

# AGREEMENT REGARDING GRANTING OF A LOAN

This LOAN AGREEMENT is made on this 17<sup>th</sup> January 2024 (the “Agreement”)

## PARTIES:

- (1) **Magloo Ltd** (company number HE318704), whose registered address is 16 John Kennedy Avenue Nivian Court, 2nd floor, 1087 Nicosia, Cyprus (“Magloo” or the “Lender”); represented by Carlo Buttaci.
- (2) **BG8 Entertainment N.V.** established in Curacao with office address at Abraham de Veerstraat no. 7, Willemstad, CURAÇAO registered in the Trade Register of the Chamber of Commerce of Curaçao under number 160023 (“BG8 Ent” or the “Borrower”) represented by Patrick Roberts.

## WHEREAS

- A. BG8 Ent is a wholly owned subsidiary of Magloo Ltd.
- B. BG8 Ent wishes to borrow funds from Magloo Ltd in order to fund its start-up business activities.
- C. Magloo Ltd agrees to loan BG8 Ent funds for the purpose stated above on the basis of an interest- bearing loan.
- D. Magloo Ltd and it’s UBOs have the financial capacity and availability to provide such funding.
- E. The board of Magloo Ltd has passed a resolution confirming that Carlo Buttaci, in his capacity of Director, be entitled to enter into this agreement on behalf of the company.
- F. The board of BG8 Ent has passed a resolution confirming that Jimal Ibrahim Hassan, in his capacity of Director, be entitled to enter into this agreement on behalf of the company.

Thus, in consideration of the mutual undertakings and covenants below, it is mutually understood and agreed by and between Magloo Ltd and BG8 Ent as follows:

1. Magloo Ltd will loan BG8 Ent a total of EURO 1,000,000 (EURO One Million Only) (“Loan Amount”). The Loan Amount will be paid in installments by Magloo Ltd as and when requested by the Board of BG8 Ent.

2. The disbursement and repayment of the loan shall be effectuated as follows:
  - a) The payment of the Loan Amount is made on a loan basis, and the Loan Amount must be repaid to the Lender in full in one single payment or in separate instalments as and when requested by the Board of Magloo Ltd, subject to the conditions 4.e, 4.f and 4.g below.
  - b) The full loan repayment is due no later than 24 months subsequent to the first installment of the loan being received by BG8 Ent, ("Final Due Date"), unless a mutual written agreement regarding the extension of this deadline has been reached.
  - c) The parties may further extend this contract by mutual agreement to be concluded in writing one month before the loan repayment date, whereas this mutual agreement may be subject to the definition of new conditions and modalities regarding the repayment of the loan granted herein.
  - d) BG8 Ent shall be entitled to make early repayment of the loan, even partially. The interest shall be accrued up to the day of repayment and shall be calculated with regard to the part of the capital premature repayment and as set out under section 4.
3. The grant of the loan shall - unless otherwise set out in this Agreement - be unconditionally accepted by the parties.
4. Once Magloo Ltd has commenced payments, BG8 Ent is liable for the repayment to Magloo Ltd of the entire Loan Amount balance due under the terms of this Agreement.
5. Interest on the Loan Amount will be charged at an annual rate of 4% payable ("Interest Rate") on the amount of the Loan Amount outstanding on the payment date of the respective instalment as the case may be or on the date of the payment of the total loan amount. The interest charge will start to accrue from the day following the day the Magloo Ltd makes the first installment payment of the loan amount to BG8 Ent.
6. If BG8 Ent fails to pay any sum payable under this agreement by its Final Due Date, then BG8 Ent shall (without prejudice to the exercise by Magloo Ltd of any other right or remedy in favor of Magloo Ltd) pay to Magloo Ltd interest on such sum from the date of such failure to the date of actual payment at 5% per annum over and above the Interest Rate (the "Default Interest Rate"). BG8 Ent acknowledges that the Default Interest Rate represents a genuine pre-estimate of the loss to be suffered by Magloo Ltd in funding the default of BG8 Ent.
7. As security for the loan, if the loan is not repaid by the Final Due Date Magloo Ltd reserves the right to take ownership of BG8 Ent assets to the value of the amount owed.

8. The following events shall each constitute Enforcement Events;

a. Events

- i. if the Borrower fails to pay the Repayment Amount upon demand by the Lender or on such other intervals as may be agreed by the parties;
- ii. if the Borrower fails to comply with any term, condition, covenant or provision of this Agreement;
- iii. if any representation, warranty or undertaking made to the Lender by the Borrower hereunder becomes incorrect or misleading (as determined by the Lender);
- iv. if an order is made or a resolution is passed for the winding up of the Borrower, for the suspension or termination of its operations or for the distribution of any of its assets among all or any of its creditors;
- v. if the Borrower is unable or is deemed unable to pay its debts as they fall due or if any insolvency or analogous proceedings are taken in respect of the Borrower;
- vi. if an encumbrancer takes possession or exercises or attempts to exercise any power of sale or a receiver is appointed of the whole or any part of the property assets or revenues of the Borrower;
- vii. upon the occurrence of a Material Adverse Event as deemed by the Lender;
- viii. if the Borrower ceases or threatens to cease to carry on all or a substantial part of its operations; or
- ix. if any governmental or other authority having requisite jurisdiction compulsorily acquires or expropriates all or any substantial part of the assets of the Borrower or any of its capital or if any alteration is made to the structure, organisation, power, responsibilities or financial resources of the Borrower which affects materially and adversely the ability of the Borrower to perform its obligations under this Agreement.

b. The Borrower will immediately notify the Lender in writing of the occurrence of any Enforcement Event or of the occurrence of any event, which with the lapse of time or giving of notice would or may constitute an Enforcement Event.

c. Upon an occurrence of an Enforcement Event, the Lender shall be entitled (but not obliged) to demand the immediate repayment of the Loan.

9. The amount due under the repayment of the initial capital and interest accrued will be calculated by Magloo Ltd and communicated to BG8 Ent in the form of a monthly statement.

10. The directors of BG8 Ent agree that the loan funds will be used only for the purpose stated above being the start-up activities of the business. Should the directors of Magloo Ltd become aware that the loan funds have been misappropriated they reserve the right to demand immediate repayment of the capital plus the interest that would be accrued for the full term of the loan.

11. The directors of BG8 Ent confirm that BG8 Ent does not have any other outstanding loans and herewith confirms that they will inform Magloo Ltd without undue delay of any change of the status quo. Should BG8 Ent require further loans from institutions/companies/individuals not party to this agreement then BG8 Ent agrees that Magloo Ltd is the primary loaner and its repayment are to be treated as a primary creditor.

12. Neither party may assign this Agreement without obtaining the prior written consent of the other party.
13. Any costs and fees arising in connection with or out of this agreement shall be paid by BG8 Ent.
14. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such provision will be ineffective only to the extent of such invalidity, or un-enforceability, without invalidating the remainder of this Agreement.
15. Amendments to this Agreement shall be agreed in writing and signed by both parties.
16. This agreement comprises any and all agreements entered into by and between the parties with regard to the loan as specified herein and any Annexes to this Agreement form an integral part of the Agreement.
17. This Agreement shall be governed and construed in all respects by the laws of the Republic of Cyprus and the parties hereby agree to submit any dispute thereunder to the exclusive jurisdiction of the Cyprus courts.
18. Any changes to this agreement shall only be valid if made in writing and must be signed in a legally valid form by the parties or their legal successors. This also applies to the abandonment of the requirement of written form.
19. Should one or several provisions of this agreement be or become invalid they shall not apply. This will not affect the validity or enforceability of the remaining provisions. The non- applicable provisions shall be replaced by provisions which in their essential purpose come as close as possible to the intention of the parties especially regarding the contents and purpose of the valid provisions.

The parties to this agreement hereby declare, that having read and understood this contract in its entirety, they acknowledge and have indicated their acceptance of this Agreement by executing it below:

**EXECUTION:**

Signed by:



**Duly authorized for and on behalf**

**Magloo Ltd**

Signed by:



**Duly authorized for and on behalf**

**BG8 Entertainment N.V.**