

NORWEGIAN CRYSTALS DECLARE “EFFECTIVE DATE” UNDER THE SHORT-TERM LIQUIDITY REINFORCEMENT PLAN

NCR: Reference is made to the “Short Term Liquidity Reinforcement Plan” presented in April 2020, including a Moratorium on debt until 1 July 2021 subject to a successful raise of sufficient Equity. The required capital injection grew with the passage of time and the Equity now raised is higher than anticipated in the abovementioned plan. While working to realize the plan, it became obvious that a restructuring of Norwegian Crystals AS (NCR) was necessary and the new Equity is injected into a subsidiary of NCR – Norwegian Crystals Operations AS (NCRO). With respect to the milestones laid out in the plan, the Directors consider 24 September 2020 as the “Effective Date”.

NCR and its advisors DNB Markets, a part of DNB bank ASA and Clarksons Platou Securities AS, have worked through the summer to engage relevant investors to raise equity to make the required replacements and upgrades to the Glomfjord production plant as well as for general working capital purposes.

NCR is pleased to announce that the Annual General Meetings of both Norwegian Crystals AS and Norwegian Crystals Operations AS were successfully conducted 24 September 2020. All proposals on the agendas were approved, unanimously, or by the required supermajority of the shares and votes represented in the meetings. Both meetings approved the intercompany Asset Purchase Agreement and NCRO resolved to accept subscriptions for new shares to an aggregate cash equity injection of NOK 51.7 million. In addition to the subscriptions for cash, one customer is contemplating to convert NOK 9 million in pre- and down payment into equity in NCRO as a prerequisite for NCRO’s accepting to assume the delivery obligations towards this customer.

The Asset Purchase Agreement transfers all assets and certain debt from NCR to NCRO at NOK 117 million on a cash and debt free basis. The transaction gives NCR a gain of NOK 41.8 million and thereby restores positive equity. As payment, NCR will retain about 25% ownership in NCRO and NCRO has issued a loan note to NCR, payable over three years. Initially, liquidity will be transferred from NCRO as part-settlement of the loan note, to the degree needed to meet current obligations under the moratorium, i.e. payment for services and goods received after 31 May 2020 and September salaries. NCR will not have any employees or independent operations after the transactions.

NCRO intends to restart and ramp up production in Glomfjord as soon as practically possible to serve existing and new customers.

Name changes: The Annual General Meeting of Norwegian Crystals AS has resolved to change the name to GFjord Invest AS with unchanged Enterprise Registry Id 998 602 734. The GFjord Invest AS share will continue to be tradeable at the NOTC, ticker name remains “NCR” until further notice.

The Annual General Meeting of Norwegian Crystals Operations AS has resolved to change the name to Norwegian Crystals AS with Enterprise Registry Id 925 323 004. The New Norwegian Crystals AS share will be made tradeable at the NOTC as soon as possible.

Gøran Bye, CEO of Norwegian Crystals said:

“The consummation of this transaction not only saves Norwegian Crystals from bankruptcy, it marks a new phase where we can leverage the demonstrated operational improvements to become profitable

and it allows time and attention to be spent also on the preparations, planning and execution of the growth ambitions – in Glomfjord, built on the loyal and skilled staff that has stood by the company in the tough months behind us. We also thank all suppliers and our owners for the support that made it possible to create this solution that best serves the interest of all stakeholders.”

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