
LOAN AGREEMENT

between

ANOVA Alternative Investment SICAV

represented by

1741 Fund Management AG

Bangarten 10

9490 Vaduz

Liechtenstein

acting on behalf of the sub-fund

ANOVA Debt plus Fund I

("Lender")

and

Serbia Prime Site One AG

Dorfstrasse 29

9108 Gonten

("Borrower")

(the Borrower and the Lender together the "**Parties**", and each a "**Party**")

PREAMBLE

WHEREAS,

- (A) The Lender is a sub-fund of an Alternative Investment Fund (AIF) in the legal form of an investment company with variable capital (SICAV) under the laws of Liechtenstein with its registered seat in Vaduz (FL-0002.646.693-2);
- (B) the Borrower is a stock corporation organized and existing under the laws of Switzerland with its registered seat in Gonten (CHE-130.402.415) and its purpose is to plan, manage and execute construction projects, to manage and maintain real estate, to buy and sell, lease or rent real estate in Switzerland and abroad.
- (C) the Borrower is currently focusing on the development of the Construction Parcel (as defined below) and the construction of residential-commercial buildings on part of such Construction Parcel (the "**Project**");
- (D) the Lender wishes to invest into such Project by granting the Borrower a loan as per the present loan agreement (the "**Agreement**") which shall be secured by a second ranking real estate property lien (or similar) on the Construction Parcel. The first ranking real estate property lien (or similar) shall be established to secure the Bank Loan as defined below);
- (E) in addition to this Agreement, a subordinated (with respect to this Agreement) loan in the amount of up to EUR 2,900,000 shall be granted by ANOVA Real Estate Equity Opportunity Fund I (class A) to the Borrower which shall not be secured in any way.
- (F) also, 70 % - 75 % of the total investment in the Project shall be financed by a loan granted by one or more banks (the "**Bank Loan**"). The Bank Loan shall be secured by a first ranking real estate property lien (or similar) on the Construction Parcel.
- (G) **Now, therefore**, the Parties enter into this Agreement and agree as follows:

1. GRANTING OF THE LOAN / PAYMENT

Subject to the terms and conditions of this Agreement, the Lender hereby grants to the Borrower a loan facility ("**Loan**") in the amount of up to EUR 12,000,000 (in words: twelve million Euros) ("**Loan Amount**").

Upon perfection (including the registration in the Cadaster of Real Property (*katastar nepokretnosti*) of the Republic of Serbia, if needed) of the security according to section 4

(*Security*) hereinafter and provided that the Lender has received sufficient irrevocable and unconditional subscription proceeds from its investors, the Loan Amount shall be paid by the Lender to the Borrower within three business days into a corporate account of the Borrower, approved by the Lender.

The Loan Amount shall be used by the Borrower solely to execute the Project.

2. INTEREST AND PROFIT SHARING OF THE LENDER

2.1 MINIMUM INTEREST

The Loan shall bear interest *per annum* at the rate of the minimum safe harbour interest rate valid in Switzerland (which is 0.25% at signing of this Agreement) (the "**Minimum Interest**"). The applicable interest rate is published in yearly circulars of the Swiss Federal Tax Administration titled "Steuerlich anerkannte Zinssätze für Vorschüsse oder Darlehen in Fremdwährungen" (i.e. for the year 2021: the circular dated 29 January 2021 "Steuerlich anerkannte Zinssätze 2021 für Vorschüsse und Darlehen in Fremdwährungen"). The Minimum Interest will be calculated based on a year of 365 days starting from the day following payment of the Loan Amount to the Borrower (value date) according to section 1.

2.2 PROFIT SHARING INTEREST

Furthermore, the Borrower shall grant the Lender a profit-related interest of up to 20 % *per annum* on the outstanding Loan Amount ("**Profit-Sharing Interest**"). The Profit-Sharing Interest will become due and payable in accordance with section 3.2 (*Mandatory Repayment*). The actual amount of the Profit-Sharing Interest is derived from the effective profit generated by the Project, as set out in the latest audited financial statements of the Borrower available on the Termination Date and meaning the net profit after deduction of taxes, amortisations, interest and debt (it being understood that only debt and interest repayments to lenders in first and second rank, and the outstanding Loan Amount will be deducted) (the "**Effective Profit**"). From the Effective Profit, Lender will receive an amount of up to 20% *per annum* of the outstanding Loan Amount. If the Effective Profit is not sufficient to cover the Profit-Sharing Interest, the payment will be proportionally lower.

The Borrower may exercise each of its rights to Voluntary Repayment in accordance with section 3.1 (*Voluntary Repayment*), if, at the time of exercise, and based on the (interim) financial statements of the Borrower, it can be expected that the profit will reach 20% *per annum* of the outstanding Loan Amount after deductions as set out hereinabove.

The Profit-Sharing Interest will be calculated based on a year of 365 days starting with day following the payment of the Loan Amount to the Borrower (value date) according to section 1.

For the avoidance of doubt, the payment of the Profit-Sharing Interest is also secured by the lien on the Construction Parcel as per clause 4 hereinafter and equity holders as well as debtors in lower ranks will only receive a return if the maximum Profit-Sharing Interest (i.e. 20% *per annum* on the outstanding Loan Amount) is paid to the Lender.

2.3 PAYMENT OF INTEREST

Minimum Interest and Profit-Sharing Interest will not be paid out on a yearly or a monthly basis but will be accrued to the Loan principal and paid out according to clause 3 (*Voluntary and Mandatory Payments*).

3. VOLUNTARY AND MANDATORY REPAYMENTS

3.1 VOLUNTARY REPAYMENT

The Borrower shall have the right (but not the obligation) to repay EUR 6,500,000 (in words: six million five hundred thousand Euros) if the Profit-Sharing Interest, calculated by the Borrower based on the profit, expected in that point in time, amounts to 20% *per annum*, including any accrued Minimum Interest and, in addition, accrued Profit-Sharing Interest of 20% *per annum* to the Lender at any time without any prepayment penalty or any other charge or compensation ("**Voluntary Repayment Option I**").

In addition, or alternatively to the Voluntary Repayment Option I, and at least six months following the signing of this Agreement, the Borrower shall have the right (but not the obligation) to repay EUR 5,500,000 (in words: five million five hundred thousand Euros), if the Profit-Sharing Interest calculated by the Borrower based on the profit, expected in that point in time, amounts to 20% *per annum*, including any accrued Minimum Interest and, in addition, accrued Profit-Sharing Interest of 20% *per annum* to the Lender at any time without any prepayment penalty or any other charge or compensation ("**Voluntary Repayment Option II**").

3.2 MANDATORY REPAYMENT / TERMINATION

The outstanding Loan Amount, the accrued Minimum Interest and the Profit-Sharing Interest thereon shall become due for repayment in whole on the first business day following the date 2 years after signing of this Agreement. However, the Borrower shall have the right (but not the obligation) in its sole discretion, but only if the Project is not fully completed by then (whereas

completed shall mean that the construction is finished and all apartments are sold), to unilaterally postpone such mandatory repayment date by one year, i.e. to 3 years after signing of this Agreement (such date, 2 or 3 years after signing of this Agreement, "**Termination Date**"). For the avoidance of doubt, in case of a postponement of the Termination Date, the Minimum Interest and Profit-Sharing Interest shall continue to accrue for the entire period where any part of the Loan Amount remains outstanding.

This Agreement shall end on the Termination Date or if the outstanding Loan Amount has been repaid earlier by Voluntary Repayment Option II, at such earlier date.

4. SECURITY

The claims of the Lender under this Agreement shall be secured by a real estate property lien or mortgage certificate security transfer (as the case may be; but second ranking behind the first ranking security of the Bank Loan) under the laws of Serbia on the cadastral parcel no. 6844, Cadastral Office New Belgrade, having the total area of 15,686m², indicated as "GP2" in the Location Conditions pertaining to the construction parcel, issued by the Secretariat for Urban Planning and Construction of the City Administration of the City of Belgrade on 17 June 2019 under no. ROP-BGDU-14741-LOCH-1/2019 (the "**Construction Parcel**").

5. INFORMATION UNDERTAKING OF THE BORROWER

The Borrower shall deliver to the Lender within one hundred and twenty (120) calendar days after the end of the financial year of the Borrower:

- (a) audited financial statements as prepared by the Borrower and audited according to applicable accounting standards; and
- (b) a valuation report of the Project prepared by a real estate expert in English or German.

6. MISCELLANEOUS

6.1 FURTHER ASSURANCE

Each Party shall perform (or procure the performance of) all further acts and things and execute and deliver (or procure the execution and delivery of) such further documents as may be required by law or as may be necessary or reasonably required by another Party to implement and give effect to this Agreement.

6.2 COSTS, EXPENSES AND TAXES

Except as expressly provided otherwise in this Agreement, each Party shall bear its own costs and expenses arising out of or incurred in connection with this Agreement and all transactions contemplated hereby.

Except as otherwise provided for in this Agreement, any and all Taxes and other public charges imposed on one of the Parties in connection with this Agreement and the transactions contemplated hereby, are to be borne by the Party on which such tax or public charge is imposed.

6.3 ENTIRE AGREEMENT

This Agreement, including any other documents referred to herein, constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof, and shall replace and supersede all prior oral and written agreements or understandings (including the Confirmation) of the Parties relating hereto.

6.4 NO ASSIGNMENT

Neither Party shall be entitled to assign or transfer this Agreement or any of the rights or obligations hereunder to any other party without the prior written consent of each other Party.

6.5 NOTICES

All notices or other communications to be given under or in connection with this Agreement (“**Notices**”) shall be made in writing and shall be delivered by registered mail (return receipt requested) or an internationally recognized courier service to the Parties’ addresses as set forth on the cover page of this Agreement.

The Parties shall immediately inform the other Parties in writing of any changes to their addresses set forth on the cover page of this Agreement. Until such notification, the previous address shall be deemed to be valid.

Any Notice or communication to be given hereunder shall be given before the expiry of a term or deadline set forth in this Agreement or by applicable law. All Notices and communications shall be effective only if received by the Party to whom it is addressed within the applicable term or deadline.

6.6 AMENDMENTS

This Agreement (including this section 6.6) may be validly amended only in writing by an instrument signed by all Parties.

6.7 SEVERABILITY

If any part or provision of this Agreement is held to be invalid or unenforceable by any competent arbitral tribunal, court, governmental or administrative authority having jurisdiction, the other provisions of this Agreement shall nonetheless remain valid. In this case, the invalid or unenforceable provision shall be replaced (by an agreement among the Parties or court order, as the case may be) by a substitute provision that best reflects the economic intentions of the Parties without being unenforceable, and each Party shall execute all agreements and documents required in this connection.

6.8 NO WAIVER OF RIGHTS

No waiver by a Party of a failure of any other Party to perform any provision of this Agreement shall operate or be construed as a waiver in respect of any other or future failure whether of a similar or different character.

7. GOVERNING LAW AND JURISDICTION**7.1 GOVERNING LAW**

This Agreement and the rights and obligations hereunder shall be governed by and construed in accordance with the substantive laws of Switzerland (to the exclusion of the Swiss Private International Law Act).

7.2 PLACE OF JURISDICTION

Any dispute arising out of or in connection with this Agreement, including its conclusion, validity, binding effect, amendment, breach, termination or rescission, shall be exclusively reserved to the courts of Zurich, Switzerland.

Signatures:

For the Lender:

Place, Date:

LENDER

Dr Benedikt Czok

Stefan Schädler

For the Borrower:

Place, Date:

BORROWER

Jan Schoch, Director

