



Registration of a Charge

Company Name: **ASF BRAZIL LTD**

Company Number: **11823327**



Received for filing in Electronic Format on the: **26/05/2021**

XA5CCZ1D

Details of Charge

Date of creation: **24/05/2021**

Charge code: **1182 3327 0001**

Persons entitled: **KARL ERIK BENGT WAHLQVIST**

Brief description: **COMPANY SHARES "FOR MORE DETAIL PLEASE REFER TO THE INSTRUMENT"**

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **AMAURY GOMES BARACHO**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11823327

Charge code: 1182 3327 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th May 2021 and created by ASF BRAZIL LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th May 2021 .

Given at Companies House, Cardiff on 27th May 2021

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

LOAN AGREEMENT

DATED AS OF May 24th, 2021

AMONG

ASF BRAZIL LTD

AS BORROWER,

AND

KARL ERIK BENGT WAHLQVIST

AS LENDER,

94

THIS LOAN AGREEMENT (this "Agreement") dated this 24th day of May, 2021

BETWEEN:

ASF BRAZIL LTD. with headquarters in the United Kingdom, 1 College 56 Winchester Avenue, London, NW6 7UA. Company Board register number 11823327, in this act represented by Flavio de Meira Penna, US & Brazilian citizen, married, bearer of US Passport Number 506262841, domiciled at SMPW Quadra 15, conjunto 6, Casa 7, Brasília, DF Brazil, 71741-506, hereinafter referred to as (the "**COMPANY**") or (the "**BORROWER**")

And

Mr. KARL ERIK BENGT WAHLQVIST, Via San Michele 2, 6976 Castagnola, Switzerland (the "**LENDER**")

WHEREAS

The Company was incorporated and registered in England and Wales as a private company limited by shares under the Companies act 2006 as of February 12th, 2019. And in Brazil, on May 8th, 2019, at the Receita Federal do Brasil as a Foreign Holding Company and Investor under the number 33.568.357/0001-20.

The Company has certified and registered the acquisition of 99.75 % of the issued and outstanding share capital of ASF BRASIL DESENVOLVIMENTO FLORESTAL LTDA, registered at the Receita Federal do Brasil as a Holding Company (Annex 1) under the number 23.086.845/0001-47 and at JUCESP (Commercial Board of São Paulo) with the NIRE number 35.229.349.721.

ASF BRASIL DESENVOLVIMENTO FLORESTAL LTDA is the controlling shareholder of Laminados Triunfo Ltda, registered at the Receita Federal do Brasil as a Sawmill Company under the number 05.618.631/0001-92 and at JUCEAC (Commercial Board of Acre) with the NIRE number 2.2.0012199.5.

ASF BRASIL DESENVOLVIMENTO FLORESTAL LTDA is the controlling shareholder of Complexo Industrial e Florestal Xapuri SA / CIFLOX, registered at the Receita Federal do Brasil as a Sawmill Company under the number 16.584.543/0001-33 and at JUCEAC (Commercial Board of Acre) with the NIRE number 12300001096.

ASF BRASIL DESENVOLVIMENTO FLORESTAL LTDA is the Controlling shareholder of Prime Timber Desenvolvimento Florestal Ltda, registered at the Receita Federal do Brasil as a Forestry Development Company under the number 26.385.095/0001-00 and at JUCESP (Commercial Board of São Paulo) with the NIRE number 35.230.169.359.

ASF BRASIL DESENVOLVIMENTO FLORESTAL LTDA is directly or indirectly the owner of the 7 farms as listed in Annex 2.

The Borrower and the subsidiaries listed in Annex 1 are herein collectively called "the **ASF Group**".

In consideration of the Lender loaning certain funds (the "**LOAN**") to the Borrower, and the Borrower repaying the loans to the Lender, both parties agree to keep, perform and fulfill promises, terms and conditions as set out in this Agreement.

ARTICLE I - LOAN AMOUNT

Initial commitment and first tranche ("FIRST TRANCHE"). The Lender agrees on the terms and conditions set forth in this Agreement, to make a 5-year Loan to the Borrower on the Effective Date, in an amount equal to the Lender's Initial Commitment of US\$ 3,150,000.0 (Three million one-hundred-fifty thousand US dollars).

Second tranche. The parties agree that the Lender may make an additional 5-year Loan on the terms and conditions set forth in this Agreement, in the amount of US\$ 2,100,000.0 (Two million one-hundred thousand US dollars) exactly 12 months after the Effective date of this agreement.

The Parties further agree that for this second tranche, either party may inform the other party of his intentions to Receive or not, and to make or not, this second Loan within 11 months of the Effective date of this agreement.

ARTICLE II - INTEREST

The borrower will remunerate the Lender at a rate of 8.0 % (eight percent) per annum until maturity. Interest payments shall be made on a quarterly basis in arrears within 15 days after quarter end.

The Lender has agreed to extend a grace period of 18 (eighteen) months from the Effective Date on such interest. The accrued interest for this 18-month grace period shall be paid in equal quarterly installments starting in quarter 7 (seven) through quarter 12 (twelve) of the Loan Agreement, together with the current interest due on the Loan for each such quarter.

ARTICLE III - PREMIUM

On the first tranche, the Borrower agrees to pay a premium equivalent to 1.25 % (one-point-two-six percent) of the EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) cumulative results throughout the period of the outstanding Loan amount for the first tranche.

On the second tranche, should it occur, the Borrower agrees to pay a premium equivalent to 0.84% (zero-point-eight-four percent) of the EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) cumulative results throughout the period of the outstanding Loan amount for the second tranche.

The parties have agreed that the premium amount described above will be paid in full upon final amortization of principal, and subject to non-conversion of the Loan amounts into shares of the Company. To be clear, if Lender decides to convert the Loan to Shares, no Premium will be paid

ARTICLE IV - PAYMENT TERMS & MATURITY

The first and second tranches shall come due 60 months after the effective date of disbursement to the Borrower. To the extent not previously paid, all obligations shall be paid in full in cash by the Borrower on the maturity date.

PREPAYMENT

The Borrower may not prepay the Loan at any time, unless by mutual agreement of the Parties and in writing, or subject to repayment Offer as proposed in Article VII below.

ARTICLE V- CONVERTIBILITY

The Borrower has granted to the Lender the Option to convert the Outstanding Loan amounts into Equity in the Company as follows:

Initial tranche of US\$ 3,000,000.0:

Should the Lender decide to exercise his Option to Convert the Initial tranche of US\$ 3,150,000.0 (Three-million-one-hundred-fifty thousand US dollars) into shares 36 (Thirty-six) months after the Effective Date, the conversion pre-money Valuation of the Company will be calculated at 6 (six) times the Previous 12 (Twelve) months EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization), subject to a Maximum pre-money valuation of US\$ 50,000,000.0 (Fifty million US dollars) and to a minimum pre-money of US\$ 30,000,000.0 (Thirty million US dollars). The Borrower will issue the corresponding number of shares to the Lender. For example, should the Lender opt to convert the initial tranche of US\$ 3,150,000.0 into equity in the Company at the maximum pre-money valuation of US\$ 50,000,000.0, then the Lender would be issued shares equivalent to 5.93% of the Company.

Should the Lender decide to exercise his Option to Convert the Initial tranche of US\$ 3,150,000.0 (Three-million-one-hundred-fifty thousand US dollars) into shares 48 (Forty-eight) months after the Effective Date, the conversion pre-money Valuation of the Company will be calculated at 6 (Six) times the Previous 12 months EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization), subject to a Maximum pre-money valuation of US\$ 75,000,000.0 (Seventy-five million US dollars) and to a minimum pre-money of US\$ 40,000,000.0 (Forty million US dollars). The Borrower will issue the corresponding number of shares to the Lender.

Should the Lender decide to exercise his Option to Convert the Initial tranche of US\$ 3,150,000.0 (Three-million-one-hundred-fifty thousand US dollars) into shares 60 (Sixty) months after the Effective Date, the conversion pre-money Valuation of the Company will be calculated at 6 (Six) times the Previous 12 (Twelve) months EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization), subject to a Maximum pre-money valuation of US\$ 100,000,000.0 (One hundred million US dollars) and to a minimum pre-money of US\$ 50,000,000.0 (Fifty million US dollars). The Borrower will issue the corresponding number of shares to the Lender.

Second Tranche of US\$ 2,000,000.0, if applicable:

Should the Lender decide to exercise his Option to Convert the Second tranche of US\$ 2,100,000.0 (Two-million-one-hundred thousand US dollars) into shares 36 (Thirty-six) months after the Effective Date of funding of said, the conversion pre-money Valuation of the Company will be calculated at 6 (six) times the Previous 12 (Twelve) months EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization), subject to a Maximum pre-money valuation of US\$ 75,000,000.0 (Seventy Five million US dollars) and to a minimum pre-money of US\$ 40,000,000.0 (Forty million US dollars). The Borrower will issue the corresponding number of shares to the Lender. For example, should the Lender opt to convert the second tranche of US\$ 2,100,000.0 into equity in the Company at the maximum pre-money valuation of US\$ 75,000,000.0, then the Lender would be issued shares equivalent to 2.72% of the Company.

Should the Lender decide to exercise his Option to Convert the Second tranche of US\$ 2,100,000.0 (Two-million-one-hundred thousand US dollars) into shares 48 (Forty-eight) months after the Effective Date of funding of said tranche, the conversion pre-money Valuation of the Company will be calculated at 6 (Six) times the Previous 12 (Twelve) months EBITDA (Earnings Before Interests, Taxes,

Depreciation and Amortization), subject to a Maximum pre-money valuation of US\$ 100,000,000.0 (One hundred million US dollars) and to a minimum pre-money of US\$ 50,000,000.0 (Fifty million US dollars). The Borrower will issue the corresponding number of shares to the Lender.

Should the Lender decide to exercise his Option to Convert the Second tranche of US\$ 2,100,000.0 (Two-million-one-hundred thousand US dollars) into shares 60 (Sixty) months after the Effective Date of funding of said tranche, the conversion pre-money Valuation of the Company will be calculated at 6 (Six) times the Previous 12 (Twelve) months EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization), subject to a Maximum pre-money valuation of US\$ 125,000,000.0 (One hundred and Twenty five million US dollars) and to a minimum pre-money of US\$ 60,000,000.0 (Sixty million US dollars). The Borrower will issue the corresponding number of shares to the Lender.

In case the Lender decides to exercise his Option(s) to Convert as per above and thereby becomes a shareholder in the Company, his shares will be subject to dilution through future capital raises in the same manner as existing shareholders. In the event of a capital raise for equity in the Company prior to conversion, the pre-money valuation figures above and Lender's right to convert to shares shall be adjusted accordingly. For example, if the Company were to raise 1bn USD in equity to capitalize the company in exchange for 50% of the shares, all shareholders including "non-converted Lender shares" will be diluted by 50%.

Also, in case the Lender decides to exercise his Option(s) to Convert and thereby becomes a shareholder in the Company, any dividends paid by the Brazilian operating companies will be passed through to the Lender and other shareholders.

ARTICLE VI - SECURITY

The Borrower offers in guarantee as pledge the Items specified in Annex 3, including but not limited to a CPR on wood in Manejos, in patios (internal and external), in process or as finished goods in an amount equivalent to the outstanding loan amounts, to be issued within 30 days of signature of this Agreement. The Borrower will inform the Lender about the initiation of the CPR application within 24 hours of signing of this contract.

To synchronize the Loan with the Security, the proceeds of the Loan to the Borrower must be passed on from Borrower to the respective borrowing subsidiaries as inter group loans. Also, the Security deriving from the subsidiaries (CPR) must be pledged from the subsidiaries to the Borrower, who in its turn shall repledge it as security to the Lender.

In addition to CPR, the Borrower will pledge 10.0 % of the outstanding shares of the Company.

PLEDGE

The CPR and the shares, all as described in Annex 3, are pledged to the Lender as a guarantee for the right and complete fulfilment of all the Borrowers undertakings in this Agreement, including but not limited to the repayment of the loan and the payment of interest.

ARTICLE VII - EXISTING SHAREHOLDER LOANS

The parties agree that existing shareholder loans including historically accrued interest (as per December 31, 2020 amounting to totally US\$ 19,825,890 (Nineteen million, eight hundred and

twenty five thousand, eight hundred and ninety US dollars) and future interest will be subordinated to this Loan Agreement.

The parties further agree that shareholder loans may be repaid or pre-paid before the Lender has been repaid in full, provided there is Sufficient Liquidity in the Company.

Sufficient Liquidity shall be defined as any EBITDA that exceed the projected numbers in the model listed in Annex 5 for the years 2021-2026 provided that the amount of Cash & Marketable Securities suffice to pay the ASF-group's short term debts. The annual EBITDA will be divided by 4 to establish the quarterly EBITDA that will be used to define quarterly shareholder loan repayments. Whatever exceeds this quarterly operating cashflow can be used to pay off existing shareholder debts. It is also agreed that once the annual EBITDA surpasses 10 MUSD the Company can consider shareholder loan repayments.

Furthermore, sufficient Liquidity in this case shall also be defined to be any NEW external funding (*n.b.* from other sources than the Lender) that is obtained from new investors, lenders, or other extraordinary revenue sources not currently in the projections provided to Lender.

No debt senior to this Loan shall be taken on by the ASF Group during the duration of this Agreement without the approval of the Lender.

Existing shareholder loans will carry an interest rate which is not to exceed the interest rate being paid to the Lender.

ARTICLE VIII- USE OF PROCEEDS AND MATERIAL EVENTS

Use of Proceeds. Proceeds from the Term Loan shall be used exclusively to provide funding to the Brazilian sawmill operations, working capital needs, including the procurement of timber during the dry season, critical liabilities, and any equipment necessary to properly perform its proposed Business Plan. An indicative list of the planned investments has been provided and is shown in Annex 4

Notice of Material Events. The Borrower will, and will cause each Subsidiary to, give notice in writing to the Lender, promptly and in any event within five (5) days after an officer of such Borrower obtains knowledge thereof, of the occurrence of any of the following:

- a) any Default or Event of Default;
- b) (i) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority (including pursuant to any applicable Environmental Laws) against or affecting such Borrower or any Affiliate thereof that, if adversely determined, would reasonably be expected to result in a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of the Loan and (ii) any material adverse development which occurs in any litigation, arbitration or governmental investigation or proceeding previously disclosed by a Borrower or any Subsidiary;

ARTICLE IX - CONDUCT OF BUSINESSES

Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted. The Borrower will do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or

organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

Maintenance of Properties. The Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property and Equipment in good repair, working order and condition, ordinary wear and tear excepted, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times. The Borrower will, and will cause each Subsidiary to, do all necessary to maintain and preserve its forestry assets, protect and keep these Properties free from squatters and illegal operations, implement proper defensive procedures to protect against fire, degradation or destruction so that its business carried on in connection therewith may be properly conducted at all times

ARTICLE X - GOVERNING LAW

Unless otherwise provided herein, this Agreement will be governed by the laws of England and Wales.

The CPR will be governed by the laws of the Federative Republic of Brazil. Matters relating to the succession of the Lender will be governed by the local law in the Lender's domicile. Bankruptcy and insolvency matters are to be governed by the laws in the alleged insolvent company's domicile.

ARTICLE XI - PROROGATION CLAUSE

Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce. The seat of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be English.

ARTICLE XII - TAXES

Any and all payments by or on account of any Obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then the applicable Loan Party shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax or Other Tax, then the sum payable by the Loan Party shall be increased as necessary so that after such deduction or withholding has been made the Lender, as applicable, receives an amount equal to the sum it would have received had no such deduction or withholding been made.

The Loan Party shall timely pay to the relevant Governmental Authority in accordance with applicable law or at the option of the Lender timely reimburse it for the payment of, any Other Taxes.

ARTICLE XIII - REPORTING

The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with GAAP, and furnish to the Lender:

Within ninety (90) days after the close of each of its fiscal years, an unqualified (except for qualifications relating to changes in accounting principles or practices reflecting changes in GAAP) financial report, with no going concern modifier, certified by independent certified public accountants, prepared in accordance with GAAP on a combined basis for itself and its Subsidiaries, including balance sheets as of the end of such period, related profit and loss and reconciliation of surplus statements, and a statement of cash flows, accompanied by (a) any management letter prepared by said accountants and (b) a certificate of said accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default or Event of Default, or if, in the opinion of such accountants, any Default or Event of Default shall exist, stating the nature and status thereof.

Within thirty (30) days after the close of each month, a Performance Report including but not limited to information on Inventories, Sales & Revenues, productivity, sources of wood, Capex & investments, Cash flows, employment numbers and cost information.

Within forty-five (45) days after the close of each quarter the Managerial and Accounting Financial Statements for the Company and its subsidiaries.

Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

Quarterly, a report of all properties currently owned by the Borrower, including all listing prices and a management discussion and analysis of such listed properties.

Such other information (including non-financial information and environmental reports) as the Lender may from time-to-time reasonably request.

A quarterly personal meeting / conference call to discuss the development of the business with the Lender will be arranged.

ARTICLE XIV - SEVERABILITY

Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

Representations and warranties

The Borrower represents and warrants to the Lender that:

Existence and Standing. The Borrower and any Subsidiary is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or formed, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

Authorization and Validity. The Borrower has the power and authority and (in the case of the Borrower) legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper corporate or limited liability company proceedings, as applicable, and the Loan Documents to

which the Borrower is a party constitute legal, valid and binding obligations of such Borrower enforceable against such Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

Subsidiaries. Annex 1 contains an accurate list of all Subsidiaries of the Borrower as of the date of this Agreement, setting forth their respective jurisdictions of organization and the percentage of their respective Equity Interests owned by any Borrower and its Subsidiaries. All of the issued and outstanding Equity Interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

Ownership of Properties. Except as set forth in Annex 2, the Borrower and its Subsidiaries will have good title, free of all Liens other than Permitted Liens, to all of the Property and assets reflected in the Borrower's most recent combined financial statements provided to the Lender as owned by the Borrower and its Subsidiaries.

ARTICLE XV - DEFAULT

The occurrence of any one or more of the following events shall constitute an Event of Default (each, an "Event of Default"):

- The Borrower's nonpayment of principal or interest under the Loan Agreement, any commitment fee, or any other obligation under any of the Loan Documents or breach of Contract, when due which is not remedied within thirty (30) days after the earlier of (i) the Borrower becoming aware of any such breach and (ii) the Lender notifying the Borrower of any such breach. In case of non-payment of principal or interest, a penalty fee of 5% per annum shall apply from the time of non-payment until remedied.
- The Borrower or any of its Subsidiaries is insolvent. Insolvency shall always be considered to be at hand if a an ASF Group company should (i) have an order for relief entered with respect to it under the relevant *in situ* local bankruptcy laws or other debtor relief laws as now or hereafter in effect in the UK or Brazil, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate, limited liability company or partnership action to authorize or effect any of the foregoing actions set forth in this Section, (vi) fail to contest in good faith any appointment or proceeding, or (vii) the Borrower or any of its Subsidiaries shall not pay, or admit in writing its inability to pay, its debts generally as they become due.
- If a receiver, trustee, examiner, liquidator or similar official should be appointed for the Borrower or any of its Subsidiaries, or a proceeding should be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) consecutive days.

- If any court, government or governmental agency should condemn, seize or otherwise appropriate, or take custody or control of all or any portion of the Property of the Borrower or any of its Subsidiaries.

ARTICLE XVI - CONFIDENTIALITY

Confidentiality. The Lender and his administrative agent (Christian??) agrees to hold any confidential information which it may receive from the Borrower in connection with this Agreement in confidence, except for disclosure (i) to its Affiliates and to the Lender and their respective Affiliates, and, in each case, their respective employees, directors, and officers, (ii) to legal counsel, accountants, and other professional advisors to the Lender, provided such parties have been notified of the confidential nature of such information, (iii) to any Person as requested pursuant to or as required by law, regulation, or legal process, (iv) to any Person in connection with any legal proceeding to which it is a party, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, and (vi) to the extent such information (1) becomes publicly available other than as a result of a breach of this Article XVI becomes available to the other Lender on a non-confidential basis from a source other than the Borrower.

ARTICLE XVII - NOTICES

Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

If to the Borrower, to it at the following:

ASF BRASIL LTD
Address: 12153 Gray Birch Cir Orlando, FL 32832, USA
Attention: Mr. Flávio de Meira Penna
Email: flaviomelrapenna@gmail.com
Phone: +1 919 2653939

If to the Lender, to

BENGT WAHLQVIST
Address: Via San Michele 2, CH-6976 Castagnola, Switzerland
Email: bengt@wahlqvist.eu
Phone: +41788438111
With a copy to

Corecam AG
Address: Tödi strasse 5, CH-8002 Zürich, Switzerland
Attention: Christian Zenker
Email: cze@corecam.com
Phone: +41784032441

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile or email shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient), except that notices to the Lender shall not be effective unless and until actually received by the addressee thereof. Notices delivered through electronic communications to the extent provided in paragraph below, shall be effective as provided in said paragraph.

Electronic Communications. Notices and other communications to the Lender hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Lender or as otherwise determined by the Lender, provided that the foregoing shall not apply to notices to any Lender if such Lender has notified the Borrower that it is incapable of receiving notices under such Article by electronic communication. The Lender or the Borrower may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it or as it otherwise determines, provided that such determination or approval may be limited to particular notices or communications.

ARTICLE XVIII - GENERAL PROVISIONS

The Borrower will not be able to assign or transfer to third parties the rights acquired through this Agreement, being bound by its successors, by any title, to the fulfillment of its clauses or conditions here agreed.

ARTICLE XIX - TRANSFER OF CLAIM

The Lender is free to transfer his claims and any other rights granted to him in this Loan Agreement, provided they are transferred to one or more Trusts for the benefit of said Lender, Companies controlled by said Lender and, in case of Lender's death or incapacitation, to Lender's legal successors or assignees. In such case the transferee shall take the Lender's place as a party to this Agreement, assuming all the rights of the Lender, including any and all Lender's rights to the pledge and the Security.

The Lender's right to transfer his rights under this Loan Agreement shall be governed by the laws of of Lender's domicile.

ARTICLE XX- ENTIRE AGREEMENT

The Loan Documents embody the entire agreement and understanding among the Borrower, and the Lender and supersede all prior agreements and understandings among the Borrower, and the Lender relating to the subject matter thereof.

IN WITNESS WHEREOF, the Borrower, and the Lender, have executed this Agreement as of the date first above written.

This is the signature page to the LOAN AGREEMENT DATED AS OF May 24th, 2021 among ASF BRAZIL LTD as Borrower and KARL ERIK BENGT WAHLQVIST, as Lender.

BORROWER

ASF BRAZIL LTD

a United Kingdom limited liability company

By: 

Name: Flavio de Meira Penna

Title: Authorized Signatory

LENDER

KARL ERIK BENGT WAHLQVIST

By: 

Name: Bengt Wahlqvist

Title: Authorized Signatory

I certify this is a true and correct copy of the original.

AMAURY GOMES

BARACHO:983421

18800

Assinado de forma digital por

AMAURY GOMES

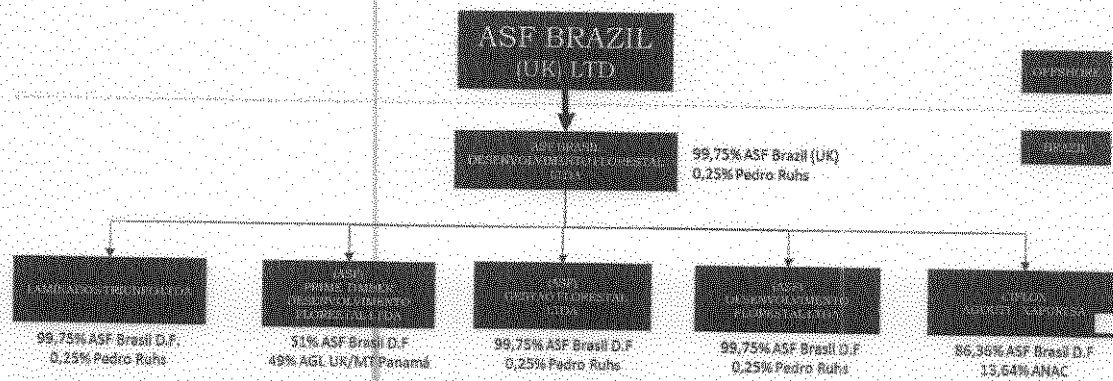
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Amaury Gomes Baracho
OAB/SP - 100.687 (Bar number)

ANNEX 1 Group Structure



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ANNEX 2

Farm List

Farm	Area	Registration #	State	Municipality
Faz. Capixaba	60 ha	123	Acre	Capixaba
Faz. Nossa Sra. Aparecida	113 ha	568 / 569	Acre	Plácido de Castro
Faz. Porto Brasil	15.961 ha	724	Acre	Feijó
Faz. Recife	12.427 ha	2.344	Acre	Sena Madureira
Faz. S. Jorge 2	4.292 ha	2.144	Acre	Sena Madureira
Faz. S. Jorge 1	4.009 ha	3.326	Acre	Sena Madureira
Faz. Mucuripe	5.633 ha	491	Acre	Sena Madureira
	42.495 ha			

Fazenda Mucuripe – The previous owner sold 2,000 hectares of this property which we are in the process of negotiating to repurchase.

The Fazenda Porto Brasil has been given to one of the Shareholders as a guarantee for Loans made to (ASF) - still called Agrinlog - Desenvolvimento Florestal Ltda.

Fazendas Capixaba, Nossa Sra. Aparecida and a third teak reforestation property (that ASF has leased the land), is currently owned 51.0 % by ASF and 49.0 % by a Panamanian Company owned by one of the Shareholders.

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ANNEX 3

Guarantees – CPR & ASF Brasil Ltd Shares

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Annex 4

Indicative Use of Proceeds

Allocation of R\$15MM

R\$ 6.0 million for Wood including

R\$ 2,500,000.0	4 new 9-wheelers to transport logs from External patio
R\$ 500,000.0	lock-in additional exploration rights for 3,000 hectares.
R\$ 1,000,000.0	3 used skidders to be bartered with field operators
R\$ 500,000.0	2-wheel loaders for forest operations
R\$ 300,000.0	Bulldozer for access roads in forest
R\$ 700,000.0	Cumarú planks to complete backlogged orders
R\$ 500,000.0	2 pickup trucks + 2 RTVs for forest field operations

R\$ 7.0 CAPEX at Triunfo including sawing capacity for Agouti's Kilns

R\$ 1,000,000.0	Patio setup
R\$ 1,000,000.0	2 used laminating machines
R\$ 1,000,000.0	Inventory of spare parts (for the 3 operations)
R\$ 1,500,000.0	3 used dryers to reduce bottleneck
R\$ 500,000.0	2-wheel loaders for processing plant patios
R\$ 800,000.0	Physical Infrastructure
R\$ 650,000.0	Sawmill refurbished equipment
R\$ 400,000.0	New Second saw
R\$ 150,000.0	2 forklifts

R\$ 2.0 million of current liabilities to retain our Credit with Wood suppliers.

Self-explanatory, but mainly with forest operations service providers.

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Annex 5

Financial model as reference for EBITDA for the years 2021-2026

INCOME STATEMENT (USD 000)

USD 000	2021	2022	2023	2024	2025	2026
Sales						
Gross Sales	\$16,848	\$31,691	\$60,723	\$119,938	\$190,618	\$216,742
Deductions	\$0	\$0	\$0	\$0	\$0	\$0
Sales Taxes	-\$350	-\$76	-\$97	-\$163	-\$163	\$0
Net Sales	\$16,497	\$31,615	\$60,626	\$119,775	\$190,455	\$216,742
Direct costs						
Total Timber (SMLL)	-\$4,432	-\$7,362	-\$14,724	-\$29,448	-\$48,528	-\$49,783
Labor (Combined)	-\$3,741	-\$6,770	-\$12,283	-\$23,537	-\$35,870	-\$40,389
Maintenance (Combined)	-\$431	-\$772	-\$1,413	-\$2,756	-\$4,477	-\$4,925
Energy (SMLL)	-\$144	-\$121	-\$230	-\$461	-\$762	-\$777
Land opening/Licensing (FRTY)	-\$60	-\$890	-\$690	-\$1,740	-\$4,160	-\$4,160
Other (Combined)	-\$1,665	-\$4,105	-\$7,167	-\$13,487	-\$20,304	-\$27,827
Total Direct Costs	-\$10,473	-\$19,819	-\$36,507	-\$73,429	-\$114,100	-\$127,861
Gross Profit	\$6,024	\$11,796	\$24,118	\$46,346	\$76,354	\$88,881
S,G & A						
Commercial expenses	-\$578	-\$752	-\$1,500	-\$2,825	-\$4,226	-\$4,799
Administrative labor	-\$281	-\$375	-\$747	-\$1,414	-\$2,095	-\$2,487
Information and Controls	-\$246	-\$307	-\$614	-\$1,146	-\$1,747	-\$1,818
Other	-\$629	-\$759	-\$1,433	-\$2,601	-\$3,923	-\$4,069
Total SG&A	-\$1,735	-\$2,193	-\$4,294	-\$7,986	-\$11,991	-\$13,173
EBITDA	\$4,289	\$9,602	\$19,824	\$38,360	\$64,364	\$75,708
USD 000	2021	2022	2023	2024	2025	2026
Cash & Marketable Securities	\$3,880	\$2,403	\$2,047	\$0	\$14,471	\$50,610

The financial model (Cons Control Panel 3MM CO2.xls, Sawmills 3MM CO2.xls and Forest 3MM CO2.xls dated March 31, 2021) will be used as a reference for necessary cash levels. The above schedules are copied from this model.

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