

COVID-19 Syndication Loan

THE DANISH GROWTH FUND

STRANDVEJEN 104A
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VF.DK

HELLERUP
11 JUNE 2020

FRAMEWORK AGREEMENT

between

Vækstfonden
Strandvejen 104 A
2900 Hellerup
CVR no. 16294675
(the "**Lender**")

and

[Name/Company]
[address]
[address]
[CVR no. [•]]
(the "**Investor**")

1 PURPOSE

- 1.1 The Lender has established a loan facility, which is available for the Investor in connection with the Investor's equity investment in a Qualified Company (as defined in Clause 3). Accordingly, when the Investor carry out an equity investment in the Qualified Company, the Investor may supplement the equity investment with a loan from the Lender, subject to the terms and conditions of this framework agreement, including its appendices (the "**Agreement**"). The Lender has established a comparable loan facility for other professional investors approved by the Lender (the "**Professionals**"). The purpose of this Agreement is to incentivise Professionals (such as the Investor), to make investments into Qualified Companies.
- 1.2 The loan(s) is/are provided by the Lender to the individual Qualified Company, if so requested by the Qualified Company and the Investor, i.e. the Lender will not carry out an individual credit assessment of the Qualified Company prior to the disbursement of the loan to the Qualified Company.
- 1.3 If the Investor has previously signed a similar framework agreement with the Lender, such framework agreement is suspended with immediate effect until the end of the Termination Date (as defined in Clause 9.1).

2 THE LOAN FACILITY

- 2.1 The Lender has, subject to Clause 2.2, allocated a total amount of [amount] DKK to the Investor as a loan facility to be deployed as loan financing to Qualified Companies (the "**Individual Facility**") until the Termination Date. The Individual Facility can be increased unilaterally from time to time by the Lender, subject to a written notice to the Investor from the Lender.
- 2.2 Notwithstanding the above, the Lender has allocated a total amount to all Professionals (the "**Total Facility**"), including the Investor, in accordance with similar framework agreements until the Termination Date. Accordingly, the Lender is under no obligation to ensure that there is available capital under the Individual Facility, if/when the Investor wishes to utilise the Individual Facility.
- 2.3 The Individual Facility can only be utilised for the Investor's portfolio company/-ies which was explicitly listed in the Investor's application for the Individual Facility (a "**Follow-on Investment**").
- 2.4 Aside from the Individual Facility, the Investor has access to a shared loan facility of 150 mDKK (the "**Shared Facility**"). The Shared Facility is shared among all Professionals and can be deployed as loan financing to Qualified Companies which have obtained an initial investment from the Investor (i.e. not a Follow-on Investment). The Shared Facility will be deployed on a first come, first served basis, and the Lender is under no obligation to ensure that there is available capital under the Shared Facility.

2.5 Subject to the limitations set out in this Agreement, *inter alia* the consummation of the Investment (as defined in Clause 5), the Investor can utilise the Individual Facility for an unlimited number of times, i.e. for initial investments as well as follow-on investments for different Qualified Companies and/or on the same Qualified Company. The Shared Facility can only be utilised by the Investor for initial investments in a Qualified Company, cf. Clause 2.4.

3 QUALIFIED COMPANIES

3.1 The utilisation of the Individual Facility and the Shared Facility is reserved for Danish limited liability companies, which comply with appendix 11.1 of the Loan Terms (as defined in Clause 4), *inter alia*:

- a) *(if the company was registered at the Danish Business Authority before 31 December 2016)* that the company as of 31 December 2019 had not lost more than half of its share capital¹;
- b) that the company as of 31 December 2019 was not subject to collective insolvency proceedings or fulfilled the criteria for being placed in collective insolvency proceedings at the request of its creditors;
- c) that the company as of 31 December 2019 had not received rescue aid and has not yet reimbursed the loan or terminated the guarantee;
- d) that the company as of 31 December 2019 had not received restructuring aid and was still subject to a restructuring plan;
- e) *(if the principal is larger than 5.95 mDKK)* that the principal does not exceed 5.95 mDKK plus one of the following amounts:
 - a) 2x the annual wage bill of the company in 2019²; *or*
 - b) 25% of the company's total turnover in 2019;
- f) *(if the principal is larger than 5.95 mDKK)* that the principal will be used for the operation of the company or for investments in the company's business and not for other purposes such as dividend distribution;
- g) the company employs fewer than 250 persons on a full time basis;
- h) the company does not have an annual turnover exceeding EUR 50 million and/or an annual balance sheet total exceeding EUR 43 million;
- i) the company also fulfills section g) and h) above when companies who own 25% or more of the company and/or companies, which the company owns 25% or more of, are included;
- j) the company is not active in the processing and marketing of agricultural products or active within the fishery and aquaculture sector; and
- k) the company is not a financial institution, mortgage provider, securities dealer, stockbroker business or investment management company covered

¹ If such cannot be confirmed: that the company's equity has been reestablished such that it make up more than half of the share capital as attested by a state authorized auditor on the basis of an interim balance sheet. Outstanding convertible loans or subordinated debt cannot be factored in.

² In the case the Borrower was incorporated on or *after* 1 January 2019, the estimated annual wage bill for the first two years in operation can be used (instead of 2x the annual wage bill of the Borrower in 2019).

by section 7, 8, 9 and/or 10 in the Financial Business Act (in Danish: lov om finansiel virksomhed);

alternatively that;

- a) the company employs fewer than 50 persons and have an annual revenue and/or annual balance sheet total of not more than mEUR 10;
- b) the company is an unlisted (not publicly traded) enterprise;
- c) the company was registered with the Danish Business Authority not more than five years prior to the disbursement of the Loan;
- d) the company has not been assigned another company's activity, which at the time of the assignment either i) formed the basis of revenue of the transferring party or (ii) realistically had the prospect to form the basis for revenue within a period of maximum of 36 months;
- e) the company has not yet distributed profits;
- f) the company has not been formed through a merger, unless such was a merger between companies that fulfill the conditions set out in section (a)-(e) above and no more than five years have elapsed since the date of registration of the oldest merger party; and
- g) the company has not been the subject of an order to repay state aid granted by the Danish state and declared unlawful and incompatible with the Internal Market by the Commission that the company has not yet complied with

(a "Qualified Company").

- 3.2 The Investor may not have decisive influence (in Danish: bestemmende indflydelse) over the Qualified Company in question – cf. the principles in section 7 of the Danish Companies Act – at the time of the Notice (as defined in Clause 7.1).

4 TERMS AND CONDITIONS OF THE LOAN

- 4.1 A loan under the Individual Facility and pursuant to this Agreement (a "Loan") can only be provided on standard terms and conditions, cf. Appendix 4.1 – Loan Note (template) (the "Loan Terms"). A Loan can only be provided by the Lender to a Qualified Company.
- 4.2 The Lender reserves the right to adjust and amend the Loan Terms, including its appendices, from time to time, for future Loans (i.e. not in relation to Loan Terms which have already been signed by the Lender). The Loan Terms is available on the Lender's homepage www.vf.dk (vf.dk/vilkaar-og-priser).
- 4.3 During the loan period of any Loan, the Lender will not enter into any negotiations regarding the Loan Terms, e.g. regarding the principal, interest rate, undertakings and repayment profile, except potentially in connection with a formal or informal reconstruction of the Qualified Company in question and always provided that all significant creditors take part in such reconstruction on even terms.

5 STRUCTURE OF THE INVESTMENT AND THE LOAN

- 5.1 In order for the Investor to have its equity investment in the Qualified Company matched according to this Agreement, the Investor's investment amount shall be minimum DKK 250,000 and shall be carried out as a capital increase in cash (the

“Investment”), subject to Clause 5.2 below. Accordingly, the Investment may not take place as a contribution in kind or an acquisition of existing shares in the Qualified Company, hereunder treasury shares.

- 5.2 Notwithstanding Clause 5.1 above, the Investment can be carried out in the form of a convertible loan from the Investor to the Qualified Company, provided that the convertible loan is subordinated to the Loan. Further, the Investment can be carried out in the form of a HATCH agreement from the Investor to the Qualified Company, provided that all of the Qualified Company’s shareholders sign the HATCH agreement(s) in question and that each Qualified Company can only have an amount of DKK 500,000 matched by HATCH agreement(s).
- 5.3 Notwithstanding Clause 5.1 above, the Investor shall be entitled to form a syndicate with one or more other private investors as long as the Investor contributes with at least 50 % of the Investment, however, not less than DKK 250,000. Insofar the Investor chooses to syndicate with one or more other private investors, the Investor shall in the Notice (as defined in Clause 7) disclose the identity of the relevant co-investors. The Lender may in its full discretion choose not to approve one or more of the relevant co-investors in relation to the Loan in question.
- 5.4 Subject to Clause 5.5 below, the principal under a Loan can be between DKK 250,000 and DKK 20,000,000 and is subject to the contribution of an Investment in the Qualified Company equivalent to at least a third (1/3) of the principal (for the part of the principal less than 7,500,000 DKK) and at least the same amount as the principal (for the part of the principal exceeding 7,500,000 DKK, if applicable).
- 5.5 Insofar the principal of the Loan (or total principal of all matching loans to the Qualified Company) is between 5.95-20 mDKK, the Qualified Company and the Investor shall provide adequate documentation that the Qualified Company has been adversely affected by the COVID-19 crisis and that the requested principal is appropriate given these negative circumstances.
- 5.6 For the avoidance of doubt, the Investment only relates to the amount actually invested in the Qualified Company, i.e. any potential future equity tranches (agreed to in connection with the Investment) shall not be taken into account.

6 INVESTOR OBLIGATIONS

- 6.1 THE INVESTOR IS OBLIGATED NOT TO ENTER INTO AN AGREEMENT WITH A QUALIFIED COMPANY, WHICH HAS OBTAINED A LOAN, WHICH STIPULATE THAT:
- a) IF THE LENDER ASSIGNS THE LOAN TO THE INVESTOR, THE INVESTOR IS ENTITLED TO CONVERT THE LOAN TO EQUITY AT A PREDETERMINED RATE, OR AT A RATE WHICH AT THE TIME OF SUCH AGREEMENT IS BELOW THE MARKET PRICE (AS DEFINED IN THE LOAN TERMS), OR

- b) THE INVESTOR CAN SUBSCRIBE FOR SHARES IN THE QUALIFIED COMPANY AT A PRICE, WHICH AT THE TIME OF SUCH AGREEMENT IS BELOW THE MARKET PRICE, IN ORDER FOR THE QUALIFIED COMPANY TO USE THE PROCEEDS TO REPAY THE LOAN IN FULL OR IN PART.
- 6.2 THE INVESTOR IS OBLIGATED NOT TO USE ITS RIGHTS UNDER THIS AGREEMENT, I.E. THE INVESTOR'S ABILITY TO FACILITATE A LOAN TO A QUALIFIED COMPANY, AS LEVERAGE TO NEGOTIATE A BETTER PRICE PER SHARE IN CONNECTION WITH THE INVESTMENT IN SUCH QUALIFIED COMPANY. ACCORDINGLY, THE INVESTOR INTENDS TO OFFER A PRICE PER SHARE ON A STAND-ALONE BASIS, I.E. WITHOUT FACTORING IN FINANCING PURSUANT TO A POTENTIAL LOAN FACILITATED BY THE INVESTOR.
- 6.3 The Investor is obligated not to provide any form of equity investment in a company that has acquired any assets from a company, which:
- a) have previously obtained financing from the Lender under this Agreement or a similar agreement with other Professionals, and
 - b) is insolvent within the meaning of the Danish Insolvency Act; is negotiating any arrangements with its creditors; is under bankruptcy, reconstruction or insolvency proceedings; or is subject to a resolution to be dissolved.
- 6.4 If the Investor decides to syndicate the Investment with other private investors, cf. Clause 5.4, and such investors are not investing directly via a Danish limited liability company or personally, the syndication in question is subject to the Lender's prior written approval.
- 6.5 In addition to the obligations stipulated elsewhere in this Agreement, the Investor undertakes the following obligations for as long as the Investor holds shares (or other equity instrument) in the Qualified Company having received a Loan, which is not fully repaid:
- (i) to use its best endeavours to ensure that the Qualified Company in question is in compliance with the Loan Terms;
 - (ii) to use its best endeavours to ensure that the Qualified Company in question does not pay out any dividends or by other ways distributes proceeds to its owners (including but not limited to capital decreases or share buy-backs), without prior written consent from the Lender;
 - (iii) to immediately notify the Lender in writing if proceeds are distributed to the owners, despite subsection (ii) above;
 - (iv) to immediately notify the Lender in writing of any important events that may influence the repayment of the Loan; and
 - (v) to submit reports to the Lender on an annual basis, but only upon request from the Lender, in a format decided by the Lender in its sole discretion.

7 UTILISATION PROCEDURE

- 7.1 When the Investor wants to utilise the Individual Facility, the Investor must fill out, sign and submit Appendix 7.1 – Loan Request Notice (the “**Notice**”) to the Lender.
- 7.2 The Lender reserves the right to adjust and amend the Notice from time to time. The Notice is available on the Lender’s homepage www.vf.dk (vf.dk/vilkaar-og-priser).
- 7.3 Upon receipt of the Notice, the Lender will within 10 working days notify the Investor whether the conditions for the requested Loan are fulfilled and whether there is still available funds under the Individual Facility and the Total Facility. In the affirmative, the Lender will procure that the Loan Terms are forwarded for (electronic) signature by the Qualified Company (as borrower) and the Investor, after which the Loan Terms will be duly countersigned by the Lender.
- 7.4 As a condition for the Lender’s disbursement of the Loan to the Qualified Company, the Lender shall no later than 30 calendar days from the date of the Lender’s signature of the Loan Terms receive certain documentation as listed in clause 4 of the Loan Terms (the “**Documentation**”), e.g. that:
- a) the Investment has been carried out in accordance with the Notice no later than 30 calendar days *from* – and not more than 30 calendar days *before* – the date of the Lender’s signature of the Loan Terms; and
 - b) the relevant Qualified Company have elected and registered a state authorized auditor.
- 7.5 If the Documentation is submitted to the Lender in due time, the Lender undertakes to pay out the principal under the Loan within 14 calendar days from receipt of the Documentation.
- 7.6 If the Investor fails to submit the Documentation in due time, the Lender shall have no obligation to disburse the Loan. The Investor, however, is entitled to initiate a new procedure, cf. this Clause 7.

8 ASSIGNMENT

- 8.1 The Investor is not entitled to assign any rights or obligations pursuant to this Agreement.
- 8.2 The Lender is at any given time entitled to assign (in full or in part) its rights and obligations pursuant to a Loan without prior consent from the Qualified Company or the Investor. Such assignee can be a third party and/or the Investor, subject to the acceptance of the assignee in question.
- 8.3 For the avoidance of doubt, the Lender is under no obligation to assign the Loan to the Investor. Any assignment of a Loan to the Investor is conditional on the relevant Qualified Company and the Investor are in compliance with Clause 6.1.

9 TERMINATION AND AMENDMENTS

- 9.1 This Agreement will terminate automatically and without notice on 31 August 2020 (the "Termination Date"), however, the Lender can unilaterally decide to extend the Termination Date, subject to a written notice to the Investor.
- 9.2 Irrespective of the above and subject to a written notice to the Investor, the Lender reserves the right to:
- a) amend the terms of this Agreement with immediate effect, provided that the Lender also amends any and all similar agreements which the Lender has entered into with other Professionals; and/or
 - b) terminate or amend the terms of this Agreement giving at least 20 working days written notice to the Investor.
- 9.3 In the event of the Investor's material breach of this Agreement, as determined at the sole discretion of the Lender, the Lender shall be entitled to terminate this Agreement with immediate effect.

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11 JUNE 2020

10 BREACH

- 10.1 It shall be deemed a material breach of this Agreement if the Investor:
- (i) utilise the Individual Facility without fulfilling the terms and conditions stipulated in this Agreement, e.g. by violating any of the investor requirements stipulated in Clause 6;
 - (ii) have submitted information to the Lender in the course leading to the execution of this Agreement, which in all material respects was not true or accurate or otherwise misleading; or
 - (iii) otherwise materially breaches its obligations pursuant to this Agreement.
- 10.2 The Investor is aware that this any loans issued on the basis of this Agreement is based on "Bekendtgørelse om COVID-19 matchfinansieringsordning til iværksættere i de tidlige faser (BEK nr. 583 af 07/05/2020)" from which it is stated:

"Anyone who submits inaccurate or misleading information or fail to disclose information relevant to the conclusion of loan agreements under this act shall be punished by a fine or imprisonment for up to 4 months, unless a higher penalty is imposed under other legislation."

11 NOTICES

- 11.1 Any communication or notice made under this Agreement shall be submitted to the other party's e-mail and for the attention of the individual set out below:
- To the Investor: [e-mail]

- To the Lender: Syndikeringslaan@vf.dk

PAGE 9 OF 10

12 MISCELLANEOUS

- 12.1 The Investor undertakes to keep confidential the existence – and hence the terms and conditions as well – of the Loan(s) granted or requested granted under this Agreement, without prior written consent from the Lender.
- 12.2 The Lender may publicly disclose that the Investor and the Lender have concluded this Agreement.

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11 JUNE 2020

13 LAW AND VENUE

- 13.1 This Agreement shall be governed by and construed in accordance with the laws of the Kingdom of Denmark and disregarding its rules on choice of law.
- 13.2 Any dispute arising out of or in connection with this Agreement, including any disputes regarding the existence, validity or termination, shall be settled by simplified arbitration arranged by the Danish Institute of Arbitration in accordance with the rules of simplified arbitration procedure adopted by the Danish Institute of Arbitration and in force at the time when such proceedings are commenced.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

PAGE 10 OF 10

This Agreement may be executed electronically via Penneo, or other similar services, whereby the electronically generated copy is to be perceived as the original document. Alternatively, this Agreement shall be executed in counterparts (including pdf-copies), each of which shall be an original, but all such counterparts shall together constitute one and the same document.

HELLERUP
11 JUNE 2020

On [date] 2020.

On behalf of the Lender:

Ole Hauskov

Lars Nordal Jensen

On behalf of the Investor:

[Name]

Appendices:

- Appendix 4.1 – Loan Note (template)
- Appendix 7.1 – Loan Request Notice