Approved by JSC Nordstreet
manual [*2024-08-07*]
by order No. 2024080 7-01

UAB NORDSTREET
RULES FOR ASSESSING THE RELIABILITY OF PROJECT OWNERS

I. GENERAL PROVISIONS

1. 1 Uab Nordstreet ("**The Company**") rules for assessing the reliability of project owners ("**The Rules**") establish requirements for assessing the reliability of project owners, including criteria for assessing the reputation and creditworthiness of project owners.

1. 2 The terms used in the Rules shall be understood as defined in Regulation (EU) 2020/1503 ("**the Regulation**"), unless otherwise specified in the Rules.

1. 3 The rules are drawn up in accordance with the Regulation and its accompanying implementing legislation and guidelines from the competent authorities.

1. 4 The Company approves, implements and maintains appropriate and effective measures, processes and methods to ensure that these Rules are constantly complied with. The Company shall take the necessary measures to prevent the use of the Company's platform for criminal purposes.

II. CONCEPTS

2.1. Unless otherwise required by the context, the terms used in capital letters in these Rules shall have the following meanings:

2.2. **"Avietė" –** financial engineering instrument of UAB "Investicijų ir verslo garantijos" "Crowdfunding loans "Avietė";

2.3. **Company** – UAB Nordstreet, legal entity code 304565690, registered office at Naugarduko str. 19, Vilnius, Lithuania;

2.4. **The company's platform** - Information system administered by the company (https://www.nordstreet.com/), which involves crowdfunding;

2.5. **Participant** – a participant of the Project Owner, whose share of the voting rights or authorized capital, directly or indirectly, is equal to or exceeds 20 percent or who may have a direct and / or indirect decisive influence on the Project Owner;

2.6. **Reliability assessment** – assessment by the Company of the reputation and creditworthiness of the Project owner;

2.7. **The supervisory authority is** the Bank of Lithuania.

2.8. **'Project** ' means one or more types of business activity for which the project owner seeks to obtain financing by submitting a crowdfunding offer on the Platform;

2.9. **A buy-to-let project** is a project in which real estate or shares in a company or other asset class are purchased with the aim of renting out real estate or generating other types of income (from another type of property that is being acquired) and, at the end of the project, the sale of real estate or shares of a company or assets of another asset class is more profitable;

2.10. **Project Owner** or **Client** – the person initiating the Project, which the Company announces to the Funders through the Company's platform;

2.11. **Regulations** – Regulations (ES) 2020/1503;

2.12. **Rules** – this document;

2.13. **The manager is** the director of the Company.

2.14. **The appraiser is** an employee of the Company appointed by the order of the Manager, who carries out the reputation and creditworthiness assessments provided for in these Rules.

III. CRITERIA AND PROCEDURES FOR ASSESSING REPUTATION

3.1. When assessing reputation, the Company shall contact the Project Owner in order to evaluate information about the Project Owner's Manager and its Participants. If the Project Owner is a natural person (entrepreneur), information about the Project Owner himself is collected and evaluated.

3.2. For the purposes of assessing the reputation of the project owner, the requested information is provided in a standardized form by filling in the questionnaire provided for in Annex No. 1 to these Rules. If necessary, the Assessor may request the Project Owner and additional information necessary for the reputation assessment .

3.3. It should be noted that the Company will start business relations with the Project Owners only after the Company, in accordance with the established internal procedures, performs a proper inspection of the Project Owner in accordance with the procedure established by the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania and its implementing legal acts. In all cases, the Company does not intend to enter into business relationships with customers with a higher/more significant risk of money laundering and/or terrorist financing. Accordingly, when assessing the creditworthiness of the Project Owners, the Company will not take into account the risks or threats of money laundering and /or terrorist financing posed by them, since they, according to the Company's assessment, will not have a significant impact on the creditworthiness of the Project Owner.

3.4. For the purposes of assessing reputation, it is considered appropriate if there is no evidence to the contrary and there is no valid reason to doubt the reputation of the individual.

3.5. In assessing reputation, the following circumstances are considered:

3.5.1. whether the Project Owner has not been found guilty of a serious, very serious crime or a crime or misdemeanor against property, property rights and interests in property, the economy and business order, the financial system, public security, public service and the public interest, or crimes corresponding thereto, under the criminal laws of other states, if his conviction for the above crimes has not disappeared or been abolished or has not passed 3 years from the date of the finality of a judgment by which a natural person is found guilty of the offences referred to in this point;

3.5.2. whether there is evidence that the person being assessed has not fulfilled or has not fulfilled its creditor obligations;

3.5.3. whether there are entries about the Project Owner in the criminal record related to violations of national rules in the areas of commercial law, bankruptcy law, financial services law, anti-money laundering law, anti-fraud or professional liability obligations;

3.5.4. whether the Project Owner is established in a country or territory considered to be a non-cooperative jurisdiction under the relevant EU policy or in a high-risk third country in accordance with Article 9(2) of Directive (EU) 2015/849;

3.6. whether there are other negative reputation factors specified in the algorithm approved by the Company.

3.7. In order to assess the reputation of the Project Owner The Assessor:

3.7.1. must collect and evaluate information about the Project Owner's Manager and its Participants who have a directly or indirectly owned share of voting rights or authorized capital equal to or greater than 20 percent or who may have a direct and /or indirect decisive influence on the project owner. If the Project Owner is a natural person (entrepreneur), information about the Project Owner himself is collected and evaluated;

3.7.2. after collection and evaluation in accordance with these Rules 3.7.1 p. the received and collected data, before publishing the project on the Company's platform, in all cases must have sufficient reason to believe that all the Rules 3.7.1 p. the listed persons meet all the minimum criteria for assessing reputation, i.e., that of the Rules 3.7.1 p. the following persons:

3.7.3. have not been found guilty of a serious, very serious crime or a crime or misdemeanor against property, property rights and interests in property, the economy and business order, the financial system, public security, public service and the public interest or equivalent offences under the criminal laws of other States, unless their conviction for the above offences has disappeared or has been abolished or has not elapsed for a period of 3 years from the date of the judgment, by which a natural person is found guilty of the misdemeanours referred to in this point, becoming final;

3.7.4. does not comply with the Rules 3.5.3-3.5.4 p. the conditions under which it is automatically considered that the reputation of the Project Owner cannot be assessed as appropriate;

3.7.5. does not meet the other conditions provided for in the algorithm approved by the Company (if applicable), under which it is automatically considered that the reputation of the Project Owner cannot be assessed as appropriate.

3.8. For the purposes of carrying out the reputational assessment of project owners, the Company shall rely on:

3.8.1. Documents submitted by project owners, their managers and participants;

3.8.2. written explanations provided by the project owners, their managers and the Participants;

3.8.3. publicly available and publicly available information about project owners, their managers and Participants;

3.8.4. the data provided by the Creditinfo system ("Creditinfo") **administered by** UAB "Creditinfo Lietuva" (in the event that the Project Owner is established in another state, the Company makes maximum efforts to obtain as much as possible similar data from the databases existing in the respective state);

3.8.5. Registers administered by the State Enterprise "Centre of Registers" (Real Estate Register, Register of Legal Entities, Register of Lien Deeds, etc.) (in the event that the Project Owner is established / resident in another state, registers administered by the respective States are used, which contain as much as possible similar data);

3.8.6. The data provided by the Departmental Register of Wanted Persons administered by the Department of Informatics and Communications, as well as other reliable databases legally available to the Company.

3.9. The Company, performing the Rules 3.5.3 p. the planned assessment, and also requires the Project Owner to provide relevant (not older than 2 months) extracts / certificates from the registers of sentences issued in criminal and (or) administrative cases, which would confirm the 3.5.3 p. the absence of the intended circumstances:

3.9.1. if the Project Owner is a legal entity established in Lithuania or a lithuanian citizen / resident (in the case of a natural person) – you are asked to submit the relevant extract / certificate from the registers administered by the Department of Informatics and Communications under the Ministry of the Interior of the Republic of Lithuania (https://ird.lt/);

3.9.2. if the Project Owner is a legal entity established in Spain or a Spanish citizen/resident (in the case of a natural person) – you are asked to submit the relevant extract / certificate from the registers administered by the Ministry of Justice of the Kingdom of Spain (https://sede.mjusticia.gob.es/en/tramites/certificado-antecedentes);

3.9.3. if the Project Owner is a legal entity established in Estonia or a citizen / resident of Estonia (in the case of a natural person) – you are asked to submit the relevant extract / certificate from the Centre of Registers and Information Systems of the Republic of Estonia (https://www.rik.ee/en/criminal-records-database);

3.9.4. if the Project Owner is a legal entity established in Latvia or a Latvian citizen / resident (in the case of a natural person) – you are asked to provide the relevant extract / certificate from the Information Center under the Ministry of the Interior of the Republic of Latvia (https://www.ic.iem.gov.lv/en/services/statement-criminal-register-regarding-criminal-records-person-administrative-penalties-applied-administrative-penalties-applied-legal-persons-and-coercive-measures?utm_source=https%3A%2F%2Fwww.google.com%2F);

3.9.5. if the Project Owner is Poland a legal person has been established, or Polish citizen / resident (in the case of a natural person) – you are asked to provide the appropriate extract / certificate from National criminal offences register (https://www.gov.pl/web/krk-en)

3.9.6. if the Project Owner is different from the 3.9.1-3.9.4 p. a legal entity established by the specified states, or if the Project Owner is other than from 3.9.1-3.9.4 p. citizen / resident of the specified states (in the case of a natural person) – you are asked to provide an appropriate extract / certificate from the respective administered registers / information centers of these states.

3.10. If possible, the Company shall also take steps to obtain access to the relevant registers where it can verify information about the Project Owner regarding the Rules 3.5.3 p. of the circumstances provided for.

3.11. In order for the Project Owners to re-publish the Project (or a new phase of the Project) on the Company's platform, when more than 30 calendar days have not passed since the publication of the previous Project (or its stage), the Company shall check in the databases and public sources available to it whether there are any circumstances that, in the company's assessment, may change the situation regarding the reliability of the Project Owner – if the Company determines that such circumstances exist, The Company reassesses the reputation of the Project Owners in accordance with the procedure provided for in these Rules and without applying any exceptions. A reassessment of the reputation of the Project Owners is also carried out in the event that the Project Owner seeks to re-publish the Project (or a new stage of the Project) on the Company's platform, and more than 30 calendar days have passed since the publication of the previous Project (or its stage).

3.12. After collecting enough information from the Project Owner to assess his reputation, his/her managers and the Participants, the Assessor assesses the totality of the collected information and decides whether the reputation of the Project Owner is suitable for publishing his Project on the Company's platform. The process of assessing the reputation of the project owner takes place in two stages:

3.12.1. first, it is ascertained that all the Rules 3.7.1 p. the listed persons meet all the minimum criteria for assessing reputation (as provided for in the Rules 3.7.2 p.), i.e. The Company must make sure that the Rules 3.7.1 p. the following persons: (i) have not been found guilty of a serious, very serious crime or a crime or misdemeanor against property, property rights and interests in property, the economy and business order, the financial system, public security, public service and the public interest, or a corresponding offence under the criminal laws of other States, if their conviction for the above offences has not disappeared or been quashed or has not elapsed for 3 years from the date of the finality of a judgment by which a natural person is found guilty of the offences referred to in this point; (ii) does not comply with the Rules 3.5.3-3.5.4 p. the conditions under which it is automatically considered that the reputation of the Project Owner cannot be assessed as appropriate; and (iii) does not comply with the conditions provided for in the algorithm approved by the Company (if applicable)in which it is automatically considered that the reputation of the Project Owner cannot be assessed as appropriate. If the Assessor finds that the Project Owner, its Manager and (or) the Participant do not meet all the minimum reputation assessment criteria, the Project of the Project Owner cannot be published on the Company's platform. Only if the Assessor can reasonably be satisfied that all the minimum criteria for the assessment of reputation are met, the second stage of the reputation assessment can be carried out (as provided for in the Rules 3.12.2 p.);

3.12.2. secondly, if the Assessor is satisfied that the minimum reputation assessment criteria are met, **additional reputation assessment criteria are taken into account**, which may affect the final rating of the Project Owner's Reliability Assessment / Project, i.e. the final rating of the Project Owner's Assessment / Project (assigned risk class) may be reduced (i.e. a higher risk class is assigned) if there is a higher risk class indicated in the algorithm approved by the Company additional negative reputational assessment factors (if applicable). The procedure for evaluating the final Project Owner / reducing the Project rating (assigned risk class) is also provided for in the algorithm approved by the Company.

IV. ADDITIONAL ASSESSMENT OF PROJECT OWNERS IN ORDER TO USE THE FINANCIAL INSTRUMENT "RASPBERRY"

4. In this case, if the Project Owner seeks to use the opportunity to use the funds of the measure "Avietė" on the Company's platform for the financing of his Project, the Assessor shall compulsorily additionally assess and determine whether the Project Owner meets the following conditions:

4.1.1. Whether the Project Owner meets the concept of a small and medium-sized business entity, as defined in the Law on Small and Medium-sized Business Development of the Republic of Lithuania;

4.1.2. Is the purpose of the loan, which is intended to be financed through the Platform, is to replenish the investment or the lack of working capital .

4.2. Assessment Rules 3 Point provided for Circumstances Evaluator so very Evaluate or Exists Vienna or more These Circumstances:

4.2.1. There is (or could be) insolvency proceedings against the project owner;

4.2.2. The project owner has benefited from the funds of the measure "Avietė" in the last 6 months (Until 2020). 31 December The project owner can use the funds of the measure "Avietė" to finance his projects 2 times to a period of 6 months).

4.2.3. The project is assigned a credit rating below 3;

4.2.4. The crowdfunding funds sought by the project owner are not intended for the refinancing of credits or financial obligations, financing of financial activities or financing of residential real estate .

4.3. To take advantage Measures "Raspberry" Funds Project owner (and Project) Has correspond Conditions provided for Rules 3 Point and Evaluator Has Set that Does not exist neither Vienna from the Rules 4.2 the circumstances provided for in this paragraph. Failure to comply with this condition (but in accordance with the other conditions provided for in these Rules) Project owner The project can be published on the Platform, but cannot benefit from the measure "Raspberry" provided by Funds.

V. CRITERIA AND PROCEDURE FOR ASSESSING THE CREDITWORTHINESS OF PROJECT OWNERS

5. Before publishing the Project on the Company's platform, the Assessor must assess the creditworthiness of the Project Owner. If the Project Owner is a natural person (entrepreneur), information about the Project Owner himself is collected and evaluated.

5.1. The Company uses in the assessment of the creditworthiness of the Project Owner:

5.1.1. statistical models (e.g. past financial outturns);

5.1.2. evaluative models (e.g. assessment of the business plan and its prospects, assessment of financial forecasts, reputational assessment);

5.1.3. automatic models (for example, reports generated by Creditinfo).

5.1.4. The company continuously assesses the effectiveness of the creditworthiness assessment process and compliance with the applicable requirements, as well as the quality of the creditworthiness assessment and the models used. The Company is responsible for this assessment / inspection by the internal audit function (the duties and responsibilities of which are detailed in the documents regulating the company's organizational structure and internal control).

5.2. In assessing the creditworthiness of the Project Owner, the Assessor shall:

5.2.1. collects information about the financial condition of the Project Owner, including information about his existing liabilities and assets, profitability, etc.;

5.2.2. assesses whether the possibility of the Project Owner to fulfill financial obligations to the Funders within the established deadlines is real, i.e. whether the project owner's planned income from the Project will be enough to implement the obligations assumed with the crowdfunding transaction;

5.2.3. makes sure that the Project Owner, its Manager, the Participants are not subject to bankruptcy and /or restructuring proceedings;

5.2.4. if a third party seeks to provide security (e.g. surety, guarantee, promissory note, etc.) for the Project Owner, the creditworthiness of such person shall be assessed these Rules 5.22 p. in accordance with the procedure provided for;

5.2.5. if the loan agreement is secured by a pledge, it assesses the condition, value, degree of pledge of collateral, liquidity, residual value and other relevant parameters, which are additionally detailed 5.20 p.;

5.2.6. determines the purpose of the loan to be obtained;

5.2.7. determines the structure of ownership (shareholders) of the Project Owner;

5.2.8. evaluates the business plan submitted by the Project Owner in relation to the Project to be funded, including, but not limited to: (*i*) the Project Owner's knowledge of the relevant sector and experience in implementing / developing projects of a similar nature; (*ii*) the validity and reliability of the business plan; (*iii*) Project strengths/weaknesses *strength and weaknesses*) analysis; (*iv*) competition in the business sector concerned; (*v*) The type of customers of the project owners and their geographical location.

5.3. If in its assessment Project Owner creditworthiness by Rules 5.2 p. Evaluator to determine that the risk of the Project Owner is high, the Project Owner would be offered to provide Additional security measures.

5.4. In order to evaluate the project owner, guarantors or guarantors (if any would be) creditworthiness in accordance with these Rules 5.1.4 p., Appraiser – directly or through the use of third-party services of individuals (including credit bureaus) – collects, processes and relies on information obtained from external databases (State Enterprise "Centre of Registers" and etc.).

5.6. In pursuit of appreciate Project Owner creditworthiness by These Rules 5.1.4 p., Evaluator so very Appreciate Information and Approvals which Project owner Provides:

5.6.1. by filling in the questionnaire of the standardized form prepared by the Company (application for a financing transaction);

5.6.2. in response to other inquiries, if any, asked by the Company to the Project Owner .

5.7. The evaluator asks the Project Owner to fill in a questionnaire of a standardized form (registration form) and provide the following data and information:

5.7.1. The last approved audited financial statements of the project owner and the guarantor or guarantor (if any) for the last 2 (two) years of operation, consisting of the balance sheet and profit and loss accounts, including information on cash flows. If the Project Owner (and the guaranteeing or guarantor of the third party) does not have audited financial statements, the Company must require financial statements signed by both the head of the respective legal entity and the accountant of this legal entity;

5.7.2. information about the amount of loans and other liabilities held by the Project Owner, their currency, terms of the respective loans and liabilities, their repayment schedules and applicable interest or other types of compensation (the Appraiser is guided by the following data sources: a) Creditinfo; b) detailing of short-term and long-term liabilities presented in the balance sheet);

5.7.3. The project owner's income and cash flows generated during the last two years (if such information is available, i.e. if the Project Owner is obliged to prepare such information in accordance with the applicable legislation);

5.7.4. The project owner's planned income and cash flows related to the Project to be financed (except when the crowdfunding funds are intended to attract working capital). The Company assesses the Project Owner's planned income and cash flows (i) in an optimistic, (ii) basic and (iii) pessimistic scenario (the Company considers the Project Owner's own income and cash flow forecasts to be optimistic; while the Company calculates the baseline and pessimistic scenario by reducing the optimistic scenario by 15 and 30 percent, respectively). (The evaluator is guided by the historical data of the Project owner). The Company then calculates the average of the income and cash flows predicted in all three scenarios and uses the resulting figures to calculate creditworthiness according to its approved procedure (algorithm) for calculating the creditworthiness scores of the project owners;

5.8. Forecast financial statements of the Project Owner (The assessor is guided by the historical data of the Project Owner);

5.9. if necessary (e.g. if the Company has additional doubts about the information provided) additional information (in accordance with the form established by the Company) with explanations regarding:

5.9.1. assets (both fixed and short-term);

5.9.2. liabilities (both long-term and short-term);

5.9.3. profits (including EBIT and ETBIDA);

5.9.4. cash and cash equivalent;

5.9.5. change in sales revenue;

5.9.6. Income;

5.9.7. depreciation and amortization;

5.9.8. Equity;

5.9.9. other financial and or related indicators.

5.10. For the property to be pledged by the project owner and the guarantor or guarantor (if any), the property appraiser's assessment and inspection deed on the value of the property with photographs (or the equivalent of the valuation);

5.11. a short business or a short plan for the use and repayment of the loan in accordance with the provided form or the information provided by the Project Owner;

5.12. if necessary, the project owner's term of at least 6 months. the statement of the main settlement account, unless the Project Owner has been operating for less than 6 months. If the Project Owner has been carrying out activities for less than 6 months, it is requested to provide an extract of the main settlement account of the Project Owner for the entire period of his activity. If the guarantor or guarantor is a natural person, his consent to the verification of his personal data in external databases is given and an extract of his main bank account for a period of at least 6 months is provided, unless he has been engaged in business for less than 6 months;

5.13. contact details (name, surname, residential address, e-mail, telephone (if any), mobile phone, position) about the Head of the Project Owner, the head of the guaranteeing or guarantor, when guaranteed or guaranteed by a legal entity, the data of the guarantor or guarantor (if the guarantor or guarantor is a natural person);

5.14. contact details (name, surname, residential address, e-mail, telephone (if any), mobile phone, position) and the personal and /or company code of each Participant of the Project owner (contact details, personal identification number are provided and the available share of shares is indicated).

5.15. In order to assess information about the financial condition of the Project Owner, the guaranteeing or guarantor (if any) and the ability of the Project Owner, who guarantees or guarantees (if any), the person who guarantees or guarantees (if any) the ability to fulfill financial obligations, The evaluator evaluates, on the basis of the collected data:

5.15.1. The financial situation of the project owner guaranteeing or guaranteeing the person (the amount of income, sources of income, their diversity, sustainability, profitability, possible future changes, etc.);

5.15.2. The history of the project owner guaranteeing or guarantor and information about the current and past misconduct of financial obligations.

5.16. If the data provided by the Project Owner differs from the data received by the Company from the databases, the data on the basis of which the assessment of the creditworthiness of the Project Owner will be more conservative will be used to assess the creditworthiness of the Project Owner .

5.17. The sources of data collected for the purposes of the company's creditworthiness assessment are detailed in the table below:

Data collected	**Data source(s)**
information about the financial condition of the Project Owner, including information about his existing liabilities and assets, profitability, etc.	Project owner / Register of legal entities, Mortgage Register, Real Estate Register, Register of Liens / Creditinfo Credit Bureau system / Publicly available information on the Internet (when the Project Owner is established / resides in another state – databases / registers administered by the relevant state authorities)
Contact details of the project owner	Project owner
Information and documents on the property owned by the project owner (and the guaranteeing or guarantor third party, if any) approved (audited) financial statements for the last two years) and documents on the owned property and cash flows	Project owner (and the third party guaranteeing or guaranteeing) / Register of legal entities / Real estate register / Creditinfo credit bureau system / Publicly available information on the Internet / Registers providing similar information of other states When the Project owner is established / resident in another state
Project owner's planned income and cash flows related to the Project to be financed	Project owner
Project owner's forecast financial statements	Project owner
Collaterals provided by the project owner, including information on the value of collateral and assessment	Project owner / Real estate register / independent property appraiser
if the Project Owner (and/or the third party guaranteeing or guaranteeing or guaranteeing) is a natural person – the entrepreneur, documents substantiating the structure of income and expenses from the activities carried out in the last two years	The project owner / State Tax Inspectorate (The project owner (and (or) the third party guaranteeing or guaranteeing) must submit certified income declarations) / Creditinfo credit bureau system / Registers providing similar information of other states When the Project owner is established / resident in another state
a written explanation of the currently known (or implicit) circumstances that may have a negative impact on the financial indicators of the Project Owner or the performance of activities in the future	Project owner

5.19. The Company periodically updates the information on the collaterals submitted for securing the loan (i.e. at least once every two years it requires the Project owner (or a third party, if the third party provides collateral for the obligations of the Project Owner) to submit an updated valuation of the pledged property. With the same periodicity, the Company must also update information about persons who have provided other types of collateral for the obligations of the Project Owner (e.g. surety, promissory note, guarantee, etc.).

5.20. When property is pledged to secure the obligations of the Project Owner, the Company requires the Project Owner to submit an independent property appraiser's assessment of the property carried out in accordance with the procedure established by legal acts by an independent property appraiser, in which at least the following information is assessed and provided:

5.20.1. The term of the project owner's obligations (term of pledge / deposit);

5.20.2. in the case of financial assets, the last relevant price and the average price in the liquid market in the last 12 months;

5.20.3. in the case of physical collateral, the last available market value;

5.20.4. whether there is a market where assets can be easily liquidated;

5.20.5. possible deviations in the value of the pledged property.

5.21. The company does not accept such collateral (collateral assets) the value of which cannot be determined and /or the realization of which there is no relevant market. The Company also ensures that the property is pledged for the entire period of the loan agreement until the Project Owner properly fulfills his obligations.

5.22. When the obligations of the Project Owner are guaranteed or guaranteed by a third party, the Company must assess the type of guarantee or surety provided, the level of protection provided by it and determine such a third party, assess its creditworthiness and reliability, thus determining whether it will be possible to recover the loan amount from the relevant third party if the Project Owner does not properly fulfill his obligations, i.e.:

5.22.1. **firstly**, by collecting information from the databases available to it (e.g. registers managed by the State Enterprise Centre of Registers, Creditinfo, etc.), the Company assesses whether the relevant third party has sufficient assets to cover the project owner's obligations – if the relevant third party has enough property to cover the project owner's obligations, the final creditworthiness score of the Project Owner is improved by an additional 0.5 points;

5.22.2. **secondly**, if the Company, having collected information about the assets of a third party, finds that the third party does not have enough property to cover the obligations of the Project owner – the Company assesses the income received by such third party (e.g. by collecting bank account statements or income declaration, etc.). If it is established that the relevant third party receives a sufficient amount of income in order to cover the obligations of the Project Owner, the final creditworthiness score of the Project Owner is improved by an additional 0.25 points;

5.22.3. in the event that the Company finds that the third party has neither sufficient assets nor sufficient income to cover the obligations of the Project Owner – the final creditworthiness score of the Project Owner is impaired by an additional 0.25 points, unless the property is also pledged to secure the obligations (if taking into account the value of the property ltv is less than or equal to 70%, in which case the score applied to the indicator described in this point is equal to 0).

5.23. The Company individually evaluates each Project Owner, the guarantors or guarantors, the collaterals (if any) – the creditworthiness assessment will be carried out using an expert method. The Company also has the right to refuse to evaluate the guarantor (for example, if it is not possible to objectively collect sufficient data about the guarantor) and in this case to award the lowest score to the guarantor, which negatively affects the creditworthiness score of the Project Owner.

5.24. In its assessment of creditworthiness, the Company seeks to assess the probability of the financier's loss. The Company divides the risk of creditworthiness of project owners into: low (1), medium (2), higher (3), high (4), too high (5). The project owners are divided according to the risk of creditworthiness by evaluating the following criteria (according to the formula provided in the algorithm approved by the Company):

5.24.1. History of the implementation of the obligations assumed by the project owner ("History of implementation") *history of commitments of Project owner*), which is assigned an 8% weight in the final calculation of the credit risk rating (i.e. the applicable factor is 0.08);

5.24.2. information on the sector in which the Project Owner operates, including macroeconomic conditions and competition (SSA); *Information on the sector in which the Project owner operates (including macroeconomic conditions and competition*), which is assigned a weight of 6% in the final calculation of the credit risk rating (i.e. the applicable factor is 0.06);

5.24.3. business plan information *information on business plan*), which is assigned a weight of 12% in the final calculation of the credit risk rating (i.e. the applicable coefficient is 0.12);

5.24.4. the planned profitability of the Project or the Project Owner (SSA); *projected profitability of the Project*), which is assigned a weight of 10% in the final calculation of the credit risk rating (i.e. the applicable factor is 0.1);

5.24.5. the project owner's expected cash flows (SSA) *projected cash flows of the Project owner*), which assigns a weight of 12% in the final calculation of the credit risk rating (i.e. the applicable factor is 0.12);

The project owner's knowledge and experience in the relevant business sector (SSA) is a good idea. *knowledge and experience of the Project owner in the relevant business sector*);, which is assigned a weight of 10 % in the final calculation of the credit risk rating (i.e. the applicable factor is 0.1);

5.24.6. asset profitability indicator (SSA) *Return on Assets – RoA*), which is assigned a weight of 6% in the final calculation of the credit risk rating (i.e. the applicable coefficient is 0.06);

5.24.7. debt yield *Debt Yield (DY*), which is assigned a weight of 7% in the final calculation of the credit risk rating (i.e. the applicable factor is 0.07);

5.24.8. interest service indicator (SSA) *Interest Coverage Ratio (ICR*), which is assigned an 8% weight in the final calculation of the credit risk rating (i.e. the applicable factor is 0.08);

5.24.9. capital yield (SSA) *Profit Yield*), which is assigned a weight of 7% in the final calculation of the credit risk rating (i.e. the applicable coefficient is 0.07);

5.24.10. History and profitability of the project owner's activities *track record and profitability / EBIT Margin*), which is assigned a weight of 7% in the final calculation of the credit risk rating (i.e. the applicable coefficient is 0.07);

5.24.11. Dynamics of the change in the sales revenue of the project owner ("Dynamics") *sales to revenue dynamics*), which is assigned a weight of 7% in the final calculation of the credit risk rating (i.e. the coefficient applied is 0.07) (when assessing the dynamics of the change in sales revenue, the Company must have access to information for a period of at least two years; in the event that the Project Owner provides information for a full financial year and a period of at least 6 months in the previous financial year, The Company may use the data for the incomplete financial year to calculate in proportion to how much the Project Owner would have earned sales revenue if he had acted for the entire financial year and accordingly assess the change in sales revenue; however, in the event that the Project Owner has been operating for a shorter period of time, the Company shall award the highest risk score in relation to the relevant indicator).

5.25. In addition to these Rules 5.24 p. of the specified criteria, the Company may also, in individual cases, evaluate other information that may be relevant and important for assessing the level of risk of creditworthiness of the Project Owner.

5.26. For each indicator, an appropriate level of importance is determined, a coefficient is predicted and an assessment formula is derived in the algorithm for assessing the creditworthiness of project owners approved by the Company.

5.27. The value calculated according to this creditworthiness assessment formula describes the probability of losses of the financier, which is presented as the opinion of the Platform Operator. Below is the scoring scale:

5.27.1. **Class 5 (E)** (very poor condition, unsatisfactory) – too high a risk of creditworthiness;

5.27.2. **Class 4 (D)** (poor condition) – high risk of creditworthiness;

5.27.3. **Class 3 (C)** (average condition) – higher creditworthiness risk;

5.27.4. **Class 2 (B)** (good condition) – average creditworthiness risk;

5.27.5. **Class 1 (A)** (very good condition) – low creditworthiness risk.

5.28. If the Project Owner is a newly established company (e.g. for the development of a specific project or carrying out activities for less than 1 financial year), the Company always requires that the obligations of the respective Project Owner be guaranteed in full.

5.29. In assessing the value of the proposed mortgaged real estate, the Company relies on the relevant findings of independent property appraisers and /or other reliable external sources (for example, data from the Real Estate Register). In all cases, the Appraiser additionally collects publicly available information about the proposed mortgaged real estate (its location, condition, purpose, etc.) and critically evaluates the content of the data provided on the value of this real estate. In case of doubts about the data provided on the value of real estate, the Appraiser must rely on the most conservative data.

5.30. In addition, the Company informs the financiers of the value of the mortgaged real estate and assesses the reduced likelihood of the financier's losses. The platform also uses LTV (LTV) when assessing the creditworthiness risk class. *loan to value*) the indicator, depending on the value of which, may be replaced by the final creditworthiness class:

5.30.1. in this case, if the ratio of the pledged assets to the total loan amount exceeds 70% (LTV more than 70%) it is considered that the collateral ratio is acceptable, but does not affect the final creditworthiness score of the Project Owner's creditworthiness assessment;

5.30.2. in this case, if the ratio of the pledged assets to the total loan amount is 70% (LTV less than or equal to 70%) it is considered that the collateral ratio is standard and can raise the result of the assessment of his creditworthiness to 0.5 final creditworthiness score in relation to the Project Owner;

5.30.3. in this case, if the ratio of the pledged assets to the total loan amount is 60% (LTV less than or equal to 60%) it is considered that the collateral ratio is liquid and can raise the result of his creditworthiness assessment to 1 final creditworthiness score in relation to the Project Owner;

5.30.4. in this case, if the ratio of the pledged assets to the total loan amount is up to 50% (LTV less than or equal to 50%) it is considered that the collateral ratio is low-risk and may raise the result of his creditworthiness assessment to 1.5 final creditworthiness score for the Project Owner;

5.30.5. in this case, if the ratio of the pledged assets to the total loan amount is up to 40% (LTV less than or equal to 40%) it is considered that the collateral ratio is low-risk, and in relation to the Project Owner, the result of his creditworthiness assessment may be raised to 2 final creditworthiness scores.

5.31. In any case, the LTV indicator can influence the final creditworthiness score only if according to 5.24 p. the established criteria are not too high a risk of creditworthiness of the Project Owner (class 5 (E)). In the event that according to the financial data of the Project Owner (judging by the 5.24 p. the established criteria) is determined too high a risk of creditworthiness (class 5 (E)), the final creditworthiness risk of the Project Owner is not affected by the LTV indicator in any way and it is considered that the Project Owner is too high a risk of creditworthiness and his Project is then refused to be published on the Platform.

5.32. In certain cases (especially when financing the Project of the Project Owner in stages), the Company may be guided by the future LTV – in this case, the Project Owner must provide the Company with the future value of the object determined by independent property appraisers, i.e. an assessment showing what the value of the object will be (excluding VAT) when all construction / contract works according to the technical project according to which the construction permit was issued have been carried out. The Project Owner must also in such cases provide a total estimate of the works (excluding VAT) of the entire relevant Project object. In all cases, the amount of the value of the land plot on which the Project object is being developed and the total estimate must be less than or equal to the future value of the Project object (*e.g. if the total estimate of the Project object (excluding VAT) is equal to EUR 1.2 million. The value of the land plot is equal to EUR 0.5 million. The value of the future object (excluding VAT) is equal to EUR 2 million. In such a situation, the future LTV may be applied, since the total amount of the value of the land plot and the estimate of the Project object is less than the future value of the Project object (EUR 1.2 million). EUR + EUR 0.5 million EUR < EUR 2 million. (EUR)*).

5.33. For the application of these Rules 5.32 p. the planned financing of the future LTV project is carried out while maintaining always the same amount of LTV, but the funding can be carried out in two scenarios:

5.33.1. **the first scenario** is that the financing is carried out according to the VAT invoice issued to the Project Owner, the amount of financing is calculated according to the established fixed LTV (*for example, the LTV set for the project owner is equal to 60 %; The project owner is issued a VAT invoice for the works performed in the Project object in the amount of 300 thousand. eur for the amount (excluding VAT); accordingly, the Project Owner may be financed in the amount of 180 thousand. Eur amount (300 thousand eur) EUR * 60%)*);

5.33.2. **the second scenario is** that the financing is carried out taking into account the difference between the future value of the Project object and the value of the land plot on which the Project object is being developed, while maintaining the fixed LTV set for the Project Owner (*for example, the future value of the project object is equal to EUR 2 million). EUR; the value of the land plot on which the Project object is being developed is equal to EUR 0.5 million. EUR; the total estimate of the project object development works is equal to EUR 1.2 million. EUR; The project owner is set at 60 % LTV; The future value of the project object, minus the value of the land plot, is equal to 1.5 million euros. EUR; The project owner submits to the financing an act (and a VAT invoice) for 300 thousand. Eur, which is 25% of the total total estimate; respectively, 25% of the future value of the Project object (excluding the value of the land plot) is equal to 375 thousand euros. EUR; 60% (LTV) of the proportional future value of the Project object (without the value of the land plot) is 225 thousand. EUR; thus, in such a case, the stage of the specific financing cannot exceed the established LTV from the future value, i.e. 225 thousand. EUR, and the total (for all stages) of financing cannot be higher than the total value of the estimate) (all values indicated in the calculation example are exclusive of VAT*).

5.34. The company concludes an agreement with UAB "Creditinfo Lietuva" and thus receives access to the Creditinfo credit bureau system. Using this system, the Company checks the data on the debts held and overdue by the Project Owner, which are not yet reflected in the financial reporting documents submitted by the Project Owner. If additional information on arrears is found, the Company recalculates using such data 5.24 p. the specified indicators and carry out a reassessment of creditworthiness.

5.35. The final creditworthiness class of the Project Owner (assigned risk class) may also be adjusted taking into account the additional reputation assessment criteria of the Project Owner, its managers and /or participants set out in the algorithm approved by the Company (if applicable). The procedure for evaluating the final Project Owner / reducing the Project rating (assigned risk class) is also provided for in the algorithm approved by the Company.

5.36. After the Company has established the Project Owner/Project creditworthiness rating, the maximum loan amount to be granted to the Project Owner is also determined, i.e.:

Creditworthiness rating	Maximum loan amount (calculated as a certain percentage of the project owner's pledged property (LTV))
A (low risk)	75 – 80% LTV
B (medium risk)	75 – 70% LTV
C (higher risk)	70 – 65% LTV
D (high risk)	65 – 55% LTV

5.37. The creditworthiness rating of the project owner / Project does not affect the maximum term of the loan agreement, but in any case, the maximum term of the loan agreement cannot exceed 120 months. Term.

5.38. The Company, having carried out an assessment of the creditworthiness of the Project Owner and having made a positive decision on the publication of the Project on the Platform, discloses to the Funders at least the following information:

5.38.1. Project owner/Project creditworthiness rating;

5.38.2. a clear description and detail of how the assessment of the creditworthiness of the Project Owner was carried out;

5.38.3. The probability of default of the project owner.

5.39. The Company regularly (at least once every two years) updates information about the creditworthiness of the Project Owner. In addition, the Company immediately informs the financiers about changes in the creditworthiness assessment process that may have a significant impact on the results of the creditworthiness assessment process.

5.40. In order for the Project Owners to re-publish the Project on the Company's platform, the Company reassesses the creditworthiness of the Project Owners in accordance with the procedure provided for in these Rules and without applying any exceptions.

5.41. It should be noted that the Company will start business relations with the Project Owners only after the Company, in accordance with the established internal procedures, performs a proper inspection of the Project Owner in accordance with the procedure established by the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania and its implementing legal acts. In all cases, the Company does not intend to enter into business relationships with customers with a higher/more significant risk of money laundering and/or terrorist financing. Accordingly, the Companies, when assessing the creditworthiness of the Project Owners, will not take into account the risks or threats of money laundering and /or terrorist financing posed by them, since they, according to the Company's assessment, will not have a significant impact on the creditworthiness of the Project Owner.

VI. CRITERIA AND PROCEDURES FOR EVALUATING PROJECTS BUY-TO- LET

6.1. Before publishing the Buy-to-let Project on the Company's platform, the Appraiser must assess the property purchased by the Project, the Project documents and the creditworthiness and reliability of the Project Owner.

6.2. In his assessment Buy-to-let project when buying real estate, Appraiser of the Project Owner creditworthiness Evaluate in accordance with the procedure set out in these Rules, but instead of the Rules 5.24 p. the following criteria apply to the criteria provided for:

6.2.1. History of the implementation of the obligations assumed by the project owner ("History of implementation") *history of commitments of Project owner*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable factor is 0.06);

6.2.2. information on the sector in which the Project Owner operates, including macroeconomic conditions and competition (SSA); *Information on the sector in which the Project owner operates (including macroeconomic conditions and competition*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable factor is 0.06);

6.2.3. business plan information *information on business plan*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable factor is 0.06);

6.2.4. the project's planned profitability *projected profitability of the Project*), which has a weight of 5% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.05);

6.2.5. the project owner's expected cash flows (SSA) *projected cash flows of the Project owner*), which has a weight of 5% in the final creditworthiness risk assessment (i.e. the applicable coefficient is 0.05);

6.2.6. The project owner's knowledge and experience in the relevant business sector (SSA) is a good idea. *knowledge and experience of the Project owner in the relevant business sector*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient used is 0.06);

6.2.7. (pledged) assets profitability indicator (SSA) *Return on (pledged) Assets – RoA*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient used is 0.06);

6.2.8. Net profit margin *Net Profit Margin (NPM*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient used is 0.06);

6.2.9. Debt-to-asset ratio (DEBT-TO-ASSET RATIO) *Debt Ratio (DR*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient used is 0.06);

6.2.10. The purpose of the real estate (residential, recreational, creative workshop, commercial or other real estate), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06);

6.2.11. An area (divided into Capital, Top 3 Big City, Resort Town, Smaller City than Top 3 City), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable coefficient is 0.06);

6.3. Location in the city (prestigious district, old town, centre, bedroom district, countryside, etc.) which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable coefficient is 0.06);

6.4. Year of construction of real estate (new construction (up to 10 years), newly carried out reconstruction / renovation (up to 10 years), older construction (from 10-30 years), old construction (more than 30 years old), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06);

6.5. The area of the purchased property (up to 50 sq. m., up to 65 sq. m., up to 80 sq. m., up to 100 sq. m., over 100 sq. m.), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06);

6.6. The price of the property to be acquired and the value determined in the valuation of the real estate (purchase price lower by 10%, less by 5%, equal to the purchase price, lower than the purchase price), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06);

6.7. The condition of the assets to be purchased (newly installed, in good condition, in satisfactory condition, in condition to be repaired), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06);

6.8. In the last or current year's publicly published real estate market overview(s), an assessment of the dynamics of prices for similar assets and the expected price increase (price growth is higher than in the business plan, corresponds to the price provided for in the business plan, less than the growth provided for in the business plan, a negative change in prices is planned), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06).

6.9. In his assessment Buy-to-let project when the company's shares are purchased, Appraiser instead of Rules 6.2 p. of the expected indicators Evaluate these indicators:

6.9.1. History of the implementation of the obligations assumed by the project owner ("History of implementation") *history of commitments of Project owner*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable factor is 0.06);

6.9.2. information on the sector in which the Project Owner operates, including macroeconomic conditions and competition (SSA); *Information on the sector in which the Project owner operates (including macroeconomic conditions and competition*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable factor is 0.06);

6.9.3. business plan information *information on business plan*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable factor is 0.06);

6.9.4. the project's planned profitability *projected profitability of the Project*), which has a weight of 5% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.05);

6.9.5. the project owner's expected cash flows (SSA) *projected cash flows of the Project owner*), which has a weight of 5% in the final creditworthiness risk assessment (i.e. the applicable coefficient is 0.05);

6.9.6. The project owner's knowledge and experience in the relevant business sector (SSA) is a good idea. *knowledge and experience of the Project owner in the relevant business sector*), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient used is 0.06);

6.9.7. Assessment of the purchased company (assessment of the company's activities on the basis of the company's profitable / unprofitable activities over the last 4 years) (worked at a loss, worked profitably for 1 year, worked profitably for 2 years, worked profitably for 3 years, worked profitably for 4 years), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the applicable coefficient is 0.06);

6.9.8. The purchased amount of shares (<20%, >=20% to <35%, >=35% to <=50%, >50% to <100%, =100%), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06);

6.9.9. The proportional ratio of the company's total assets minus the difference between payables and other liabilities and the price of the shares purchased (<1; =1; >1; >1.1; >1.2), which has a weight of 6% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.06);

6.9.10. Termination of employment contracts (terminations within 1 year) (>6, 5-6, 3-4, 1-2, 0), which has a weight of 8% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.08);

6.9.11. Participation in legal proceedings as a defendant (>3 k., 2-3 k., 1 k. in <1 year, 1 k. in >1 year, 0 k.), who has a weight of 8% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.08);

6.9.12. The term of the company's activities to be procured (<1, <2 years, <3, <4, >4), which has a weight of 8% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.08);

6.9.13. The late payment rating (according to the assessment of the credit bureau "Creditinfo Lietuva") (9-10, 7-8, 5-6, 3-4, 1-2), which has a weight of 8% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.08);

6.9.14. Bankruptcy rating (according to the assessment of the credit bureau "Creditinfo Lietuva") (9-10, 7-8, 5-6, 3-4, 1-2), which has a weight of 8% in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.08);

6.9.15. A business plan (analysis of expected financial flows and planned profitability is calculated for the planned euro of the price of 1 (one) of the purchased shares, in proportion to the volume of shares acquired, over the entire project period, which is divided into: <0.05 EUR/1 EUR, >0.05 - =0.10/1 EUR, >0.10 - =0.15 EUR/1 EUR, >0.15 - =0.20 EUR/1 EUR, >0.20 EUR/1 EUR), which has an 8% weight in the final creditworthiness risk assessment (i.e. the coefficient applied is 0.08).

VII. VERIFICATION OF THE PROJECT OWNER'S RELIABILITY ASSESSMENT PROCESS

7.1. In order to ensure that the reliability of the Project Owner is assessed properly and human errors are eliminated as much as possible (e.g. when calculating the creditworthiness score), the Company shall implement the following measures:

7.1.1. **A standardized automatic form for calculating the creditworthiness score is used**. The evaluator calculates the Project Owner's creditworthiness score using a standardized excel form approved by the Company (financial indicators are entered by hand and the creditworthiness score is automatically calculated);

7.1.2. **The principle of "four eyes" is introduced**. After the Assessor has calculated the Project Owner's creditworthiness score and finally completed the assessment of the reliability of the Project Owner, the calculations made and recorded, together with the sources (documents) supporting them, are submitted to another employee of the Company appointed by the Manager. The latter carries out a check on the calculations and evaluation submitted to him (among other things, it is ascertained that the creditworthiness score has been calculated correctly on the basis of the available data). If inaccuracies are noticed during the inspection, the employee of the Company carrying out the inspection shall transfer them for correction to the original Assessor (after correction, a repeated review procedure is carried out);

7.1.3. **approval of the assessment process.** After the final verification of the reliability assessment process, the final form for assessing the reputation and creditworthiness of the Project Owner with the specified calculation is signed by both the Assessor and the employee of the Company who carried out the verification. In this case, it is considered that the Company has properly performed the procedure for assessing the reliability of the Project Owner.

7.2. The information, data and documents collected and evaluated during the reliability assessment of the Project Owner are stored in the Company for 10 years from the date of the crowdfunding transaction concluded with the respective Project owner (if such a transaction was concluded) or from the date of receipt of these data (if the transaction has not been concluded. Legal acts regulating the legal protection of personal data and the storage of documents may provide for longer time limits for the storage of data.

7.3. The Company ensures that the Rules 7.2 p. during the period of storage of the specified data, it would be possible to review and verify at any time the information collected and evaluated by the Project Owner during the reliability assessment. The relevant information is stored in the electronic file of the Project Owner's reliability assessment.

VIII. PROCEDURE FOR DETERMINING THE LOAN PRICE AND OTHER CONDITIONS

8.1. For the Project Owner seeking financing on the Platform, the cost of the loan is determined taking into account the following criteria: (i) the risk of creditworthiness; (ii) the loan period ; (iii) the principal amount of the loan; (iv) the structure of the repayment instalments in terms of time. Below, the Company provides an explanation of how these elements are evaluated when determining the cost of the loan to the Project Owner.

8.2. **First**, when calculating the loan price, the Company takes into account the project owner's creditworthiness risk and the expected loan period and determines the basic loan price according to the table below:

	Loan term			
Creditworthiness rating	Up to 12 months	From 12 to 24 months.	From 24 to 36 months.	From 36 months.
A (low risk)	9-11%	10-12 percent.	11-12.5%	11.5-13 percent.
B (medium risk)	11-13 percent.	12-14 percent.	13-14.5 percent.	13.5-15 percent.
C (higher risk)	13-15 percent.	14-16 percent.	15-16.5%	15.5-17 percent.
D (high risk)	15-17 percent.	16-18 percent.	17-18.5%	>17.5%

8.3. **Secondly**, the Company takes into account the principal amount of the loan and may add additional interest (taking into account also the creditworthiness rating) to the above base rate, as indicated in the table below:

	Principal loan amount, EUR			
Creditworthiness rating	Iki 50 thousand.	From 50 thousand. up to 100 thousand.	From 100 thousand. up to 200 thousand.	From 200 thousand.
A (low risk)	+0%	+ 0.2%	+ 0.3%	+ 0.4 percent.
B (medium risk)	+ 0.4 percent.	+ 0.5%	+ 0.6%	+ 0.7%
C (higher risk)	+ 0.7%	+ 0.8%	+ 0.9%	+ 1%
D (high risk)	+ 1.1%	+ 1.2 percent.	+ 1.3%	+ 1.4 percent.

8.4. **Thirdly**, the Company also takes into account the structure of the loan repayment payments in terms of time. The Company basically uses two methods of loan repayment payment structure: (i) the loan can be repaid in equal periodic instalments (e.g. monthly payments) or (ii) the principal amount of the loan can be repaid at the end of the loan term. In applying the second method, the Company assumes that during the loan term, various circumstances (including economic changes) may occur, which entail an additional risk that the Project Owner will not be able to properly fulfill his obligations. Accordingly, in the second method, the Company may add an additional interest of 0.5% when calculating the cost of the loan. The Company also takes into account the totality of the loan collateral and, among other loan collateral in the event of a pledge of real estate, the Company may deduct 0.5% interest when calculating the loan price.

8.5. It should be noted that the provisions of the Regulation and its implementing legislation also provide for the possibility of using other criteria when calculating the cost of the loan, including: (i) a risk-free rate of return; (ii) the existence of collateral; (iv) fees related to the services provided by the Company; (v) other risks related to the Project and (or) the Project Owner (including market conditions at the moment of issuance of the loan, business strategy, loan value).

8.6. It should be noted that when calculating the loan price, the Company does not assess the risk-free rate of return or taxes related to the Company's services (these fees are covered at the expense of the Project Owner and (or) investors, depending on to whom the relevant fees are applied, but are not related to the Loan itself, its amount or the applicable interest), nor does it discuss future payments under the loan agreement. Meanwhile, the presence of collateral is assessed by determining the creditworthiness rating of the Project Owner / Project, therefore, in itself, it is also indirectly included in the loan pricing system.

8.7. Other risks related to the Project and /or the Project Owner are assessed when relevant, therefore, the Company, as provided for in these Rules 8.8 p., may deviate from the above general rules for determining loan pricing and other conditions. Such risks could include, for example:

8.7.1. The financial situation of the project owner, taking into account the information collected during the creditworthiness assessment, is good, but the Company has doubts about the feasibility of the business plan or planned cash flows, projected income;

8.7.2. certain economic conditions relevant to the individual sector, according to the Company's assessment, may have a significant impact on the development of the Project and (or) the project owner's ability to fulfill his obligations at a particular time;

8.7.3. The financial situation of the Project Owner is good, the project prospects are also realistic, but the Project Owner does not have experience in implementing analogous or similar Projects, etc.

8.8. The Company also does not adjust the cost of the loan after the issuance of a loan to the Project Owner. The loan to the Project Owner may become more expensive only due to the cases provided for in the concluded loan agreement (e.g. the application of interest on arrears or compensatory interest in case of delay in the timely and proper performance of obligations, etc.).

8.9. After the moment of issue of the Loan, the Loan to the Project Owner may also become more expensive due to other cases provided for in the concluded loan agreement (e.g. the application of interest on arrears or compensatory interest in case of delay and proper performance of obligations, etc.).

8.10. The criteria for determining the pricing of the loan and other conditions provided for in the Above Rules are general, therefore, the Company has the right to deviate from this procedure in individual cases and apply individual conditions for determining the pricing of the loan and other conditions. In any case, investors are always informed in advance of such cases, providing full information on the reasons for the deviation from the standard pricing requirements for a loan, thereby ensuring a fair and equitable pricing, as required by the Regulation and the legislation implementing it.

8.11. In order to ensure that the loan price applied to the Project Owner is fair, the Company shall, among other things, take into account and assess the following circumstances:

8.11.1. a creditworthiness risk rating;

8.11.2. the net present value of the loan:

8.11.3. the principal amount of the loan;

8.11.4. loan term;

8.11.5. the frequency of loan payments;

8.11.6. an appropriate interest rate for discounting future repayments.

IX. REFUSAL TO PUBLISH A DRAFT

9.1. The Company refuses to publish the Project on the Platform if at least one of the following conditions exists:

9.1.1. The Project Owner does not meet the minimum criteria for assessing the minimum reputation of the Project Owners approved by the Company or, in accordance with the criteria for assessing the creditworthiness of the Project Owners approved by the Company, an excessively high risk class of creditworthiness is established in relation to the project owner (class 5);

9.1.2. The Company lacks information to carry out the assessments described in the Rules;

9.1.3. If the information available to the Company gives reason to believe that the publication of the Project on the Company's platform would threaten the interests of the financiers.

X. THE PROCESS OF EVALUATING EACH LOAN

10.1. The Company shall carry out an assessment of each loan in at least the following circumstances:

10.1.1. at the moment of granting the loan;

10.1.2. when, in the opinion of the Company, it is unlikely that the Project Owner will fully fulfill the obligations to pay off the loan, and the Company does not take any appropriate collateral realization or other actions of a similar nature;

10.1.3. In case of default of the project owner;

10.1.4. when the Companies assist the investor in withdrawing before the loan maturity date.

10.2. The Company shall ensure that in the performance of these Rules 0 p. the envisaged assessment of the loan would be guided by correct information relevant to the relevant moment and that the relevant assessment would be timely and not older than 3 months before the loan was issued (when the assessment is carried out before the loan is issued).

10.3. The company at the time of issuing the loan, when conducting a loan assessment, takes into account at least the following criteria / circumstances:

10.3.1. loan term;

10.3.2. periodicity / frequency of loan payments (payment schedule) and expected cash flows;

10.3.3. any advance payment option provided for in the loan agreement;

10.3.4. a risk-free interest rate for discounting payments related to the loan;

10.3.5. the interest rate provided for in the loan agreement;

10.3.6. the likelihood of default of the project owner;

10.3.7. the value of the collateral (if applicable);

10.3.8. the existence of guarantees and the level at which they ensure the fulfilment of obligations.

10.4. When conducting a loan assessment after the issuance of a loan, the Company without these Rules 10.3 p. additionally takes into account the criteria provided for by:

10.4.1. the remaining term of the loan (until the end of the loan agreement);

10.4.2. the likelihood of possible losses.

10.5. When conducting a loan evaluation of these Rules 10.1.3 p. in the intended case, the Company takes into account the following criteria:

10.5.1. a conservative assessment of the collateral and/or guarantee;

10.5.2. other fees and expenses related to debt collection.

10.6. The Company determines and approves the algorithm for evaluating the loan discussed in this section of the Rules, which provides for the weight of each criterion and the assessment methodology, as well as with the help of which the results of the loan evaluation are calculated and determined. Information about this algorithm shall be disclosed to investors of the Platform by publishing it on the Company's website.

10.7. It should be noted that when the Company helps the lender to withdraw before the loan maturity date (in the case of the Company, this is possible for the investor by using the functionality of the bulletin board located on the platform administered by the Company), the Company does not set a reference price, since the price of the available loan is entitled to be determined by the investor himself.

XI. RETENTION OF INFORMATION

11.1. In the course of its activities, the Company collects and stores data related to financing transactions concluded through the Platform managed by the Company.

11.2. Data relating to financing transactions shall include:

11.2.1. information collected to identify the Project Owners;

11.2.2. Information collected during the reliability assessment of the project owner;

11.2.3. documents related to the property pledged by the Project Owner and other collaterals provided;

11.2.4. any other relevant information related to the financing transaction and (or) the Project owner, the Project.

11.2. Company of these Terms and Conditions 11.2 p. keeps the specified data in electronic format in all cases, but may also store paper copies of these data.

11.3. For each Owner of the Project, a file of the Project Owner is initiated in the Company, in which these Rules are stored 11.2 p. other data related to the respective Project owner are also indicated. The project owner's file is stored in electronic format and the Company ensures that duplicates of such information are also stored on the Company's internal servers or cloud servers used by the Company.

11.4. The Company stores information related to the implementation of the financial engineering instrument "Crowdfunding Loan "Avietė" and the Financing of Projects with the funds of this instrument in electronic format and ensures that duplicates of such information are stored on the Company's internal servers or on the cloud servers used by the Company.

XII. MAINSTREAMING SUSTAINABILITY RISKS

12.1. Therisk of variability is understood as an environmental, social or management event or situation that, if occurred, would have a real or potential significant negative impact on the value of the investment. Sustainability risk is relevant as a separate risk category and can be relevant as an integral part of other risks (including market, credit, liquidity risk). The company follows its approved risk management procedures in the process of evaluating project owners and loans and, accordingly, assesses all risks, including sustainability risks, and factors that may affect the value and performance of investors' investments. Therefore, in specific cases, the criteria of environmental protection, social welfare and governance ("**ESG") may be relevant**, including the sustainability risks associated with them, which, as an integral part of all other risks and factors, may have a real or potential negative impact on the Company's activities or the value of investors' investments, if the likelihood that a certain loan published on the Platform would be related to sustainability risks is realized.

12.2. The company's objective is not a sustainable investment within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. In addition, the Company's activities are not promoted by environmental or social characteristics or any combinations of these peculiarities. For these reasons, sustainability risks are not relevant, according to the Company's assessment, are not relevant for its provision of crowdfunding services. Investments related to this financial product shall not take into account the EU criteria for environmentally sustainable economic activities in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

12.3. The Company assesses that the impact of sustainability risks corresponds to the impact of general investment risks (including market, credit, liquidity risks) and does not have a specific impact on the results of the Company or its loans published on the Platform and /or the extent of the risks they assume.

12.4. Main negative impact (SSA) *principal adverse impact*) is understood as the impact of investment decisions that leads to a negative impact on sustainability factors. Since the Company does not promote environmental or social characteristics, and the Company's goal is not sustainable investments, therefore, the negative impact of investment decisions on sustainability factors, as defined in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the disclosure of sustainability-related information in the financial services sector, is not taken into account.

XIII. FINAL PROVISIONS

13.1. The Rules shall take effect from the date of their approval and may be repealed or amended only by order of the Head.

13.2. The Assessor shall be responsible for the implementation of these Rules. In this case, if the Assessor is unable to implement the Rules, the head of the Company is responsible for the implementation of the Rules.

13.3. Compliance with these Rules shall be the responsibility of the Manager or his authorized person.

13.4. Each employee of the Company must be properly acquainted with these Rules by signing.