APPROVED
by Order No. 20260928-01 of the CEO of UAB Nordstreet
dated 28 September 2026
(version 2.0)

UAB NORDSTREET

RULES FOR ASSESSING THE RELIABILITY OF PROJECT OWNERS

I. GENERAL PROVISIONS

1.1. These rules for assessing the reliability of project owners of UAB Nordstreet (the "Company") (the "Rules") lay down the requirements for assessing the reliability of project owners, including the criteria for assessing the reputation and creditworthiness of project owners.

1.2. Terms used in the Rules shall be understood as defined in Regulation (EU) 2020/1503 (the "Regulation"), unless the Rules specify otherwise.

1.3. The Rules have been prepared in accordance with the Regulation, the implementing legal acts accompanying it and the guidelines of the competent authorities.

1.4. The Company adopts, implements and maintains adequate and effective measures, processes and methods ensuring that these Rules are complied with on an ongoing basis. The Company must take the necessary measures to prevent the Company's platform from being used for criminal purposes.

II. DEFINITIONS

2.1. Unless the context requires otherwise, capitalised terms used in these Rules have the meanings set out below.

2.2. Algorithm – the Project Owner creditworthiness assessment form approved by order of the CEO of the Company, which sets out the threshold values of the assessment criteria, the coefficients and the calculation formulas. References in these Rules to the "algorithm approved by the Company" mean the Algorithm.

2.3. „Avietė" – the financial engineering instrument "Crowdfunded Loans „Avietė"" of UAB „ILTE" (before its renaming – UAB „Investicijų ir verslo garantijos");

2.4. Company – UAB Nordstreet, legal entity code 304565690, registered office at Naugarduko g. 19, LT-03226 Vilnius, Lithuania; correspondence address – A. Domaševičiaus g. 9, LT-01400 Vilnius;

2.5. Company Platform or Platform – the information system administered by the Company (https://www.nordstreet.com/) through which crowdfunding is carried out;

2.6. Participant – a participant of the Project Owner who directly or indirectly holds a share of the voting rights or of the authorised capital equal to or exceeding 20 per cent, or who is able to exercise direct and/or indirect decisive influence over the Project Owner;

2.7. Default – a situation where the Project Owner is more than 90 calendar days past due on any material payment obligation under the financing agreement, or where the Company reasonably considers that the Project Owner will not meet its obligations without the realisation of security;

2.8. LTV (loan to value) – the ratio of the loan amount to the value of the pledged assets, expressed as a percentage. LTV is calculated by dividing the loan amount by the value of the pledged assets;

2.9. Reliability Assessment – the assessment of the reputation and creditworthiness of the Project Owner carried out by the Company;

2.10. Supervisory Authority – the Bank of Lithuania;

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

2.12. Buy-to-let Project – a project in which real estate, or shares of a company, or assets of another asset class are purchased for the purpose of letting the real estate or obtaining another type of income (from the

other type of assets acquired), and, at the end of the project term, of selling the real estate, or the shares of the company, or the assets of the other asset class at a profit;

2.13. Project Owner or Client – a person initiating a Project which the Company publishes to investors through the Company Platform;

2.14. Regulation – Regulation (EU) 2020/1503;

2.15. Rules – this document;

2.16. CEO – the director of the Company;

2.17. Assessor – an employee of the Company appointed by order of the CEO who carries out the reputation and creditworthiness assessments provided for in these Rules.

III. REPUTATION ASSESSMENT CRITERIA AND PROCEDURE

3.1. When assessing reputation, the Company approaches the Project Owner in order to assess information about the Project Owner's manager and its Participants. If the Project Owner is a natural person (entrepreneur), information about the Project Owner itself is collected and assessed.

3.2. The information requested for the purposes of assessing the Project Owner's reputation is provided in a standardised form, by completing the Project Owner reliability assessment questionnaire in the form set out in Annex No. 1 to these Rules. Where necessary, the Assessor may also request from the Project Owner additional information required for the reputation assessment.

3.3. It should be noted that the Company will enter into a business relationship with Project Owners only after the Company, in compliance with the established internal procedures, has carried out due diligence of the Project Owner in accordance with the procedure laid down in the Law of the Republic of Lithuania on the Prevention of Money Laundering and Terrorist Financing and the legal acts implementing it. In all cases, the Company does not intend to enter into a business relationship with clients posing a higher / more significant risk of money laundering and/or terrorist financing. Accordingly, when assessing the creditworthiness of Project Owners, the Company will not take into account the money laundering and/or terrorist financing risks or threats posed by them, since, in the Company's assessment, they will not have a significant impact on the creditworthiness of the Project Owner.

3.4. When assessing reputation, reputation is deemed to be adequate if there is no evidence supporting information to the contrary and there is no reasonable ground to doubt the person's reputation.

3.5. When assessing reputation, the following circumstances are assessed:

3.5.1. whether the Project Owner has not been convicted of a serious or grave crime, or of a crime or criminal misdemeanour against property, property rights and property interests, the economy and business practice, the financial system, public security, the civil service and public interests, or of corresponding criminal acts under the criminal laws of other states, where its conviction for the aforementioned crimes has not expired or been expunged, or 3 years have not elapsed since the entry into force of the court judgment by which the natural person was convicted of committing the criminal misdemeanours referred to in this point;

3.5.2. whether there are data confirming that the person being assessed fails or has failed to meet its obligations to creditors;

3.5.3. whether there are entries concerning the Project Owner in the register of judgments relating to infringements of national rules in the fields of commercial law, insolvency law, financial services law, anti-money laundering law, anti-fraud law or professional liability obligations;

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

3.5.5. whether there are other negative reputation factors specified in the Algorithm.

3.6. In order to assess the reputation of the Project Owner, the Assessor:

3.6.1. must collect and assess information about the Project Owner's manager and its Participants who directly or indirectly hold a share of the voting rights or of the authorised capital equal to or

exceeding 20 per cent, or who are able to exercise direct and/or indirect decisive influence over the Project Owner. If the Project Owner is a natural person (entrepreneur), information about the Project Owner itself is collected and assessed;

3.6.2. having collected and assessed the data obtained and collected under point 3.6.1 of these Rules, before publishing the Project on the Company Platform must in all cases have sufficient grounds to believe that all persons listed in point 3.6.1 of the Rules meet all the minimum reputation assessment criteria, i.e. that the persons listed in point 3.6.1 of the Rules:

3.6.2.1. have not been convicted of a serious or grave crime, or of a crime or criminal misdemeanour against property, property rights and property interests, the economy and business practice, the financial system, public security, the civil service and public interests, or of corresponding criminal acts under the criminal laws of other states, where their conviction for the aforementioned crimes has not expired or been expunged, or 3 years have not elapsed since the entry into force of the court judgment by which the natural person was convicted of committing the criminal misdemeanours referred to in this point;

3.6.2.2. do not meet the conditions provided for in points 3.5.3–3.5.4 of the Rules, in the presence of which the reputation of the Project Owner is automatically deemed not to be capable of being assessed as adequate;

3.6.2.3. do not meet other conditions provided for in the Algorithm (if applicable), in the presence of which the reputation of the Project Owner is automatically deemed not to be capable of being assessed as adequate.

3.7. For the purposes of carrying out the reputation assessment of Project Owners, the Company relies on:

3.7.1. documents submitted by Project Owners, their managers and Participants;

3.7.2. written explanations provided by Project Owners, their managers and Participants;

3.7.3. publicly available and published information about Project Owners, their managers and Participants;

3.7.4. data provided by the Creditinfo system administered by UAB „Creditinfo Lietuva“ (“Creditinfo”) (where the Project Owner is established in another state, the Company makes its best efforts to obtain data as similar as possible from the databases existing in the relevant state);

3.7.5. the registers administered by the state enterprise Centre of Registers (VĮ „Registrų centras“) (the Real Estate Register, the Register of Legal Entities, the Register of Property Seizure Acts, etc.) (where the Project Owner is established / resident in another state, the registers administered by the relevant states which contain data as similar as possible are used);

3.7.6. data provided by the Departmental Register of Wanted Persons administered by the Information Technology and Communications Department, as well as other reliable databases lawfully accessible to the Company.

3.8. When carrying out the assessment provided for in point 3.5.3 of the Rules, the Company also requires the Project Owner to submit up-to-date (not older than 2 months) extracts / certificates from the registers of judgments adopted in criminal and/or administrative cases, confirming the absence of the circumstances provided for in point 3.5.3 of these Rules:

3.8.1. if the Project Owner is a legal person established in Lithuania or a Lithuanian citizen / resident (in the case of a natural person) – the relevant extract / certificate from the registers administered by the Information Technology and Communications Department under the Ministry of the Interior of the Republic of Lithuania (https://ird.lt/) is requested;

3.8.2. if the Project Owner is a legal person established in Spain or a Spanish citizen / resident (in the case of a natural person) – the relevant extract / certificate from the registers administered by the Ministry of Justice of the Kingdom of Spain is requested;

3.8.3. if the Project Owner is a legal person established in Estonia or an Estonian citizen / resident (in the case of a natural person) – the relevant extract / certificate from the Centre of Registers and Information Systems of the Republic of Estonia is requested;

3.8.4. if the Project Owner is a legal person established in Latvia or a Latvian citizen / resident (in the case of a natural person) – the relevant extract / certificate from the Information Centre of the Ministry of the Interior of the Republic of Latvia is requested;

3.8.5. if the Project Owner is a legal person established in Poland or a Polish citizen / resident (in the case of a natural person) – the relevant extract / certificate from the National Criminal Register is requested;

3.8.6. if the Project Owner is a legal person established in a state other than those referred to in points 3.8.1–3.8.5 or a citizen / resident of a state other than those referred to in points 3.8.1–3.8.5 (in the case of a natural person) – the relevant extract / certificate from the relevant registers / information centres administered by those states is requested.

3.9. Where possible, the Company also takes steps to obtain access to the relevant registers in which it could verify information about the Project Owner with regard to the circumstances provided for in point 3.5.3 of the Rules.

3.10. Where Project Owners seek to publish a Project (or a new stage of a Project) on the Company Platform again and no more than 30 calendar days have elapsed since the publication of the previous Project (or stage thereof), the Company checks, in the databases and public sources available to it, whether there are any circumstances which, in the Company's assessment, may change the situation as regards the reliability of the Project Owner. If the Company establishes that such circumstances exist, the Company reassesses the reputation of the Project Owner in accordance with the procedure provided for in these Rules and without applying any exceptions. A repeat assessment of the Project Owner's reputation is also carried out where the Project Owner seeks to publish a Project (or a new stage of a Project) on the Company Platform again and more than 30 calendar days have elapsed since the publication of the previous Project (or stage thereof).

3.11. Having collected from the Project Owner sufficient information to assess the reputation of the Project Owner, its managers and Participants, the Assessor assesses the collected information as a whole and decides whether the reputation of the Project Owner is adequate for its Project to be published on the Company Platform. The Project Owner reputation assessment process takes place in two stages:

3.11.1. first, it is ascertained whether all persons listed in point 3.6.1 of the Rules meet all the minimum reputation assessment criteria (as provided for in point 3.6.2 of the Rules). Where the Assessor establishes that the Project Owner, its manager and/or a Participant does not meet all the minimum reputation assessment criteria, the Project Owner's Project may not be published on the Company Platform. Only where the Assessor can reasonably satisfy itself that all the minimum reputation assessment criteria are met may the second stage of the reputation assessment be carried out (as provided for in point 3.11.2 of the Rules);

3.11.2. second, once the Assessor has satisfied itself 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 / of the Project, i.e. the final rating of the Project Owner's assessment / of the Project (the assigned risk class) may be downgraded (i.e. a higher risk class is assigned) if there are additional negative reputation assessment factors specified in the Algorithm (if applicable). The procedure for downgrading the final rating of the Project Owner's assessment / of the Project (the assigned risk class) is also set out in the Algorithm.

IV. ADDITIONAL ASSESSMENT OF PROJECT OWNERS SEEKING TO USE THE FINANCIAL INSTRUMENT „AVIETĖ“

4.1. Where a Project Owner seeks to use funds of the instrument „Avietė“ on the Company Platform to finance its Project, the Assessor must additionally assess and establish whether the Project Owner meets the following conditions:

4.1.1. whether the Project Owner falls within the concept of a small or medium-sized business entity as defined in the Law of the Republic of Lithuania on the Development of Small and Medium-Sized Business;

4.1.2. whether the purpose of the loan which is sought to be financed through the Platform is investment or the replenishment of a working capital shortfall.

4.2. Having assessed the circumstances provided for in Chapter III of the Rules, the Assessor also assesses whether one or more of the following circumstances exist:

4.2.1. insolvency proceedings have been (or could be) initiated against the Project Owner;

4.2.2. the Project Owner has used funds of the instrument „Avietė“ within the last 6 months;

4.2.3. the Project is assigned credit risk class 4 (high) or 5 (excessive);

4.2.4. the crowdfunding funds which the Project Owner seeks to raise are intended for the refinancing of credits or financial obligations, the financing of financial activities or the financing of residential real estate.

4.3. In order to use funds of the instrument „Avietė“, the Project Owner (and the Project) must meet the conditions provided for in Chapter III of the Rules and the Assessor must establish that none of the circumstances provided for in point 4.2 of the Rules exists. If this condition is not met (but the other conditions provided for in these Rules are met), the Project Owner's Project may be published on the Platform but may not use the funds provided by the instrument „Avietė“.

V. PROJECT OWNER CREDITWORTHINESS ASSESSMENT CRITERIA AND PROCEDURE

5.1. Before publishing a Project on the Company 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 itself is collected and assessed.

5.2. In assessing the creditworthiness of the Project Owner, the Company uses:

5.2.1. statistical models (e.g. past financial results);

5.2.2. judgemental models (e.g. assessment of the business plan and its prospects, assessment of financial forecasts, reputation assessment);

5.2.3. automated models (e.g. reports generated by Creditinfo).

5.3. At least once a year, the Company assesses the effectiveness of the creditworthiness assessment process, its compliance with the applicable requirements and the quality of the models used. The Company's lawyer performing the risk management function is responsible for this assessment. The results of the assessment are documented in a written review approved by the CEO. The internal audit function independently assesses whether this process is carried out properly.

5.4. When assessing the creditworthiness of the Project Owner, the Assessor:

5.4.1. collects information on the financial condition of the Project Owner, including information on its liabilities and assets, profitability, etc.;

5.4.2. assesses whether the Project Owner's ability to meet its financial obligations to investors within the set time limits is realistic, i.e. whether the income which the Project Owner plans to earn from the Project will be sufficient to perform the obligations assumed under the crowdfunding transaction;

5.4.3. satisfies itself that no bankruptcy and/or restructuring proceedings have been initiated against the Project Owner, its manager or Participants;

5.4.4. where a third party seeks to provide security for the obligations of the Project Owner (e.g. a surety, guarantee, promissory note, etc.), assesses the creditworthiness of such person in accordance with the procedure provided for in point 5.19 of these Rules;

5.4.5. where the loan agreement is secured by a pledge – assesses the condition, value, degree of encumbrance, liquidity and liquidation value of the assets to be pledged, as well as other relevant parameters which are further detailed in point 5.17;

5.4.6. establishes the purpose of the loan sought;

5.4.7. establishes the ownership (shareholder) structure of the Project Owner;

5.4.8. assesses the business plan submitted by the Project Owner in relation to the Project to be financed, 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 soundness and reliability of the business plan; (iii) the analysis of the strengths / weaknesses of the Project; (iv) the

competition in the relevant business sector; (v) the type of the Project Owner's customers and their geographical location.

5.5. If, when assessing the creditworthiness of the Project Owner under point 5.4 of the Rules, the Assessor were to establish that the risk of the Project Owner is high, the Project Owner would be offered to provide additional security.

5.6. In order to assess the creditworthiness of the Project Owner and of the persons providing a surety or guarantee (if any), the Assessor – directly or by using the services of third parties (including credit bureaus) – collects, processes and relies on information obtained from external databases (the state enterprise Centre of Registers, etc.).

5.7. In order to assess the creditworthiness of the Project Owner, the Assessor also assesses the information and confirmations which the Project Owner provides:

5.7.1. by completing the standardised questionnaire prepared by the Company (the application for a financing transaction);

5.7.2. by replying to other enquiries addressed by the Company to the Project Owner, if any.

5.8. The Assessor asks the Project Owner to complete the standardised questionnaire (registration form) and to provide the following data and information:

5.8.1. the latest approved audited financial statements of the Project Owner and of the guarantor or surety (if any) for the last 2 (two) years of activity, consisting of the balance sheet and the profit (loss) statement, including information on cash flows. If the Project Owner (and the third-party guarantor or surety) does not have audited financial statements, the Company must require financial statements signed by both the manager of the relevant legal person and the accountant of that legal person;

5.8.2. information on the amount of the loans and other liabilities of the Project Owner, their currency, the terms of the respective loans and liabilities, their repayment schedules and the applicable interest or other compensation (the Assessor relies on the following data sources: (a) Creditinfo; (b) the breakdown of short-term and long-term liabilities presented in the balance sheet);

5.8.3. the income and cash flows of the Project Owner generated over the last two years (if such information is available, i.e. if the Project Owner is required under the applicable legal acts to prepare such information);

5.8.4. the planned income and cash flows of the Project Owner related to the Project to be financed (except where crowdfunding funds are sought to be raised for working capital). The Company assesses the planned income and cash flows of the Project Owner under (i) an optimistic, (ii) a baseline and (iii) a pessimistic scenario (the Company regards as the optimistic scenario the income and cash flow forecasts submitted by the Project Owner itself; the Company calculates the baseline and pessimistic scenarios by reducing the optimistic scenario by 15% and 30% respectively). The Company then calculates the average of the income and cash flows forecast under all three scenarios and uses the resulting figures when calculating creditworthiness under the Algorithm;

5.8.5. the forecast financial statements of the Project Owner (the Assessor relies on the historical data of the Project Owner);

5.8.6. where necessary (e.g. if the Company has additional doubts about the information provided) – additional information (in the form established by the Company) with explanations regarding: (i) assets (both non-current and current); (ii) liabilities (both long-term and short-term); (iii) profit (including EBIT and EBITDA); (iv) cash and cash equivalents; (v) the change in sales revenue; (vi) income; (vii) depreciation and amortisation; (viii) equity; (ix) other financial and/or related indicators;

5.8.7. in respect of the assets of the Project Owner and of the guarantor or surety (if any) that are planned to be pledged – a valuation of the assets carried out by property valuers and an inspection report on the value of the assets with photographs (or an equivalent of the valuation);

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

5.8.9. where necessary – a statement of the Project Owner's main current account covering a period of not less than 6 months, except where the Project Owner has been operating for less than 6 months. If the Project Owner has been operating for less than 6 months, a statement of the Project Owner's main current account for its entire period of activity is requested. If the guarantor or surety is a natural person, his or her consent to the verification of his or her personal data in external databases and a statement of his or her main bank account for a period of not less than 6 months are provided, except where activities have been carried out for less than 6 months;

5.8.10. contact details (name, surname, residential address, e-mail, telephone (if any), mobile telephone, position) of the manager of the Project Owner and of the manager of the guarantor or surety where the surety or guarantee is provided by a legal person, as well as the details of the surety or guarantor (where the surety or guarantor is a natural person);

5.8.11. contact details (name, surname, residential address, e-mail, telephone (if any), mobile telephone, position) and the personal identification code and/or company code of each Participant of the Project Owner (the contact details and personal identification code are provided and the shareholding held is indicated).

5.9. In order to assess the information on the financial condition of the Project Owner and of the guarantor or surety (if any) and their ability to meet their financial obligations, the Assessor assesses, on the basis of the data collected:

5.9.1. the financial situation of the Project Owner and of the guarantor or surety (the amount of income, the sources of income, their diversity, sustainability, profitability, possible future changes, etc.);

5.9.2. the history of the Project Owner and of the guarantor or surety and information on current and past improper performance of financial obligations.

5.10. If the data provided by the Project Owner differ from the data obtained by the Company from databases, the data on the basis of which the creditworthiness assessment of the Project Owner is more conservative will be used for the creditworthiness assessment of the Project Owner.

5.11. The sources of the data collected for the purposes of the Company's creditworthiness assessment are detailed in the table below.

Data collected	Data source(s)
information on the financial condition of the Project Owner, including information on its liabilities and assets, profitability, etc.	the Project Owner / Register of Legal Entities, Mortgage Register, Real Estate Register, Register of Property Seizure Acts / Creditinfo credit bureau system / information publicly available on the internet (where the Project Owner is established / resident in another state – databases / registers administered by the institutions of the relevant states)
contact details of the Project Owner	the Project Owner
approved (audited) financial statements of the Project Owner (and of the third-party guarantor or surety, if any) for the last two years, information and documents on assets held by right of ownership and on cash flows	the Project Owner (and the third-party guarantor or surety) / Register of Legal Entities / Real Estate Register / Creditinfo credit bureau system / information publicly available on the internet / registers of other states providing similar information
planned income and cash flows of the Project Owner related to the Project to be financed	the Project Owner
forecast financial statements of the Project Owner	the Project Owner
security provided by the Project Owner, including information on the value and valuation of the security	the Project Owner / Real Estate Register / independent property valuer
where the Project Owner (and/or the third-party guarantor or surety) is a natural person – entrepreneur, documents substantiating the structure of income and expenses from the activities carried out over the last two years	the Project Owner / State Tax Inspectorate (approved income tax returns are submitted) / Creditinfo credit bureau system / registers of other states providing similar information

Data collected	Data source(s)
a written explanation of currently known (or presumed) circumstances which may have an adverse effect on the Project Owner's financial indicators or the conduct of its activities in the future	the Project Owner

5.12. The Company periodically updates the information on the security provided to secure the loan, i.e. at least once every two years it requires the Project Owner (or the third party, if the third party provides security for the Project Owner's obligations) to submit an updated valuation of the pledged assets. With the same frequency, the Company must also update the information on persons who have provided other types of security for the Project Owner's obligations (e.g. a surety, promissory note, guarantee, etc.).

5.13. Where assets are pledged to secure the Project Owner's obligations, the Company requires the Project Owner to submit a valuation of the assets carried out by an independent property valuer in accordance with the procedure laid down by legal acts, in which at least the following information is assessed and presented:

5.13.1. the term of the Project Owner's obligations (the term of the pledge / collateral);

5.13.2. in the case of financial assets – the latest current price and the average price over the last 12 months on a liquid market;

5.13.3. in the case of physical collateral – the latest available market value;

5.13.4. whether there is a market on which the assets can easily be liquidated;

5.13.5. possible deviations in the value of the assets to be pledged.

5.14. The Company does not accept security (assets to be pledged) whose value cannot be determined and/or for the realisation of which there is no appropriate market. The Company also ensures that the assets are pledged for the entire term of the loan agreement, until the Project Owner has duly performed its obligations.

5.15. When assessing the value of the real estate proposed to be pledged, the Company relies on up-to-date reports of independent property valuers and/or other reliable external sources (for example, Real Estate Register data). In all cases, the Assessor additionally collects publicly available information about the real estate proposed to be pledged (its location, condition, intended use, etc.) and critically assesses the content of the data submitted on the value of that real estate. Where there are doubts about the data submitted on the value of the real estate, the Assessor must rely on the most conservative data.

5.16. The Company assesses each Project Owner, the guarantors or sureties and the security (if any) individually – the creditworthiness assessment is carried out on an expert basis. The Company also has the right to refuse to assess a surety (e.g. where it is impossible to collect sufficient data about the surety objectively) and, in such a case, to assign to the surety the lowest score, which has a negative effect on the creditworthiness score of the Project Owner.

5.17. Where the Project Owner is a newly established company (e.g. for the development of a specific project, or operating for less than 1 financial year), the Company always requires that the obligations of the relevant Project Owner be secured by a surety to the full extent.

5.18. The Company concludes an agreement with UAB „Creditinfo Lietuva" and thereby obtains access to the Creditinfo credit bureau system. Using this system, the Company checks data on the Project Owner's existing and overdue debts which are not yet reflected in the financial reporting documents submitted by the Project Owner. Where additional information on debts is found, the Company recalculates the indicators referred to in point 5.20 and carries out a repeat creditworthiness assessment.

5.19. Where a third party provides a surety or guarantee for the obligations of the Project Owner, the Company must assess the type of guarantee or surety provided and the level of protection it affords, and identify such third party and assess its creditworthiness and reliability, thereby determining whether it will be possible to recover the loan amount from the relevant third party should the Project Owner fail to duly perform its obligations, i.e.:

5.19.1. first, the Company, by collecting information from the databases available to it (e.g. the registers managed by the state enterprise Centre of Registers, Creditinfo, etc.), assesses whether the relevant third party has sufficient assets to cover the Project Owner's obligations. If the relevant third party has sufficient assets to cover the Project Owner's obligations, the final creditworthiness score of the Project Owner is additionally improved by 0.5 points;

5.19.2. second, if the Company, having collected information on the third party's assets, establishes that the third party does not have sufficient assets to cover the Project Owner's obligations, the Company assesses the income received by such third party (e.g. by collecting bank account statements or an income tax return, etc.). Where it is established that the relevant third party receives a sufficient amount of income to be able to cover the Project Owner's obligations, the final creditworthiness score of the Project Owner is additionally improved by 0.25 points;

5.19.3. where the Company establishes that the third party has neither sufficient assets nor sufficient income to cover the Project Owner's obligations, the final creditworthiness score of the Project Owner is additionally worsened by 0.25 points, except where assets are also pledged to secure the obligations (if, having regard to the value of the assets, the LTV is less than or equal to 70%, in which case the score applied in respect of the indicator described in this sub-point is equal to 0).

5.20. By carrying out the creditworthiness assessment, the Company seeks to assess the probability of loss for the investor. The Company classifies the credit risk of Project Owners as: low (1), medium (2), elevated (3), high (4), excessive (5). Project Owners are classified according to credit risk by assessing the criteria listed below (in accordance with the formula set out in the Algorithm):

5.20.1. the Project Owner's history of meeting its commitments (history of commitments of Project owner) – weight of 8% (coefficient 0.08);

5.20.2. information on the sector in which the Project Owner operates, including macroeconomic conditions and competition (information on the sector in which the Project owner operates) – weight of 6% (coefficient 0.06);

5.20.3. information on the business plan (information on business plan) – weight of 12% (coefficient 0.12);

5.20.4. projected profitability of the Project or of the Project Owner (projected profitability of the Project) – weight of 10% (coefficient 0.10);

5.20.5. projected cash flows of the Project Owner (projected cash flows of the Project owner) – weight of 12% (coefficient 0.12);

5.20.6. the Project Owner's knowledge and experience in the relevant business sector (knowledge and experience of the Project owner in the relevant business sector) – weight of 10% (coefficient 0.10);

5.20.7. return on assets ratio (Return on Assets – RoA) – weight of 6% (coefficient 0.06);

5.20.8. debt yield (Debt Yield – DY) – weight of 7% (coefficient 0.07);

5.20.9. interest coverage ratio (Interest Coverage Ratio – ICR) – weight of 8% (coefficient 0.08);

5.20.10. the Project Owner's track record and profitability (track record and profitability / EBIT margin) – weight of 7% (coefficient 0.07);

5.20.11. the dynamics of change in the Project Owner's sales revenue (sales to revenue dynamics) – weight of 7% (coefficient 0.07). When assessing the dynamics of change in sales revenue, information covering a period of not less than two years must be available to the Company; where the Project Owner provides information for a full financial year and for a period of not less than 6 months of the preceding financial year, the Company may use the data for the incomplete financial year by calculating proportionally how much sales revenue the Project Owner would have earned had it operated for the whole financial year, and assess the change in sales revenue on that basis; where the Project Owner has operated for a shorter period, the Company assigns the highest risk score in respect of the relevant indicator;

5.20.12. capital yield (Profit Yield – PY) – weight of 7% (coefficient 0.07).

5.21. The sum of the coefficients referred to in point 5.20 of the Rules is equal to 1.00.

5.22. In addition to the criteria referred to in point 5.20 of these Rules, the Company may, in individual cases, also assess other information which may be relevant and important in assessing the level of credit risk of the Project Owner.

5.23. The relevant level of importance established for each indicator, the envisaged coefficient and the derived assessment formula are set out in the Algorithm.

5.24. The value calculated according to the creditworthiness assessment formula describes the probability of loss for the investor, which is presented as the opinion of the Platform operator. The following assessment scale applies:

5.24.1. Class 1 (A) (very good condition) – low credit risk;

5.24.2. Class 2 (B) (good condition) – medium credit risk;

5.24.3. Class 3 (C) (average condition) – elevated credit risk;

5.24.4. Class 4 (D) (poor condition) – high credit risk;

5.24.5. Class 5 (E) (very poor condition, unsatisfactory) – excessive credit risk.

5.25. In addition, the Company indicates to investors the value of the real estate to be pledged and assesses the reduced probability of loss for the investor. When assessing the credit risk class to be assigned, the Company also uses the LTV ratio. LTV is calculated as the ratio of the loan amount to the value of the pledged assets. Depending on its value, the final creditworthiness score may be adjusted:

5.25.1. if the LTV is up to and including 40%, the collateral ratio is deemed to be low-risk, and the result of the creditworthiness assessment may be improved by up to 2 points of the final creditworthiness score;

5.25.2. if the LTV is from 41% up to and including 50%, the collateral ratio is deemed to be low-risk, and the result of the creditworthiness assessment may be improved by up to 1.5 points of the final creditworthiness score;

5.25.3. if the LTV is from 51% up to and including 60%, the collateral ratio is deemed to be liquid, and the result of the creditworthiness assessment may be improved by up to 1 point of the final creditworthiness score;

5.25.4. if the LTV is from 61% up to and including 70%, the collateral ratio is deemed to be standard, and the result of the creditworthiness assessment may be improved by up to 0.5 points of the final creditworthiness score;

5.25.5. if the LTV exceeds 70%, the collateral ratio is deemed to be acceptable, but it has no effect on the final creditworthiness score.

5.26. In any event, the LTV ratio may affect the final creditworthiness score only if excessive credit risk of the Project Owner (Class 5 (E)) is not established on the basis of the criteria laid down in point 5.20. Where excessive credit risk (Class 5 (E)) is established on the basis of the Project Owner's financial data (assessed according to the criteria laid down in point 5.20), the LTV ratio has no effect whatsoever on the final credit risk of the Project Owner, the Project Owner is deemed to be of excessive credit risk, and in such a case publication of its Project on the Platform is refused. The score adjustment for LTV laid down in point 5.25 of the Rules does not apply when determining the maximum loan amount under point 5.30.

5.27. In certain cases (in particular where the Project Owner's Project is financed in stages), the Company may rely on a future LTV – in such a case the Project Owner must submit to the Company the future value of the property determined by independent property valuers, i.e. a valuation showing what the value of the property (excluding VAT) will be once all construction / contracting works have been completed in accordance with the technical design on the basis of which the building permit was issued. In such cases, the Project Owner must also submit the overall cost estimate of the works for the entire relevant Project property (excluding VAT). In all cases, the sum of the value of the land plot on which the Project property is being developed and the overall cost estimate must be less than or equal to the future value of the Project property (e.g. if the overall cost estimate of the Project property (excluding VAT) is equal to EUR 1.2 million, the value of the land plot is equal to EUR 0.5 million and the future value of the property (excluding VAT) is equal to EUR 2 million, a future LTV may be applied in this situation, since the total of the value of the land

plot and the cost estimate of the Project property is less than the future value of the Project property (EUR 1.2 million + EUR 0.5 million < EUR 2 million)).

5.28. Where the future LTV provided for in point 5.27 of these Rules is applied, the Project is financed while always maintaining an LTV of the same level; however, the financing may be carried out under two scenarios:

5.28.1. first scenario – financing is provided on the basis of a VAT invoice issued to the Project Owner, with the amount of financing calculated according to the set fixed LTV (e.g. the LTV set for the Project Owner is equal to 60%; a VAT invoice is issued to the Project Owner for works performed on the Project property in the amount of EUR 300 thousand (excluding VAT); accordingly, the Project Owner may be financed in the amount of EUR 180 thousand (EUR 300 thousand × 60%));

5.28.2. second scenario – financing is provided having regard to the difference between the future value of the Project property and the value of the land plot on which the Project property is being developed, while maintaining the fixed LTV set for the Project Owner (e.g. the future value of the Project property is equal to EUR 2 million; the value of the land plot – EUR 0.5 million; the overall cost estimate of the development works on the Project property – EUR 1.2 million; an LTV of 60% is set for the Project Owner; the future value of the Project property less the value of the land plot is equal to EUR 1.5 million; the Project Owner submits for financing a certificate of works (and a VAT invoice) for EUR 300 thousand, which represents 25% of the entire overall cost estimate; accordingly, 25% of the future value of the Project property (excluding the value of the land plot) is equal to EUR 375 thousand; 60% (LTV) of the proportionate future value of the Project property (excluding the value of the land plot) is EUR 225 thousand; thus, in such a case, a specific financing stage may not exceed the set LTV of the future value, i.e. EUR 225 thousand, and the total amount of financing (for all stages) may not exceed the overall value of the cost estimate) (all values indicated in the calculation example are exclusive of VAT).

5.29. The final creditworthiness class of the Project Owner (the assigned risk class) may also be adjusted having regard to the additional reputation assessment criteria of the Project Owner, its managers and/or Participants set out in the Algorithm (if applicable). The procedure for downgrading the final rating of the Project Owner's assessment / of the Project (the assigned risk class) is also set out in the Algorithm.

5.30. Once the Company has determined the credit rating of the Project Owner / Project, the maximum loan amount that may be granted to the Project Owner is also determined, i.e.:

Credit rating	Maximum loan amount, expressed as the loan-to-value ratio (LTV)
A (low risk)	up to 80%
B (medium risk)	up to 75%
C (elevated risk)	up to 70%
D (high risk)	up to 65%
E (excessive risk)	the Project is not published on the Platform

5.31. The credit rating of the Project Owner / Project does not affect the maximum term of the loan agreement; however, in any event, the maximum term of the loan agreement may not exceed 120 months.

5.32. Having carried out the creditworthiness assessment of the Project Owner and taken a positive decision on the publication of the Project on the Platform, the Company discloses to investors at least the following information:

5.32.1. the credit rating of the Project Owner / Project;

5.32.2. a clear description and explanation of how the creditworthiness assessment of the Project Owner was carried out. For this purpose, the Company publishes on the Platform a summary of the creditworthiness assessment methodology covering the assessment criteria, their weights and the thresholds of the risk classes;

5.32.3. the probability of Default of the Project Owner.

5.33. The Company regularly (at least once every two years) updates the information on the creditworthiness of the Project Owner. The Company also informs investors without delay of changes to the creditworthiness assessment process which may have a significant impact on the results of the creditworthiness assessment process.

5.34. Where Project Owners seek to publish a Project on the Company Platform again, the Company reassesses the creditworthiness of the Project Owners in accordance with the procedure provided for in these Rules and without applying any exceptions.

5.35. It should be noted that the Company will enter into a business relationship with Project Owners only after the Company, in compliance with the established internal procedures, has carried out due diligence of the Project Owner in accordance with the procedure laid down in the Law of the Republic of Lithuania on the Prevention of Money Laundering and Terrorist Financing and the legal acts implementing it.

VI. BUY-TO-LET PROJECT ASSESSMENT CRITERIA AND PROCEDURE

6.1. Before a Buy-to-let Project is published on the Company Platform, the Assessor must assess the assets being purchased under the Project, the Project documents and the creditworthiness and reliability of the Project Owner.

6.2. When assessing a Buy-to-let Project in which real estate is purchased, the Assessor assesses the creditworthiness of the Project Owner in accordance with the procedure laid down in these Rules; however, instead of the criteria provided for in point 5.20 of the Rules, the following criteria apply (the weight and threshold values of each criterion are set out in the Algorithm):

6.2.1. the Project Owner's history of meeting its commitments – weight of 6% (coefficient 0.06);

6.2.2. information on the sector in which the Project Owner operates, including macroeconomic conditions and competition – weight of 6% (coefficient 0.06);

6.2.3. information on the business plan – weight of 6% (coefficient 0.06);

6.2.4. projected profitability of the Project – weight of 5% (coefficient 0.05);

6.2.5. projected cash flows of the Project Owner – weight of 5% (coefficient 0.05);

6.2.6. the Project Owner's knowledge and experience in the relevant business sector – weight of 6% (coefficient 0.06);

6.2.7. return on (pledged) assets ratio (Return on (pledged) Assets – RoA) – weight of 6% (coefficient 0.06);

6.2.8. net profit margin (Net Profit Margin – NPM) – weight of 6% (coefficient 0.06);

6.2.9. debt-to-assets ratio (Debt Ratio – DR) – weight of 6% (coefficient 0.06);

6.2.10. the intended use of the real estate (residential, recreational, creative workshops, commercial or other-purpose real estate) – weight of 6% (coefficient 0.06);

6.2.11. the locality (capital city, Top 3 major city, resort town, town smaller than a Top 3 city) – weight of 6% (coefficient 0.06);

6.2.12. the location within the city (prestigious district, old town, centre, residential (commuter) district, suburbs or other location) – weight of 6% (coefficient 0.06);

6.2.13. the year of construction of the real estate (new construction (up to 10 years), recently completed reconstruction / renovation (up to 10 years), older construction (from 10 to 30 years), old construction (more than 30 years)) – weight of 6% (coefficient 0.06);

6.2.14. the area of the assets being purchased (up to 50 sq. m, up to 65 sq. m, up to 80 sq. m, up to 100 sq. m, over 100 sq. m) – weight of 6% (coefficient 0.06);

6.2.15. the price of the assets being acquired and the value established in the real estate valuation (purchase price lower by 10%, lower by 5%, equal to the purchase price, lower than the purchase price) – weight of 6% (coefficient 0.06);

6.2.16. the condition of the assets being purchased (newly fitted out, good condition, satisfactory condition, in need of repair) – weight of 6% (coefficient 0.06);

6.2.17. the assessment of the price dynamics of similar assets and the expected price growth presented in real estate market reviews publicly published in the last or current year (price growth higher than in the business plan, corresponds to the price envisaged in the business plan, lower than the growth envisaged in the business plan, a negative price change is expected) – weight of 6% (coefficient 0.06).

6.3. When assessing a Buy-to-let Project in which shares of a company are purchased, the Assessor, instead of the indicators provided for in point 6.2 of the Rules, assesses the following indicators:

6.3.1. the Project Owner's history of meeting its commitments – weight of 6% (coefficient 0.06);

6.3.2. information on the sector in which the Project Owner operates, including macroeconomic conditions and competition – weight of 6% (coefficient 0.06);

6.3.3. information on the business plan – weight of 6% (coefficient 0.06);

6.3.4. projected profitability of the Project – weight of 5% (coefficient 0.05);

6.3.5. projected cash flows of the Project Owner – weight of 5% (coefficient 0.05);

6.3.6. the Project Owner's knowledge and experience in the relevant business sector – weight of 6% (coefficient 0.06);

6.3.7. assessment of the company being purchased (assessment of the company's activities based on the company's profitable / loss-making activities over the last 4 years: operated at a loss, operated profitably for 1 year, operated profitably for 2 years, operated profitably for 3 years, operated profitably for 4 years) – weight of 6% (coefficient 0.06);

6.3.8. the number of shares being purchased (<20%, ≥20% to <35%, ≥35% to ≤50%, >50% to <100%, =100%) – weight of 6% (coefficient 0.06);

6.3.9. the ratio of the proportionate difference between the company's total assets minus payables and other liabilities to the price of the shares being purchased (<1; =1; >1; >1.1; >1.2) – weight of 6% (coefficient 0.06);

6.3.10. termination of employment contracts (terminations within 1 year: >6, 5–6, 3–4, 1–2, 0) – weight of 8% (coefficient 0.08);

6.3.11. participation in court proceedings as a defendant (>3 times, 2–3 times, once within <1 year, once within >1 year, 0 times) – weight of 8% (coefficient 0.08);

6.3.12. the period of operation of the company being purchased (<1 year, <2 years, <3 years, <4 years, >4 years) – weight of 8% (coefficient 0.08);

6.3.13. payment delay rating (according to the assessment of the credit bureau „Creditinfo Lietuva": 9–10, 7–8, 5–6, 3–4, 1–2) – weight of 8% (coefficient 0.08);

6.3.14. bankruptcy rating (according to the assessment of the credit bureau „Creditinfo Lietuva": 9–10, 7–8, 5–6, 3–4, 1–2) – weight of 8% (coefficient 0.08);

6.3.15. business plan (analysis of expected financial flows and projected profitability, to be calculated per EUR 1 (one euro) of the price of the shares being purchased, in proportion to the number of shares acquired, over the entire project period: <EUR 0.05/EUR 1, >EUR 0.05–≤EUR 0.10/EUR 1, >EUR 0.10–≤EUR 0.15/EUR 1, >EUR 0.15–≤EUR 0.20/EUR 1, >EUR 0.20/EUR 1) – weight of 8% (coefficient 0.08).

6.4. All other provisions of these Rules apply to Buy-to-let Projects, unless otherwise provided for in this Chapter.

VII. VERIFICATION OF THE PROJECT OWNER RELIABILITY ASSESSMENT PROCESS

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

7.1.1. A standardised automated creditworthiness score calculation form is used. The Assessor calculates the creditworthiness score of the Project Owner using the Algorithm (the financial indicators are

entered manually and the creditworthiness score is calculated automatically). Only the version of the Algorithm approved by order of the CEO and valid on the date on which the assessment is carried out is used;

7.1.2. The "four-eyes" principle is implemented. Once the Assessor has calculated the creditworthiness score of the Project Owner and has completed the Reliability Assessment of the Project Owner, the calculations made and recorded, together with the sources (documents) substantiating them, are submitted to another employee of the Company appointed by the CEO. The latter verifies the calculations and assessment submitted to him or her (among other things, it is ascertained that the creditworthiness score has been calculated correctly on the basis of the available data). If inaccuracies are identified during the verification, the employee of the Company carrying out the verification passes them to the original Assessor for correction (after correction, the review procedure is repeated);

7.1.3. Approval of the assessment process. Once the verification of the reliability assessment process has been completed, the final Project Owner reputation and creditworthiness assessment form with the calculation indicated is signed by both the Assessor and the employee of the Company who carried out the verification. In such a case, the Company is deemed to have properly carried out the Project Owner reliability assessment procedure.

7.2. The Reliability Assessment of the Project Owner is not deemed to have been carried out if not all the mandatory fields provided for in the Algorithm, including the cash flow forecast, have been completed.

7.3. The information, data and documents collected and assessed during the Reliability Assessment of the Project Owner are kept by the Company for 10 years from the date of the crowdfunding transaction concluded with the relevant Project Owner (if such a transaction was concluded) or from the date of receipt of such data (if no transaction was concluded). Legal acts governing the legal protection of personal data and the retention of documents may establish longer data retention periods.

7.4. The Company ensures that, during the data retention period referred to in point 7.3 of the Rules, it is possible at any time to review and verify the information collected and assessed during the Reliability Assessment of the Project Owner. The relevant information is kept in the electronic Project Owner reliability assessment file.

VIII. PROCEDURE FOR DETERMINING THE LOAN PRICE AND OTHER TERMS

8.1. For a Project Owner seeking to obtain financing on the Platform, the loan price is determined having regard to the following criteria: (i) credit risk; (ii) the loan period; (iii) the principal loan amount; (iv) the structure of loan repayment instalments over time.

8.2. First, when calculating the loan price, the Company takes into account the credit risk of the Project Owner and the expected loan period and determines the base loan price according to the table below:

	Loan term			
Credit 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%	11–12.5%	11.5–13%
B (medium risk)	11–13%	12–14%	13–14.5%	13.5–15%
C (elevated risk)	13–15%	14–16%	15–16.5%	15.5–17%
D (high risk)	15–17%	16–18%	17–18.5%	>17.5%

8.3. Second, the Company takes into account the principal loan amount and may add additional interest to the base interest rate indicated above (having regard also to the credit rating), as indicated in the table below:

Principal loan amount, EUR				
Credit rating	**Up to 50 thousand**	**From 50 to 100 thousand**	**From 100 to 200 thousand**	**From 200 thousand**
A (low risk)	+0%	+0.2%	+0.3%	+0.4%
B (medium risk)	+0.4%	+0.5%	+0.6%	+0.7%
C (elevated risk)	+0.7%	+0.8%	+0.9%	+1%
D (high risk)	+1.1%	+1.2%	+1.3%	+1.4%

8.4. Third, the Company also takes into account the structure of loan repayment instalments over time. The Company essentially applies two methods of structuring loan repayment instalments: (i) the loan may be repaid in equal periodic instalments (e.g. paid monthly) or (ii) the principal loan amount may be repaid at the end of the loan term. When applying the second method, the Company proceeds on the assumption that various circumstances (including economic changes) may occur during the loan term, giving rise to an additional risk that the Project Owner will not be able to duly perform its obligations. Accordingly, when applying the second method, the Company may add an additional 0.5% of interest when calculating the loan price. The Company also takes into account the totality of the loan security and, where real estate is pledged, may deduct 0.5% of interest when calculating the loan price.

8.5. The provisions of the Regulation and the legal acts implementing it also provide for the possibility of relying on other criteria when calculating the loan price, including: (i) the risk-free rate of return; (ii) the existence of security; (iii) fees related to the services provided by the Company; (iv) other risks related to the Project and/or the Project Owner (including market conditions at the time the loan is granted, the business strategy, the value of the loan).

8.6. When calculating the loan price, the Company does not assess the risk-free rate of return or the fees related to the Company's services (these fees are borne by the Project Owner and/or the investors, depending on to whom the relevant fees apply, but are not related to the loan itself, its amount or the applicable interest), nor does it discount future payments under the loan agreement. The existence of security is assessed when determining the credit rating of the Project Owner / Project and is therefore, by itself, indirectly included in the loan pricing system.

8.7. Other risks related to the Project and/or the Project Owner are assessed where relevant; therefore, as provided for in point 8.9 of these Rules, the Company may deviate from the general rules for determining loan pricing and other terms laid down above. Such risks could be, for example:

8.7.1. the financial position of the Project Owner, having regard to the information collected during the creditworthiness assessment, is good, but the Company has doubts about the feasibility of the business plan or the planned cash flows or forecast income;

8.7.2. certain economic conditions relevant to an individual sector may, in the Company's assessment, have a significant impact at a particular time on the development of the Project and/or the Project Owner's ability to perform its obligations;

8.7.3. the financial position of the Project Owner is good and the prospects of the Project are also realistic, but the Project Owner has no experience in implementing analogous or similar Projects, etc.

8.8. The Company does not adjust the loan price after the loan has been granted to the Project Owner. The loan may become more expensive for the Project Owner only in the cases provided for in the loan agreement concluded (e.g. the application of default interest or compensatory interest in the event of delay in the timely and proper performance of obligations, etc.).

8.9. The criteria for determining loan pricing and other terms provided for above in the Rules are general; therefore, the Company has the right, in individual cases, to deviate from this procedure and to apply individual conditions for determining loan pricing and other terms. In any event, investors are always informed of such cases in advance and are provided with all information on the reasons for the deviation

from the standard loan pricing requirements, thereby ensuring fair and correct pricing, as required by the Regulation and the legal acts implementing it.

8.10. In order to ensure that the loan price applied to the Project Owner is fair, the Company, among other things, takes into account and assesses the following circumstances:

8.10.1. the credit risk rating;

8.10.2. the net present value of the loan, including the principal loan amount, the loan term, the frequency of loan instalments and an appropriate interest rate for discounting future repayments.

IX. REFUSAL TO PUBLISH A PROJECT

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

9.1.1. the Project Owner does not meet the minimum reputation assessment criteria for Project Owners approved by the Company, or, according to the creditworthiness assessment criteria for Project Owners approved by the Company, an excessive credit risk class (Class 5 (E)) is established in respect of the Project Owner;

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

9.1.3. the information held by the Company gives grounds to believe that the publication of the Project on the Company Platform would pose a threat to the interests of investors.

9.2. The decision to refuse to publish a Project and the reasons for it are recorded in the Project Owner's file.

X. VALUATION PROCESS FOR EACH LOAN

10.1. The Company carries out a valuation of each loan at least in the following circumstances:

10.1.1. at the time the loan is granted;

10.1.2. where, in the Company's opinion, it is unlikely that the Project Owner will fully meet its obligations to repay the loan, and the Company does not take any action to realise the relevant security or other actions of a similar nature;

10.1.3. in the event of Default;

10.1.4. where the Company assists an investor in exiting before the end date of the loan term.

10.2. The Company ensures that, when carrying out the loan valuation provided for in point 10.1 of these Rules, correct information relevant to the particular moment is relied upon and that the relevant valuation is timely and not older than 3 months before the loan is granted (where the valuation is carried out before the loan is granted).

10.3. When carrying out the loan valuation at the time the loan is granted, the Company takes into account at least the following criteria / circumstances:

10.3.1. the loan term;

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

10.3.3. any prepayment option provided for in the loan agreement;

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

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

10.3.6. the probability of Default;

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

10.3.8. the existence of guarantees and the extent to which they secure the performance of obligations.

10.4. When carrying out a loan valuation after the loan has been granted, the Company, in addition to the criteria provided for in point 10.3 of these Rules, also takes into account: (i) the remaining loan term (until the end of the loan agreement); (ii) the probability of possible losses.

10.5. When carrying out a loan valuation in the case provided for in point 10.1.3 of these Rules, the Company takes into account: (i) a conservative valuation of the security and/or guarantee; (ii) other fees and costs related to debt recovery.

10.6. The loan valuation criteria, methodology and procedure for determining the valuation results are set out in the Company's Procedure for Credit Risk Assessment and Provision of Information on Individual Loan Portfolios. A summary of this methodology is published on the Company's website.

10.7. The loan valuation is documented in a written record in the Project Owner's file, indicating the valuation date, the data used and the conclusion.

10.8. Where the Company assists a lender in exiting before the end date of the loan term (in the Company's case, this is possible by the investor using the bulletin board functionality of the platform administered by the Company), the Company does not set a reference price, since the investor itself has the right to set the price of the loan it holds.

XI. RETENTION OF INFORMATION

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

11.2. Data relating to financing transactions consist of:

11.2.1. information collected in identifying Project Owners;

11.2.2. information collected during the Reliability Assessment of the Project Owner, including the completed Algorithm form and the documents substantiating it;

11.2.3. documents relating to the assets pledged by the Project Owner and other security provided;

11.2.4. any other relevant information relating to the financing transaction and/or the Project Owner or the Project.

11.3. The Company in all cases retains the data referred to in point 11.2 of these Rules in electronic format, but may also retain paper copies of such data.

11.4. A Project Owner's file is opened at the Company for each Project Owner, in which the data referred to in point 11.2 of these Rules and other data relating to the relevant Project Owner are kept. The Project Owner's file is kept in electronic format, and the Company ensures that duplicates of such information are also stored on the Company's internal servers or on cloud servers used by the Company.

11.5. The Company retains information relating to the implementation of the financial engineering instrument "Crowdfunded Loans „Avietė"" and to 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 cloud servers used by the Company.

XII. INTEGRATION OF SUSTAINABILITY RISK

12.1. Sustainability risk is understood as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risk is relevant as a separate risk category and may be relevant as a component of other risks (including market, credit and liquidity risk). In carrying out the process of assessing project owners and loans, the Company follows the risk management procedures it has approved and assesses all risks, including sustainability risk, and the factors which may affect the value of investors' investments and their performance.

12.2. The Company does not have sustainable investment as its objective, as defined in 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. Furthermore, the Company's activities do not promote environmental or social characteristics or any combination of those characteristics. For these reasons, sustainability risk is, in the Company's assessment, not relevant to its provision of crowdfunding services. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

12.3. The Company considers that the impact of sustainability risk corresponds to the impact of general investment risks (including market, credit and liquidity risks) and has no specific effect on the results of the Company or of the loans published on its Platform and/or on the extent of the risk they assume.

12.4. Principal adverse impact is understood as an impact of investment decisions that results in negative effects on sustainability factors. Since the Company does not promote environmental or social characteristics and does not have sustainable investment as its objective, the adverse impacts of investment decisions on sustainability factors, as defined in Regulation (EU) 2019/2088, are not considered.

XIII. FINAL PROVISIONS

13.1. The Rules enter into force on the date of their approval and may be repealed or amended only by order of the CEO.

13.2. The Rules are reviewed at least once a year, and also each time the applicable legal acts change or the Company's business processes change significantly. The review is organised by the Company's lawyer performing the risk management function.

13.3. The Assessor is responsible for the implementation of these Rules. Where the Assessor is unable to implement the Rules, the CEO of the Company is responsible for the implementation of the Rules.

13.4. The CEO or a person authorised by the CEO is responsible for compliance with these Rules.

13.5. Each employee of the Company involved in the Project Owner reliability assessment process must be acquainted with these Rules, and with each new version thereof, against signature.

13.6. The Rules and amendments thereto are published on the Platform. The previous version of the Rules is transferred to the Company's internal document archive and kept together with the order approving it.

Annex No. 1
to the Rules for Assessing the Reliability of Project Owners

ANNEX NO. 1 – PROJECT OWNER RELIABILITY ASSESSMENT QUESTIONNAIRE FORM

PROJECT OWNER RELIABILITY ASSESSMENT QUESTIONNAIRE

___ _____ 20___

Project Owner's name, legal form and code

1. Have you, or a company controlled (or previously controlled) by you, or a company of which you are (or were) the manager:

No.	Question	Yes	No
1.1	been convicted of a serious or grave crime, or of a crime or criminal misdemeanour against property, property rights and property interests, the economy and business practice, the financial system, public security, the civil service and public interests, or of corresponding criminal acts under the criminal laws of other states, and has the conviction for the aforementioned crimes not expired or been expunged, or have 3 years not elapsed since the entry into force of the court judgment by which the natural person was convicted of committing the criminal misdemeanours referred to in this point?	☐	☐
1.2	failed / are you currently failing to meet obligations to creditors?	☐	☐
1.3	committed infringements relating to infringements of national rules in the fields of commercial law, insolvency law, financial services law, anti-money laundering law, anti-fraud law or professional liability obligations?	☐	☐
1.4	been established / are you resident in a country or territory which, under the relevant EU policy, is considered a non-cooperative country or territory, or in a high-risk third country pursuant to Article 9(2) of Directive (EU) 2015/849?	☐	☐

2. If you answered yes to one or more of questions 1.1–1.4, briefly describe the essential circumstances, indicating the dates of the event and of the relevant decisions.

Name and surname of the person completing the form

_____

Signature of the person completing the form

_____

Annex No. 2
to the Rules for Assessing the Reliability of Project Owners

PROJECT OWNER CREDITWORTHINESS ASSESSMENT FORM (ALGORITHM)

The Algorithm is approved by the same order of the CEO as these Rules and is kept as an electronic file in the Company's internal document repository. The Algorithm sets out the threshold values, coefficients and calculation formulas for the criteria referred to in point 5.20 of these Rules.

Algorithm version: 1.0. Only the version of the Algorithm approved by order of the CEO and valid on the date on which the assessment is carried out is used. Each amendment to the Algorithm is approved by order of the CEO, indicating the new version number.

Algorithm structure:

Part	Content
"Algorithm" sheet	The twelve criteria referred to in point 5.20 of the Rules, the coefficient assigned to each, the scoring rules (1–5), the sum of the intermediate weights, the LTV adjustment under point 5.25 of the Rules, the surety / guarantee adjustment under point 5.19 of the Rules, the final creditworthiness score and the risk class assigned under point 5.24 of the Rules.
"Finances" sheet	The Project Owner's financial data for two years, the loan amount, the valuation of the pledged assets and the LTV calculation, industry data, and a twelve-month cash flow forecast.
Signature fields	The signatures of the Assessor who carried out the assessment and of the employee who carried out the verification under point 7.1.3 of the Rules.