

APPLICATION FOR A MATCHING CONVERTIBLE LOAN

General information about the applicant

Name:	ID number:
Address:	Email:
Postcode and Town/City:	Mobile:

Contact

Name:	ID number:
Address:	Email:
Postcode and Town/City:	Mobile:

Loan information:

Loan amount applied for: ¹
Monthly loan term: ²
Interest on an annual basis: ³

¹ The loan amount shall be a.m. equal to the investment of the investor, however, a minimum of 25 million ISK and maximum of 70 million ISK. Investor funding may, however, be higher than 70 million ISK but not lower than 25 million ISK. It is clear to the applicant that the final loan amount may be lower, provided that the amount to be allocated is lower than the amount of approved applications.

² The loan period of the matching convertible loan shall be the same as the term of the investor's loan financing, however, at maximum of 36 months from the date of issue of a convertible bond.

³ The loan shall bear the same interest rate as the investor's loan financing, although a minimum interest rate of 10% on an annual basis.

The loan requested is to be deposited into account:

The applicant hereby applies for a matching convertible loan due to the COVID-19 pandemic. This application is presented in accordance with an agreement between the Ministry of Industries and Innovation and the New Business Venture Fund on the implementation of granting matching convertible loans due to the coronavirus pandemic.

Further information about the applicant:

1. Is the applicant a company engaged in business or independent operation?:⁴

Yes **No**

2. Type of company:⁵

3. Number of full-time positions on 1.st March 2020:⁶

4. Annual turnover in 2019:⁷

6. Are the applicant's financial instruments listed on a regulated securities market or financial instruments marketplace?:⁸

Yes **No**

⁴ The applicant shall be liable to full and unlimited tax liability in Iceland according to the Income Tax Act no. 90/2003.

⁵Private limited company, public limited company or other form of company.

⁶ Number of full-time positions shall be less than 50.

⁷ The annual turnover shall be less than 500 million ISK in the year 2019.

⁸ The applicant's financial instruments, e.g. shares or bonds, shall not be listed on a regulated securities market, within the meaning of Act no. 110/2007 on stock exchanges, e.g. the main market of Nasdaq Iceland, or the marketplace for financial instruments (MTF), within the meaning of Act no. 108/2007 on securities transactions, e.g. Nasdaq Iceland First North.

7. Has the applicant received confirmation from Rannís (Iceland center of research) in the year 2019⁹ or received a grant from the Technology Development Fund in the years 2017 to 2019?

Yes **No**

8. In what year was the grant or confirmation received (if No. 7 is answered affirmative)?¹⁰

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9. Has the applicant in the year 2018, 2019 and/or 2020 secured financing in the form of share capital or loan amounting at least 40 million ISK or the equivalent of that amount in other currencies?¹¹

Yes **No**

Documentation

The application for a matching convertible loan must be accompanied by the following documents:

- Adequate confirmation of registration of a company in the Register of limited Liability Companies from Iceland Revenue and Customs,
- Applicant's current articles of association.
- Annual accounts for the year 2019. If not available, annual accounts for 2018 shall be submitted.
- Confirmation of the investor's obligation to provide the applicant with additional capital, in the form of share or loan capital, for at least the same amount as the matching convertible loan applied for. If an investment has already taken place, information about it must be included as well as the investor's confirmation that the investment in the form of loan will be in the form of a convertible bond.
- Confirmation that the applicant has received confirmation from Rannís in the year 2019, or a grant from the Technology Development Fund in the years 2017 to 2020.
- Documents demonstrating that in the years 2018, 2019 and/or 2020 the applicant has secured financing in the form of share or loan capital amounting to at least 40 million ISK or the equivalent of the amount in other currencies (based on the median of the Central Bank's reference exchange rate on the day or days on which funds were paid to the applicant).

⁹ Rannís' confirmation that the company's research or development project fulfills the conditions of Act no. 152/2009 to be the basis for special tax deductions.

¹⁰ Rannís' confirmation must be received in 2019. The Technology Development Fund's grant must be awarded in the years 2017 to 2019.

¹¹ When converting an amount in a foreign currency, the median of the Central Bank's reference exchange rate shall be used on the day or days that funds were paid to the applicant.

Debt certificate from the Tax authority in Iceland (Iceland Revenue and Customs), i.e. that there are no debt defaults arising from government claims, which must not be older than from 1. June 2020.

Declarations

By signing this application, the undersigned declares that:

1. The information provided with this application and supporting documents is correct by all means.
2. The applicant has not paid dividends, unpaid bonuses, purchased own shares, paid off a subordinated loan before maturity or provided the applicant's owners or close parties¹² with loans or other payments that are not necessary to maintain operations from the 1st of March 2020.
3. That the applicant has a clean debt certificate from the Tax authority in Iceland, i.e. that he is not in debt defaults of public taxes and fees, and that he has not been in debt defaults with a credit institution for more than 90 days on the date of the application.
4. The applicant has as of 1st of March 2020, secured financing in the form of a loan or share capital for at least the same amount as the matching convertible loan applied.

If the application is approved, the applicant must demonstrate, in a sufficient manner in the opinion of the loan Committee, that the following has taken place within 4 weeks of receiving notification that the application has been approved:

- a) *That the applicant's shareholders' meeting has agreed to issue a convertible bonds and to amend its articles of association, and at the same time the report of the board of directors must have been submitted to the shareholders' meeting,*
- b) *That the applicant demonstrates that the relevant amendments to its articles of association have been registered with the Company Registry in Iceland, and as the case may be a share capital increase due to the investor's share capital contribution,*
- c) *That the applicant demonstrates that he has received funding from an investor which is for at least the same amount as the matching convertible loan applied.*

The application must be signed by the persons who have the authority to sign legally binding documents for the company.

Location / Date

¹² A close party means a close party within the meaning of Article 3. Of the Bankruptcy Act no. 21/1991.

Signed

Signed

Signed