norwegian Crystals AS (reg.no. 998 602 734) as borrower (the "**Company**"). The undersigned (being a shareholder of the Company) (the "**Subscriber**") hereby subscribes for an Additional Loan under the Loan Agreement as described below.

The Subscription Form must be received by the Company at the latest on 31 December 2018 in order to be taken into account in connection with the allocation of Additional Loans. The Subscriber bears the risk of any delay in postal systems, data problems or other communications failure or delay preventing the Subscription Form from being received by the Company within this deadline. The Company reserves the right, in its sole discretion, to accept Subscription Forms that are received after the deadline has expired.

2. SUBSCRIPTION

Place and Date:	
Name of Subscriber:	
Street Address:	
Postal code/ area:	
Nationality:	
Social security number/ Business organization number:	
Email address:	
Daytime telephone number:	
Number of shares owned by the Subscriber:	
Amount of the Additional Loan requested by the Subscriber:	
Signature on behalf of Subscriber ¹ :	
Name and title of Subscriber/ signing representative in block letters:	

¹ When signing on behalf of a legal entity or another person, appropriate evidence of authority must be provided together with the subscription.

3. CONFIRMATION

The Subscriber confirms its request to participate as an Additional Lender, as specified above, on the terms and conditions set out in the Loan Agreement and that, if the Subscriber subscribes for more than its pro rata portion of the loan based on its ownership share in the Company per the date of the general meeting held 3 December 2018 prior to 31 December 2018, warrants will be allocated to the Subscriber pro-rata according to the Subscriber's over-subscription amount in relation to all qualified subscribers total over-subscription amount, collectively referred to as the "**Subscription**". The Subscription is irrevocable for the Subscriber and cannot be withdrawn, cancelled or modified by the Subscriber after being received by the Company.

The Subscriber confirms that it:

- has received and carefully read the document dated 7 December 2018 from the Company entitled "CONVERTIBLE LOAN – OFFER TO PARTICIPATE AND FURTHER INFORMATION" (the "**Offer Document**") together with all its schedules and appendices as well the "Additional Information" referred to therein (the "**Investor Material**"), including, but not limited to, the risk factors included therein;
- is not subscribing Additional Loans, neither for own account nor for the account of others, in violation of the selling and transfer restrictions of any jurisdiction or as set out in Investor Material;
- has made its own assessment of the Company and the Additional Loans, and has, to the extent deemed necessary by the Subscriber, consulted with its own independent advisors concerning relevant financial, operational, tax, legal, currency and other considerations relating to its Subscription;
- has been afforded an opportunity to request from the Company, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained in the Investor Material;
- has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of a decision to deliver its Subscription;
- is able to bear the economic risk related to, and to withstand a complete loss of, an investment in the Company;
- is able to lawfully participate in the private placement and purchase shares, and
- consents to electronic delivery of the Investor Material.

Further, the Subscriber acknowledges and accepts that:

- subscribers who subscribe for more than their pro rata portion of the loan based on its ownership share in the Company per the date of the general meeting held 3 December 2018 (prior to 31 December 2018) is automatically considered to have subscribed for warrants.
- no technical verifications, tax or other financial due diligence or third party verifications of the Company's legal position, financial position, prospects, forecasts and budgets have been carried out;
- the Additional Loans are being offered on the basis of the Investor Material and publicly available information only;
- the Company may seek additional equity financing through private placements, rights issues, or other types of offerings. Any such issue of shares may dilute the Subscriber's relative ownership in the Company, and the Subscriber acknowledges that it may not be offered the opportunity to participate in such issue of shares; and
- no person has been authorised to give any information or to make any representation concerning the Company or the Additional Loans (other than as contained in the Investor Material) and any such other information or representation should not be relied upon as having been authorised by the Company.

4. AUTHORISATION TO SIGN ON BEHALF OF THE SUBSCRIBER

The Subscriber confirms that it is aware of the allocation criteria for the Additional Loans, and for the allocation of warrants to subscribers who subscribes for more than their pro rata portion of the loan as described in section 3 above, as set out in the Offer Document, and that the allocation of Additional Loans and warrants (as applicable) will be resolved by the board of directors pursuant to the mechanisms set out therein. No allocation exceeding the amount subscribed for in the Subscription Form will be made.

In order to facilitate an expedient process, the Subscriber hereby authorises and instructs the chairman of the board of the Company (and any person appointed by the chairman), to complete an Additional Lender Notice (as defined in the Loan Agreement) with the amount of the Additional Loans allocated to the Subscriber by the board of directors of the Company, and to signs such documents as well as to approve and execute all necessary documents on behalf of the Subscriber in relation to the Subscription.

The authorisation and instruction to subscribe for Additional Loans granted to the chairman of the board (and any person appointed by the chairman) is irrevocable and without reservations, and the Subscriber shall indemnify and hold harmless the chairman and any appointed person against any loss or claims in relation to the execution of the authorisation and instruction.

5. ALLOCATION AND SETTLEMENT

Allocation of Additional Loans and final amount allocated to the Subscriber, drawdown notices and disbursement under the Additional Loans, and allocation of warrants (as applicable) shall be made on or about the dates set out in the Offer Document, and as further specified in the drawdown request for the Additional Loans from the Company to the Subscriber. If the Subscriber fails to comply with the terms of disbursement, the Company reserves the right to cancel the allocation in part or in full, allocate the Additional Loan to another person for the Subscriber's cost and risk on such terms and such conditions as the Company may decide. The Subscriber will be liable for any loss, cost or expense suffered or incurred by the Company as a result of or in connection with such re-allocation or the Subscriber's failure to make timely payment.

6. CONDITIONS FOR COMPLETION

Completion of the issuance of the Additional Loans is conditional upon (i) the corporate resolutions of the Company, and (ii) timely execution and delivery of all necessary documents as set out in the Investor Material.

ADDITIONAL LENDER NOTICE

To: Solar Invest GP B.V as Security Agent

From: Norwegian Crystals AS and _____ (the “Additional Lender”)

Dated: _____

Dear Sirs

Norwegian Crystals AS – Convertible Loan Agreement dated 3 December 2018 (the “Agreement”)

- 1 We refer to the Agreement. This is an Additional Lender Notice for the purposes of the Agreement. Terms defined in the Agreement have the same meaning when used in this Additional Lender Notice unless given a different meaning in this Additional Lender Notice.
- 2 We refer to clause 4 (*Additional Loans*) of the Agreement.
- 3 The Additional Lender agrees to assume and will assume all of the obligations corresponding to an Additional Loan in the amount of _____ as if it was a Lender under the Agreement.
- 4 The proposed date on which the Relevant Loan is to take effect (the “Additional Loan Date”) is 9 January 2019.
- 5 On the Additional Loan Date, the Additional Lender becomes party to the Agreement and the relevant security documents under the Agreement as a Lender.
- 6 This Additional Lender Notice and any non-contractual obligations arising out of or in connection with it are governed by Norwegian law.

For and on behalf of the Additional Lender:

Signature:	
Name with block letters	
Title:	
Address	
Email and telephone:	

For and on behalf of the Borrower:

Norwegian Crystals AS

Signature: _____

Name:

Title:

This Agreement is accepted as an Additional Lender Notice for the purposes of the Agreement by the Security Agent and the Additional Loan Date is confirmed as _____ December 2018.

The Security Agent

Solar Invest GP B.V.

Signature: _____

Name:

Title: