NCR ANNOUNCES
THE AUDITED 2018 ANNUAL REPORT,
THE 2019 JANUARY – JUNE RESULTS
AND
THE INTENTION TO CALL FOR A GENERAL MEETING OF THE SHAREHOLDERS TO APPROVE THE PLANS FOR RECAPITALIZATION OF THE COMPANY

Oslo, September 11, 2019

- The Board of Directors of Norwegian Crystals AS ("NCR", the "company") have approved the 2018 accounts against the backdrop of the recent positive developments in the company's customer portfolio, the reduced cost base, and the recapitalization plan consisting of outstanding convertible loans to be converted to equity. The Directors concluded that NCR's 2018 accounts can be closed under the assumption of continued operations ("Going Concern"). The conversion of loans totaling NOK 111 million at June 30, 2019 will restore positive net equity and allow the company to raise new funding by execution of outstanding warrants. Subsequently, a larger equity raise is planned, which will enable further debt financing of an otherwise almost debt free company.
- The Directors intend to call for a General Meeting of shareholders on September 27, 2019 to approve the recapitalization plan. Detailed agenda and supporting documentation will be distributed not later than September 20, 2019

RESULTS SUMMARY

- The 2018 results reflect the abrupt adverse market developments in 2018 driven by the changes in the Chinese incentive system, resulting in sales prices being cut by 30% in the span of six weeks as well as the company's response by closing down production and focus on defining and implementing an aggressive roadmap to secure a sustainable cost base . 2018 sales totaled NOK 178 million (2017: NOK 374 million); operational loss was NOK 156 million (2017: NOK 107 million); and profit after taxation NOK -175 million (2017: NOK -113 million). The December 31, 2018 balance sheet shows fixed assets to be NOK 129 million (December 31, 2017: NOK 106 million); current assets NOK 90 million (2017: NOK 225 million); net equity NOK 29 million (2017: 128 million); long term liabilities NOK 45 million (2017: NOK 42 million); and current liabilities NOK 141 million (2017: NOK 161 million)
- In 2019 NCR returned to production with a more competitive cost base on a very limited production volume particularly in the first quarter. The unaudited accounts for 2019 January through June show sales of NOK 28 million (unaudited 2018 January through June: NOK 129 million); operational loss was NOK 56 million (2018: NOK 48 million); and profit after taxation NOK -65 million (2018: NOK -50 million). The unaudited June 30, 2019 balance sheet shows fixed assets to be NOK 124 million (unaudited June 30, 2018: NOK 126 million);

current assets NOK 75 million (2018: NOK 111 million); net equity NOK -35 million (2018: 78 million); long term liabilities NOK 47 million (2018: NOK 45 million); and current liabilities NOK 188 million (2018: NOK 114 million)

THE BOARD OF DIRECTORS' ASSESSMENT

Customer Demand Exceeds Production: NCRs has secured demand for its high quality monocrystalline silicon products from Tier 1 clients which exceed production capacity beyond the planned expansion. The demand has been secured through customer contracts for 2019 and Letters of Intent for subsequent years.

Promising Cost Position: Operational data and tests since restarting production in January 2019, underpin the Directors' belief that NCR's more aggressive cost roadmap will be achieved at scale.

Industrial Partnership: NCR is ready for entering into industrial partnerships in order to foster further growth, cost savings and increased competitiveness of the involved companies. A process with one industrial party that approached NCR has been well advanced and awaiting the completion of a restructuring effort in the other party.

Although this partnership still represents a valid and valuable opportunity for Norwegian Crystals, the Board of Directors have resolved that the company should continue with its plan to raise funding to implement additional crystal pullers to expand to meet demand.

The Directors have suggested the following plan to secure funding of current operations and growth to 100 + pullers installed in the Glomfjord facilities (listed in sequence of execution):

a. Conversion of convertible loans, which will strengthen NCR's equity by more than NOK 111 million and lay the foundation for subsequent raising of actual liquid funds
b. Execution of all outstanding warrants, including the triggering and execution of the June 2018 Anti-Dilution Warrants, which could provide NOK 30 million in cash to the company and support operations until the subsequent proposed share issue
c. Invitation to investors to inject equity in the company in two tranches; NOK 110-115 million in early Q4 2019 (to make up the balance that remains of the identified NOK 145 million immediate funding need after the warrant executions) and NOK 60 million within March 2020.

The shareholder-lenders represented on the Board of Directors have expressed a willingness to pledge to vote in favour of these proposals at the General Meeting of shareholders and subsequently to execute on the same.

The second tranche of equity is subject to evaluation based on availability of alternative funding sources at the time including consummation of the discussed industrial partnership.

The above plan will enable upscaling to profitability for NCR and secure relevant equity and liquidity for the coming 12 months and beyond.

The Board of Directors considers that the execution of the above plan imply that Norwegian Crystals AS is a going concern.

On behalf of Norwegian Crystals AS,

Gøran Bye

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