**Annex 1**

**FORM OF SETTLEMENT INSTRUCTIONS**

**EUR 274,895,385.35 Convertible Bonds due 2035 (the** "**Bonds**"**)**

To:       U.S. Bank National Association, in its capacity as Conversion Agent (the "**Conversion Agent**")

c/o U.S. Bank Global Corporate Services
214 N. Tryon Street, 27th Floor
Charlotte, NC 28202
email: CDOAgencyServices.LBIhf@usbank.com

Cc:       LBI ehf. (the "**Issuer**")

Ármúli 21, 2nd floor

105 Reykjavík

Iceland

email: info@lbi.is

Bondholder: [insert legal name of the bondholder] (the “**Bondholder**”)

Date:    [insert date]

1. As as of 14 November 2024, the Bondholder is the registered owner of the Bond Interests as set forth in the Register and the Ledger.
2. The Bondholder acknowledges the Issuer’s partial conversion of an aggregate amount of EUR 100,901,040.54 of the Bonds into the Issuer’s new Class A Shares (the “**Shares**”) on a pro-rata basis and in accordance with the Conditions (the “**Conversion**”) to be effected on 14 November 2024 (the “**Conversion Date**”), as more fully described in the Issuer’s 23 October 2024 Notice of Partial Conversion of Bonds. The Bondholder hereby irrevocably surrenders its Bond Interest subject to the Conversion
3. The Bondholder:
	* 1. [is/is not] an "affiliate" (as defined in the U.S. Securities Act of 1933) of the Issuer; and
		2. [is/is not] a Benefit Plan (as defined in the Transfer Regulations).
4. All payments in respect of the Shares issued to the Bondholder pursuant to the Conversion are to be made (unless otherwise instructed by the Bondholder) to the following account, which shall (until further notice) be the registered account of the Bondholder for the purposes of the Conditions and the Issuer's Articles of Association:

**Name of bank :**

**Address of bank :**

**For the account of :**

**EUR account number:**

**IBAN :**

**SWIFT code :**

1. The registered address, e-mail address and contact information of the Bondholder for the purposes of the register of members (the "**Share Register**") of the Issuer is stated below:

[*insert Bondholder's address, e-mail address and contact information. The information provided to the Conversion Agent (both in terms of payments and contact information) must be identical to the information already noted in the Register, or the Bondholder may replace this paragraph 5 with a confirmation that the payment and contact details already noted on the Register shall apply to the Shares issued in the Conversion.*]

1. The Bondholder acknowledges that title to the Shares is determined solely by the entry of the Shares to be issued in connection with the Conversions into the Share Register, and that entries on the Share Register are conclusive evidence of title to the Shares and of the Conversion Date, absent manifest error.
2. The Bondholder is urged to consult with own tax advisors on tax-related matters as a consequence of the conversion. LBI is not in any way responsible for Bondholder tax-issues arising from the conversion. The Bondholder acknowledges it will pay directly to the relevant authorities any taxes and capital, stamp, issue, registration, transfer taxes and duties arising on the Conversion (other than such taxes and duties payable in respect of the allotment, issue or transfer and deliver of any Shares in respect of such exercise, which shall be paid by the Issuer). The Bondholder further acknowledges and agrees it must also pay all (if any) taxes arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the Conversion, cf. Condition 6.5.
3. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the the terms and conditions of the Bonds (the “**Conditions**”).

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
[insert name of Bondholder]

By: [insert name of signatory] [Authorised Signatory]

 [insert title, for persons signing on behalf of corporate entities]

Acknowledged By:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Effective Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

U.S. Bank National Association, as Conversion Agent
Name:
Title: