

UAB NORDSTREET
DEBT COLLECTION POLICY
Updated version)

Approved: Order No. 20251209-01 of the CEO of UAB Nordstreet Date: 2025 December 09

Vilnius 2025

1. General provisions

1.1. This Debt Collection Policy (hereinafter referred to as the "**Policy**") of the Crowdfunding Service Provider (hereinafter referred to as the "SFPT") of UAB Nordstreet (legal entity code 304565690, registered office: A. Domaševičiaus str. 9, Vilnius, the Republic of Lithuania) establishes the procedures, principles and actions applicable to the failure of the Project Owner to fulfil the obligations of the Loan Agreement.

1.2. The Head of the IFRS or a responsible person appointed by him or her shall be responsible for the implementation of this Policy.

2. Concepts used in the policy

2.1. **SFPT** – UAB Nordstreet, which administers the crowdfunding platform. 2.2. **Financier** – the user of the platform who provides funding to the Project. 2.3. **Loan Agreement** – an agreement concluded between the Project Owner and the Investors regarding the granting of a loan. 2.4. **Platform** – IFRS-administered system www.nordstreet.com. 2.5. **Project** – a financing project published on the IFRS platform. 2.6. **Project Owner** – the person who initiates the Project and receives funding. 2.7. **Settlement Agreement** – an agreement between IFRS and the Project Owner by which the parties resolve a breach of obligations and establish new or adjusted conditions for the repayment of the debt in order to restore the execution of payments and to avoid or suspend the enforcement process. The settlement agreement may establish a new payment schedule, adjust the applicable interest, penalties or default interest and other mutual obligations, provided that such changes are not in conflict with the interests of investors, legal acts and the principles set out in this Policy.

3. Breach and termination of the loan agreement

The Loan Agreement shall be deemed to have been violated when the Project Owner fails to comply with the payment terms set out in the schedule or violates other essential provisions of the Loan Agreement. Upon detection of a violation, SFPT initiates contact with the Project Owner in order to assess the reasons for the delay, the possibilities of restoring payments and concluding a Settlement Agreement.

If the breach is not corrected within the deadline set by the IFRS (usually 14 calendar days), the IFRS has the right to terminate the Loan Agreement and demand immediate payment of the outstanding part of the loan, interest, compensatory interest and other amounts payable under the agreement.

After termination of the Loan Agreement, debt recovery procedures are initiated. IFRS may continue to maintain a dialogue with the Project Owner on the possibility of concluding a Settlement Agreement that would allow to suspend or change the course of further recovery actions, provided that this is not contrary to the interests of investors and legal acts.

4. Debt collection process

4.1. Settlement agreement with the Project Owner

SFPT actively maintains contact with the Project Owner throughout the debt management process — until the termination of the Loan Agreement, after termination and even during enforcement actions. The aim is to assess the possibilities of concluding a Peace Agreement that could be more cost-effective than forced recovery and would better suit the interests of investors.

No later than within two working days from the termination of the Loan Agreement, the SFPT shall initiate a dialogue on the Settlement Agreement. During its negotiations, changes in payment deadlines may be considered, compensatory interest, fines or default interest are adjusted, and other solutions that help restore payments and reduce risks may be applied.

If a Settlement Agreement is concluded, the enforcement proceedings may be suspended, postponed or not started at all. If the Settlement Agreement fails, the IFRS shall initiate or continue the enforcement actions set out below.

4.2. Recovery by means of collateral

If the loan is secured by a mortgage, pledge, surety or other security instrument, the SFPT initiates their realisation. The SFPT applies to a notary for the performance of an enforceable record; The notary informs the debtor and gives him 20 days to settle the debt. If the debt is not paid within this period, the notary issues an enforcement record, which the SFPT submits to the Chamber of Bailiffs for the appointment of a bailiff.

Even after the commencement of enforcement through collateral, SFPT may continue to negotiate with the Project Owner for the conclusion of a Settlement Agreement. If the contract is concluded and does not contradict the legal acts and the interests of the investors, the enforcement actions may be suspended in accordance with the procedure established by legal acts.

4.3. Judicial recovery

Judicial recovery is initiated in cases where:

- insufficient collateral to cover the debt;
- the debtor avoids cooperation;
- the debtor disputes the debt or termination of the contract;
- interim measures must be granted.

The SFPT applies to the court requesting that the loan balance, contractual and compensatory interest, fines, default interest, expenses incurred by the SFPT be awarded, and interim measures (e.g. seizure of assets, limitation of funds) be applied.

In the course of the judicial proceedings, the SFPT:

- monitors the debtor's situation,
- provide additional information to the court,
- initiates procedural actions,
- lodge complaints and appeals where appropriate.

The conclusion of a settlement agreement is also possible during the court proceedings, provided that it does not conflict with the interests of the investors and meets the requirements of legal acts.

Once a court decision has been made in favour of the SFPT, the SFPT initiates the receipt of the writ of execution and submits it to the Chamber of Bailiffs for the initiation of enforcement proceedings.

4.4. Recovery in the event of insolvency or restructuring

If insolvency or restructuring proceedings are initiated against the Project Owner, the SFPT, upon receipt of information about the proceedings, submits the creditor's claim, the calculation of the debt and the documents regarding the collateral. If the loan is secured by a mortgage or pledge, the SFPT becomes the secured creditor; Unsecured loans are satisfied in the general order established by law.

In the case of restructuring, the SFPT:

- assess the restructuring plan,
- communicates with the administrator,
- monitors the realisation of assets,
- provide the necessary information,
- informs investors,
- assesses the possibility of concluding a Settlement Agreement, provided that it is not contrary to the law.

All payments received in the course of insolvency or restructuring shall be distributed to investors in accordance with the order established in this Policy.

5. Settlement agreement

5.1. Rights of IFRS in the context of a settlement agreement

SFPT can adjust interest, penalties, payment schedules, and other parameters to take into account the interests of investors as much as possible.

5.2. Creation of a new payment line "Settlement Compensation"

5.2.1. After the conclusion of the settlement agreement, SFPT creates a new payment line **"Settlement Agreement Compensation" on the Platform**, which is accounted for as a separate amount to be distributed to investors. This line combines all compensatory and sanctioning amounts payable by the debtor under the settlement agreement.

5.2.2. "Settlement Compensation" consists of the following elements:

- **5.2.2.1. Compensatory interest** – calculated for the period from the date of termination of the Loan Agreement until the date of conclusion of the settlement agreement. This interest reflects the actual duration of the debtor's default and is an important part of the protection of investors' interests.
- **5.2.2.2. Late payment penalties are penalties calculated** for overdue periodic payments prior to termination of the Loan Agreement. They may be applied in accordance with the provisions of the loan agreement or in accordance with the rates approved by the IFRS.
- **5.2.2.3. Penalty for termination of the agreement** – if such is provided for in the loan agreement or in the General Terms and Conditions of the Loan. This penalty compensates investors for the damage caused by early termination of the agreement.

5.2.3. IFRS shall have the right to adjust the amount of these elements **in the light of the debtor's financial capacity and in order to achieve the best possible outcome in the interests of** investors. Such discretion may be exercised in order to:

- make it possible for the debtor to pay the debt much faster than during the judicial process,
- avoid high costs of judicial, bailiff or other recovery procedures,
- achieve a higher total value of debt to be recoverable by investors.

5.2.4. The SFPT, having decided to adjust the "Settlement Agreement" compensation, must follow the following principles:

- **the interests of investors,**
- **proportionality and cost-benefit analysis;**
- **reasonableness and rationality** criteria,
- **equal treatment of investors.**

5.3. Order of set-off of payments

1. **Recovery costs incurred by SFPT**, including:
 - notary's fees,
 - The costs of the Chamber of Bailiffs,
 - bailiffs' enforcement costs,
 - court and court fees,
 - the costs of debt collection partners,
 - other documented costs.
2. **Compensatory interest**
3. **Settlement Compensation (if applicable)**
4. **Contractual interest**
5. **Loan balance**

6. Protection of investors' interests

6.1. SFPT represents all Investors in the debt collection process and ensures that all actions are carried out in order to **protect the investors' property interests as much as possible**.

6.2. All decisions taken by IFRS shall be based on the following basic principles:

- **6.2.1. Priority of the interests of investors.**
IFRSs operate in such a way that decisions are in the financial interests of investors as much as possible, ensure the recovery of as much debt as possible and minimize potential losses.
 - **6.2.2. Principle of reasonableness and cost-benefit analysis.**
Before deciding on recovery actions, IFRS assesses their expected effectiveness, costs, duration, potential risks and their relationship to the benefits for investors.
 - **6.2.3. Principle of expediency and efficiency.**
IFRS shall act immediately and shall take those measures that ensure the fastest and most efficient possible outcome, taking into account the actual circumstances of the debtor and the situation of the assets.
 - **6.2.4. Principle of transparency and information.**
IFRS ensures that investors are informed about the most important stages of recovery, settlement deliberations, insolvency proceedings and payments received.
 - **6.2.5. Principle of non-discrimination.**
All investors are treated equally, and decisions are applied to everyone in proportion to the size of their investments.
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6.3. The SFPT shall have the discretion to select the optimal pattern of action in each specific situation, including:

- 6.3.1. a decision to initiate judicial recovery;
- 6.3.2. a decision on the conclusion of a settlement agreement;
- 6.3.3. a decision on the adjustment of compensatory interest, fines or other amounts;
- 6.3.4. a decision to submit additional claims to guarantors or pledgers;
- 6.3.5. a decision to initiate the takeover of a creditor's claim or to represent investors in insolvency proceedings.

All such decisions must be based on the protection of investors' interests and the aim of ensuring the highest possible percentage of recoveries.

6.4. IFRS shall continuously assess the following risk factors:

- 6.4.1. the debtor's solvency and financial situation;
- 6.4.2. the value, liquidity and possible time of realisation of the debtor's assets;
- 6.4.3. possible legal disputes and their impact on the duration of recovery;
- 6.4.4. additional obligations of the debtor to other creditors;
- 6.4.5. threats related to attachment, pledge or mortgage of property.

This analysis allows SFPT to choose the most appropriate action plan for a particular case.

6.5. SFPT ensures that all payments received during the recovery process are distributed only in the order established in this Policy, leaving no room for different interpretations or individual treatment of investors. In exceptional cases, the Platform may adjust the order of payments in accordance with the principles set out in this Policy, but may never apply individual treatment to investors.

6.6. If necessary, IFRS may engage external experts such as lawyers, debt collection specialists, property valuers or other professionals. All their actions are coordinated by IFRS and carried out in accordance with the principles of protection of investors' interests.

6.7. The IFRS shall ensure that all documents relevant to the interests of the Investors (contracts, claims, creditors' claims, court decisions) are properly stored, documented and, if necessary, submitted to the relevant institutions.

7. Final provisions

7.1. The policy may be revised and updated by the decision of the head of the IFRS, taking into account the changed legislation, market practices or the need to regulate debt collection processes more clearly.

7.2. Changes to the Policy shall take effect from the date of their approval, unless another effective date is specified in the order of the Head of the SFPT.

7.3. The Policy applies to all recovery proceedings initiated after the entry into force of the Policy. For recovery proceedings initiated prior to the entry into force of this Policy, IFRS may apply the previous version of the Policy, if this is more in the interests of investors.

7.4. The Policy is an internal document of the SFPT and is applied together with the Loan Agreements, the General Terms and Conditions of the Loan, the applicable legal acts and other documents approved by the SFPT.

7.5. If the provisions of the Policy are interpreted differently in certain cases, the principle of protection of investors' interests shall prevail.