

Norwegian Crystals AS

Annual general meeting 28 November 2019



Opening of the meeting

Information

- Introduction and opening of the meeting by the chairman of the board
- Shareholders present, in person or by proxy

Proposed resolution

- No resolution proposed
- The record of attending shareholders will be recorded in the minutes

Agenda

General corporate matters

1. Election of a chairman of the meeting and a person to co-sign the minutes
2. Approval of notice and agenda
3. Approval of annual accounts and annual report for 2018
4. Remuneration of board members
5. Remuneration of auditor

Recapitalisation of the company

6. Extension of the deadline for conversion of the convertible loans resolved 31 July 2017 and 26 September 2017
7. Recapitalization of the company
8. Warrants
9. Write-down of convertible loans
10. Private placement (set-off – convertible loans)
11. Anti-dilution warrants
12. Release of supplier credit
13. Election of board of directors

General corporate matters

1 Election of a chairman and a person to co-sign the minutes

Information

- The chairman will conduct the general meeting
- The chairman will have a casting vote in case of a tie
- Both the chairperson and the person elected to co-sign the minutes must be available to review and sign the minutes after the general meeting
- The company's Norwegian legal advisor, Advokatfirmaet Selmer AS is present and will record the minutes on behalf of the company

Proposed resolution

- Proposed resolution

"[] is elected as chairman of the general meeting and [] is elected to co-sign the minutes."

2 Approval of the notice and agenda

Information

- The notice was distributed on 21 November 2019, within the statutory deadline for convening a general meeting on 28 November 2019
- All items to be dealt with is set out in the notice

Proposed resolution

- Proposed resolution

“The notice and agenda are approved.”

3 Approval of annual accounts and annual report for 2018

Information

- The annual accounts and annual report for the financial year 2018, signed report and balance sheet, as well as the auditor's report was attached with the notice
- A summary of matters that have occurred after the balance sheet date was also attached with the notice
- The approval of the financial accounts for 2018 is overdue
- The company is in a strained financial position
 - Re-capitalisation to be dealt with by the annual general meeting
- Update from the company

Proposed resolution

- Proposed resolution

“The board of directors' proposal for annual accounts and annual report for the financial year 2018 are approved.”

4 Remuneration of board members

Information

- The general meeting shall resolve remuneration for the board members in the period from the 2018 annual general meeting to this annual general meeting
- The board has proposed that no remuneration is to be paid

Proposed resolution

- Proposed resolution

“There shall not be paid remuneration to the Board members for the period from the ordinary general meeting 2018 to the ordinary general meeting 2019.”

5 Remuneration of auditor

Information

- The general meeting shall resolve the statutory remuneration of the company's auditor
- The statutory audit fees for the financial year 2018 amounted to NOK 930,028
- For information purposes only, the company's auditor has performed certain other work for the company related to transactions and other services for an amount of NOK 20,100

Proposed resolution

- Proposed resolution

“The general meeting approves remuneration of the Company's auditor as invoiced for the financial year 2018.”

Recapitalisation of the company

Background – high level comments on the recapitalisation

- The company's financial position
- Basis for going concern and process with Norwegian liquidation courts
- The company's equity capital structure – clean up and share issues as NOK 3 per new share
- Process with creditors and holders of financial instruments
 - Lenders
 - Warrant holders
 - Suppliers
- The company's offer as communicated to the relevant stakeholders has been approved and obtained the required support
- The annual general meeting is requested to make such resolutions that are required to implement
 - The recapitalisation of the company
 - Restructuring of the company's equity capital

Overview – the proposed resolutions for recapitalisation

A summary of the items on the agenda

6. Resolve an extension of the deadline for conversion of 2017-loans
 - Necessary for making conversion of these loans available as an instrument in the recapitalisation

7. Orientation to the shareholders regarding the Proposal for the general meeting
 - The main elements relates to the conversion of loans and capital injection from subscription of new shares pursuant to anti-dilution warrants
 - Additional share capital increases will result from converting loans and exercising other warrants

8. Share capital increase by exercise of warrants, with contribution setting off claims under the 2017 and 2018 loans
 - Warrant holders are offered to use their loan balances to exercise warrants – without any prior write-down

9. Approve write-down of the 2017 and 2018 loans by 96.25 and 60 percent respectively

Comments

- The general meeting shall deal with several separate components, that in total represents the proposed recapitalisation

- All proposals are subject to each of them being approved

Overview – the proposed resolutions for recapitalisation

A summary of the items on the agenda

10. Conversion of loans to shares after write-down
 - Lenders are offered to use their loan balances to subscribe new shares – after write-down
 - The full loan balances shall be converted

11. Share capital increase by subscription of new shares pursuant to anti-dilution warrants
 - Holders of anti-dilution warrants are offered to subscribe shares and provide critical cash capital injection to the company
 - Additional offer to holders of bridge loan to exercise antidilution by using loan balances as contribution for subscription of new shares

12. Release of supplier credit - orientation
 - As part of the restructuring, and to support the company in reaching the required level of capital injection
 - Release of NOK 2 million in credit reduces immediate cash requirement

Comments

- The general meeting shall deal with several separate components, that in total represents the proposed recapitalisation

- All proposals are subject to each of them being approved

6 Extension of the deadline for conversion of loans

Information

- On 31 July 2017 and 26 September 2017, the general meeting resolved to enter into the following convertible loan agreements (the "**2017 Loan Agreements**") in the total aggregate amount of NOK 52,318,440
- The loans fell due for payment on 30 June 2019
- The Company may require to extend the loans with up to two years to the extent that the lenders have not submitted a conversion notice at the latest 20 days before the maturity date
- The Company did not receive any valid conversion notices within the deadline
- The extension is a pre-requisite for the proposed re-capitalization and the general meeting is requested to amend its initial resolutions regarding the 2017 Loan Agreements

Proposed resolution

- Proposed resolution as set out in the notice
 - Extends the conversion rights to 30 June 2021
- **Comments:**
 - The full loan balances will be settled as a result of the recapitalisation dealt with by the general meeting
- **Changes from the notice:**
- The total principal of the convertible loan agreement dated 30 June 2017 between the Company as borrower and twelve shareholders as lenders, including (but not limited to) Energy Future Invest AS, Rebelijo AS, CEH 6 CV, Capricorn Libra Team LLC, NC Invest BV and Storstein AS, is NOK 34,533,370 (not 34,553,370 as in the notice)

7 Recapitalization of the company

Information

- This matter is an orientation item included in the notice for the general meeting
- Reference is made to the presented overview of the recapitalization of the company and the dealing with the annual accounts
- No resolutions are proposed

Proposed resolution

- No resolutions by the general meeting for this item

8 Warrants

Information

- Relates to the of 334,420 "**B-3 Oversubscription Warrants**" and 698,610 "**B-3 Anti-Dilution Warrants**" resolved by the general meeting 15 December 2017 and 100,001 "**2018-Convertible Loan Oversubscription Warrants**" resolved by the general meeting held 3 December 2018 (together the "**Warrants**")
- Share capital increase by exercise of warrants, with contribution setting off claims under the 2017 and 2018 loans
 - Warrant holders are offered to use their loan balances to exercise warrants – without any prior write-down
 - Separate statement on value prepared and confirmed by auditor
- Warrants not exercised will continue to exist until the date of lapsing, which is 30 June 2020
- 19,132 Warrants are not held by lenders under the Loan Agreements, of which 510 are exercised in connection with the Proposal

Proposed resolution

- The general meeting resolves changes to the Warrant terms to allow subscription by setting of loan balances under
 - the 2017 Loan Agreements
 - the convertible loan agreement dated 3 December 2018, as amended by a loan agreement dated 29 March 2019 (the "**2018 Loan Agreement**", (together with the 2017 Loan Agreements, the "**Loan Agreements**")
- **Changes from the notice:**
 - Deadline for subscription extended to 4 December 2019 for practical purposes only
 - The number of "B-3 Anti-Dilution Warrants" resolved at the Company's general meeting held 15 December 2017 is 699,120 (not 698,610 as in the notice)
 - The wording of the resolution changing terms is drafted
 - Separate statement on value is presented to the general meeting

9 Write-down of convertible loans

Information

- Approve write-down of amounts outstanding under the Loan Agreements
- The aggregate outstanding amounts under the 2017 Loan Agreements (principal and accrued but unpaid interest) shall be written down by 96.25%
- The aggregate outstanding amount under the 2018 Loan Agreement (principal and accrued but unpaid interest) shall be written down by 60.00%
- The Company shall be fully discharged and have no further payment obligations with respect to the amounts written down

Proposed resolution

- The general meeting resolves changes to the terms for conversion under the Loan Agreements
 - Resolution as set out in the notice
- **Changes from the notice:**
 - The remaining outstanding loan balance under the 2018 Loan Agreement after write down shall be NOK 23,032,049 (not 23,301,520 as in the notice)

10 Private placement (set-off – convertible loans)

Information

- The remaining loan balance under the Loan Agreements after the outstanding loan balances are written down are used for subscribing new shares
 - Lenders are offered to use their loan balances to subscribe new shares – after write-down
- Conversion price at NOK 3 per share
- Separate statement on value prepared and confirmed by auditor
- Binding commitments obtained from all lenders
- The loans under the Loan Agreements are settled in full

Proposed resolution

- The general meeting resolves the share capital increase for conversion under the Loan Agreements
 - Resolution as set out in the notice
- **Changes from the notice:**
 - Deadline for subscription extended to 4 December 2019 for practical purposes only

11 Anti-dilution warrants

Information

- Relates to the anti-dilution warrants (the "**Anti-Dilution Warrants**") resolved by the Company's general meeting held 27 June 2018
- Share capital increase by exercise of Anti-Dilution Warrants
 - Holders of anti-dilution warrants to subscribe shares and provide critical cash capital injection to the company
 - Holders of bridge loan to exercise warrants by using loan balances as contribution for subscription of new shares
- Strike price at NOK 3 per share - *significant equity issue*
- Separate statement on value prepared and confirmed by auditor
- Binding commitments obtained from warrant holders for NOK 30,242,302 in cash and NOK 2,766,498 by setting off bridge loan balances

Proposed resolution

- The general meeting resolves the share capital increase for exercise of the Anti-Dilution Warrants
 - Resolution as set out in the notice
- **Changes from the notice:**
 - Deadline for subscription extended to 4 December 2019 for practical purposes only
 - The amount committed to the Company is NOK 30,242,302 (not NOK 30,324,302 as in the notice)
 - The cash contribution from exercising of the Anti-Dilution Warrants is NOK 27,475,804 (not NOK 27,275,800 as in the notice)
 - The share contribution may be used by the Company prior to registration of the share capital increase, ref. the Norwegian Private Limited Liability Companies Act section 10-13 (2)
 - The contribution by way of set-off of the Bridge Financing is NOK 2,766,498 (not NOK 2,966,502 as in the notice)
 - The number of new shares issued by settlement by way of set-off of the Bridge Financing is 922,166 (not 988,834 as in the notice)

12 Release of supplier credit

Information

10. Release of supplier credit - orientation
 - As part of the restructuring, and to support the company in reaching the required level of capital injection
 - Release of NOK 2 million in credit reduces immediate cash requirement

Proposed resolution

- No resolutions by the general meeting for this item

Election of new board of directors

13 Election of board of directors

Information

- A new board composition is proposed
- The following directors will step down
 - Joachim Cock
 - Hans Furuholmen
- The following directors will continue
 - Reidar Langmo
 - Paul Kloppenborg
 - Dipender Saluja
 - Tore Schiøtz

Proposed resolution

- Proposed resolution:

“The Company's board of directors shall consist of the following members:
 - Reidar Langmo
 - Paul Kloppenborg
 - Dipender Saluja
 - Tore Schiøtz”



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