

UAB NORDSTREET RULES FOR RELIABILITY ASSESSMENT OF PROJECT OWNERS

I. GENERAL PROVISIONS

1. UAB Nordstreet ("Company") rules for assessing the reliability of project owners ("Rules") establish requirements for assessing the reliability of project owners, including criteria for assessing the reputation and creditworthiness of project owners.
2. Terms used in the Rules shall be understood as defined in Regulation (EU) 2020/1503 (the "Regulation"), unless otherwise specified in the Rules.
3. The rules are prepared in accordance with the Regulation and the accompanying implementing legislation and the guidelines of the competent authorities.
4. The Company approves, implements and maintains appropriate and effective measures, processes and methods to ensure that these Rules are continuously complied with. The Company must take the necessary measures to prevent the use of the Company's platform for criminal purposes.

II. CONCEPTS

5. Unless the context otherwise requires, capitalized terms in these Rules shall have the following meanings:
 - 5.1. **"Raspberry"** -UAB "Investicijų ir verslo garantijos" financial engineering tool "Consolidated loans "Avieta";
 - 5.2. **The company**– UAB Nordstreet, legal entity code 304565690, registered office at Naugarduko st. 19, Vilnius, Lithuania;
 - 5.3. **Company platform**– Information system administered by the company (<https://www.nordstreet.com/>), which is used for crowdfunding;
 - 5.4. **Participant**– Participant of the Project Owner, whose share of voting rights or authorized capital directly or indirectly is equal to or exceeds 20 percent, or who can have a direct and/or indirect decisive influence on the Project Owner;
 - 5.5. **Reliability assessment**– Evaluation of the reputation and creditworthiness of the Project owner carried out by the Company;
 - 5.6. **Supervisory authority**- Lithuanian bank.
 - 5.7. **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;
 - 5.8. **Buy-to-let project**– a project during which real estate or shares of a company or assets of another asset class are purchased with the aim of renting out the real estate or receiving other types of income (from another type of asset that is purchased) and at the end of the project period the real estate or shares of the company or assets of another asset class are sold more profitable;
 - 5.9. **Project owner** or Client - the person who initiates the Project, which the Company announces to financiers through the Company's platform;
 - 5.10. **Regulations**– Regulation (EU) 2020/1503;
 - 5.11. **Rules**– this document;
 - 5.12. **Manager**- Director of the company.
 - 5.13. **Appraiser**–An employee of the Company is appointed by order of the manager, who performs the reputation and creditworthiness assessments provided for in these rules.

III. REPUTATION ASSESSMENT CRITERIA AND PROCEDURE

6. When evaluating the reputation, the Company addresses 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.
7. For the purpose of assessing the reputation of the project owner, the requested information is provided in a standardized form, by filling in Appendix No. of these Rules. 1 provided questionnaire. If necessary, the Evaluator can ask the Project owner for additional information necessary for reputation evaluation.

8. It should be noted that the Company will start business relations with the owners of the Projects only after the Company, in accordance with the established internal procedures, has carried out 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 the legal acts implementing it. In any case, the company does not intend to enter into business relations with clients posing a higher/significant risk of money laundering and/or terrorist financing. Accordingly, the Company, 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, in the Company's opinion, they will not have a significant impact on the Project Owner's creditworthiness.
9. When assessing reputation, it is considered appropriate if there is no evidence to the contrary and there is no reasonable reason to doubt a person's reputation.
10. When evaluating reputation, the following circumstances are evaluated:
 - 10.1. whether the Project Owner has not been found guilty of committing a serious, very serious crime or a crime or misdemeanor against property, property rights and property interests, the economy and business order, the financial system, public security, public service and public interests or corresponding criminal acts according to the criminal laws of other countries laws, if his conviction for the crimes specified above has not disappeared or been canceled, or 3 years have not passed since the court verdict, by which the natural person is found guilty of committing the criminal offenses specified in this point, came into force;
 - 10.2. are there any data confirming that the assessed person does not fulfill or has not fulfilled creditor obligations;
 - 10.3. whether there are records of the Project Owner in the register of convictions related to violations of national regulations in the fields of commercial law, bankruptcy law, financial services law, anti-money laundering law, anti-fraud law or professional liability obligations;
 - 10.4. whether the Project Owner is established in a country or territory that is considered a non-cooperative country or territory according to the relevant EU policy, or in a high-risk third country in accordance with Article 9 of Directive (EU) 2015/849. on the 2nd;
 - 10.5. are there other factors of negative reputation specified in the algorithm approved by the Company.
11. In order to assess the reputation of the Project Owner, the Assessor:
 - 11.1. must collect and evaluate information about the manager of the Project Owner and its Participants, whose share of voting rights or authorized capital directly or indirectly is equal to or exceeds 20 percent, or which 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;
 - 11.2. after collection and evaluation according to these Rules 11.1 Mr. received and collected data, before publishing the project on the Company's platform must in all cases have sufficient grounds to believe that all of the Rules 11.1 Mr. the listed persons meet all the minimum reputation evaluation criteria, ie that the Rules 11.1 Mr. listed persons:
 - 11.2.1. have not been found guilty of committing a serious, very serious crime or a crime or misdemeanor against property, property rights and property interests, the economy and business order, the financial system, public security, public service and public interests or corresponding criminal acts under the criminal laws of other countries, if their convictions for the crimes specified above have not been extinguished or canceled, or 3 years have not passed since the entry into force of the court verdict by which the natural person is found guilty of committing the criminal offenses specified in this point;
 - 11.2.2. does not comply with the Rules 10.3-10.4 Mr. provided conditions, under which it is automatically considered that the reputation of the Project owner cannot be assessed as adequate;
 - 11.2.3. does not meet 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 adequate.
12. For the purpose of evaluating the reputation of project owners, the Company relies on:
 - 12.1. Documents submitted by project owners, their managers and Participants;
 - 12.2. Written explanations provided by project owners, their managers and Participants;
 - 12.3. publicly available and published information about Project owners, their managers and

Participants;

- 12.4. with the data provided by the Creditinfo system ("Creditinfo") administered by UAB "Creditinfo Lietuva" (in the event that the Project owner is established in another country, the Company makes maximum efforts to obtain as similar data as possible from the databases existing in the relevant country);
 - 12.5. Registries administered by VĮ "Registru centras" (Register of Real Estate, Register of Legal Entities, Register of Property Seizure Acts, etc.) (in the event that the Project owner is established/resides in another country, registers administered by the respective states are used, which contain as similar data as possible);
 - 12.6. Data provided by the Official Register of Wanted Persons administered by the Department of Informatics and Communications, as well as other reliable databases legally available to the Company.
13. The Company, in compliance with the Rules10.3Mr. the anticipated assessment, and also requires the Project Owner to provide current (not older than 2 months) extracts/certificates from the registers of verdicts passed in criminal and/or administrative cases, which confirm the compliance with these Rules10.3Mr. absence of foreseen circumstances:
- 13.1. if the owner of the Project is a legal entity established in Lithuania or a citizen/resident of Lithuania (in the case of a natural person) - please submit a relevant extract/certificate from the registers administered by the Department of Informatics and Communications at the Ministry of Internal Affairs of the Republic of Lithuania (<https://ird.lt/>);
 - 13.2. if the owner of the Project is a legal entity established in Spain or a Spanish citizen/resident (in the case of a natural person) - please provide a 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>);
 - 13.3. if the Project owner is a legal entity established in Estonia or a citizen/resident of Estonia (in the case of a natural person) - please provide a relevant extract/certificate from the Center for Registers and Information Systems of the Republic of Estonia (<https://www.rik.ee/en/criminal-records-database>);
 - 13.4. if the owner of the Project is a legal entity established in Latvia or a citizen/resident of Latvia (in the case of a natural person) - please submit a relevant extract/certificate from the Information Center at the Ministry of Internal Affairs 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);
 - 13.5. if the Project owner is in a country other than13.1-13.4Mr. a legal entity established by the specified states, or if the Project owner is from a country other than13.1-13.4Mr. citizen/resident of the specified states (in the case of a natural person) – please provide the relevant extract/certificate from the respective administered registers/information centers of these states.
14. Where possible, the Company also takes steps to obtain access to relevant registers where it can verify information about the Project Owner for the Rules10.3Mr. expected circumstances.
15. For project owners, in order to re-announce the Project (or a new stage 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 checks in the databases and public sources available to it whether there are any circumstances which, In the Company's opinion, the situation may change due to the reliability of the Project owner - if the Company determines that such circumstances exist, the Company re-evaluates the reputation of the Project owners in accordance with the procedure provided for in these Rules and without applying any exceptions. Re-evaluation 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 previous publication of the Project (or its stage).
16. After collecting enough information from the Project owner to assess his reputation, his managers and the Participants, the evaluator evaluates the totality of the collected information and decides whether the Project owner's reputation is suitable for the purpose of publishing his Project on the Company's platform. The process of evaluating the reputation of the project owner takes place in two stages:
- 16.1. first, make sure that all the Rules11.1Mr. the listed persons meet all the minimum reputation evaluation criteria (as provided by the Rules11.2p.), ie the Company must make sure that the Rules11.1Mr. listed persons: (i) have not been found guilty of committing a serious, very

serious crime or a crime or misdemeanor against property, property rights and property interests, the economy and business order, the financial system, public security, public service and public interests or corresponding criminal acts under the criminal laws of other states, if their conviction for the crimes specified above has not disappeared or been canceled or 3 years have not passed since the court verdict, by which the natural person is found guilty of committing the criminal offenses specified in this point, has come into force; (ii) does not comply with the Rules10.3-10.4Mr. provided conditions, under which it is automatically considered that the reputation of the Project owner cannot be assessed as adequate; and (iii) does not meet the 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 adequate. If the evaluator determines that the Project owner, his manager and/or the Participant do not meet all the minimum reputation evaluation criteria, the Project owner's Project cannot be published on the Company's platform. Only in such a case, if the Assessor can reasonably be sure that all the minimum reputation assessment criteria are met, the second stage of reputation assessment can be carried out (as provided for in the Rules16.2pp.);

- 16.2. secondly, after the Assessor is satisfied that the minimum reputation assessment criteria are met, additional reputation assessment criteria are taken into account, which may influence the final Project Owner's reliability assessment / Project rating, i.e. the final Project Owner's assessment / Project rating (assigned risk class) may be reduced (ie a higher risk class is assigned), if there are additional negative reputation assessment factors specified in the algorithm approved by the Company (if applicable). The procedure for the final assessment of the Project owner / reduction of the Project rating (assigned risk class) is also provided for in the algorithm approved by the Company.

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

17. In such a case, if the Project owner seeks to take advantage of the opportunity on the Company's platform to use funds from the "Raspberry" facility for the financing of his Project, the Appraiser must additionally assess and determine whether the Project owner meets the following conditions:
 - 17.1. Does the Project owner meet the concept of a small and medium-sized business entity, as defined in the Law on the Development of Small and Medium-sized Businesses of the Republic of Lithuania;
 - 17.2. Is the purpose of the loan, which is intended to be financed through the Platform, an investment or supplementing the lack of working capital.
18. After evaluating the Rules17 the circumstances provided for in point, the Appraiser also assesses whether one or more of the following circumstances exist:
 - 18.1. There is (or could be) an insolvency case against the project owner;
 - 18.2. The project owner has used funds from the "Raspberry" facility in the last 6 months (Until December 31, 2020, the project owner can use the funds from the "Raspberry" facility to finance his projects 2 times in a 6-month period).
 - 18.3. The project is assigned a credit rating lower than 3;
 - 18.4. The crowdfunding funds sought by the project owner are not intended for the refinancing of credits or financial obligations, the financing of financial activities or the financing of residential real estate.
19. In order to use the funds of the "Avieta" facility, the Project owner (and the Project) must meet the conditions stipulated in the Rules17 and the Appraiser must determine that none of the Rules exist18the circumstances provided for in point In case of non-compliance with this condition (but in compliance with other conditions stipulated in these Rules), the Project owner's Project may be published on the Platform, but may not use the funds provided by the "Raspberry" facility.

V. CRITERIA AND PROCEDURE FOR EVALUATING THE CREDITABILITY OF PROJECT OWNERS

20. Before publishing the Project on the Company's platform, the Appraiser 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.
21. The company uses the following in the evaluation of the creditworthiness of the Project owner:
 - 21.1. statistical models (eg past financial results);

- 21.2. assessment models (e.g. assessment of business plan and its prospects, assessment of financial forecasts, assessment of reputation);
- 21.3. automatic models (eg reports generated by Creditinfo).
- 22. The company constantly 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's internal audit function is responsible for this assessment/verification (whose duties and responsibilities are detailed in the documents governing the Company's organizational structure and internal control).
- 23. When assessing the creditworthiness of the Project owner, the Assessor:
 - 23.1. collects information about the financial condition of the Project owner, including information about his liabilities and assets, profitability, etc.;
 - 23.2. assesses whether the Project Owner's ability to fulfill financial obligations to the financiers within the set terms is real, ie whether the Project Owner's planned income from the Project will be sufficient to fulfill the obligations assumed with the crowdfunding transaction;
 - 23.3. makes sure that no bankruptcy and/or restructuring case has been filed against the Project owner, its manager, or the Participants;
 - 23.4. if a third party seeks to provide mandatory security measures (e.g. surety, guarantee, promissory note, etc.) on behalf of the Project owner, the creditworthiness of such a person shall be assessed in accordance with these Rules³⁴Mr. the prescribed procedure;
 - 23.5. if the loan agreement is secured by a pledge - assesses the condition, value, degree of pledge, liquidity, liquidation value and other relevant parameters, which are additionally detailed³²p.;
 - 23.6. determines the purpose of the loan sought;
 - 23.7. determines the structure of ownership (shareholders) of the Project owner;
 - 23.8. evaluates the business plan submitted by the Project Owner related to the Project sought 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 validity and reliability of the business plan; (iii) Strength and weaknesses analysis of the project; (iv) competition in the relevant business sector; (v) The type of customers of the project owners and their geographical location.
- 24. If, in assessing the creditworthiness of the Project owner according to the Rules²³ Mr. If the evaluator determines that the Project Owner's risk is high, the Project Owner will be offered additional security measures.
- 25. In order to assess the creditworthiness of the Project owner, guarantors or guarantors (if any) in accordance with these Rules²²p., The evaluator - directly or using the services of third parties (including credit bureaus) - collects, processes and relies on information received from external databases (V] "Registruu centras", etc.).
- 26. In order to evaluateCreditworthiness of the project owner in accordance with these Rules²²p., The evaluator also evaluates the information and confirmations provided by the Project Owner:
 - 26.1. by filling in a standardized form prepared by the Company (application for a financing transaction);
 - 26.2. responding to other inquiries of the Company to the Project owner, if any.
- 27. The evaluator asks the Project owner to fill out a standardized questionnaire (registration form) and provide the following data and information:
 - 27.1. The latest certified audited financial statements of the project owner and guarantor or guarantor (if any) for the last 2 (two) years of operation, consisting of balance sheets and profit (loss) statements, including cash flow information. If the Project owner (and the guarantor or guarantor third party) does not have audited financial statements, the Company must demand financial statements signed by both the manager of the relevant legal entity and the accountant of this legal entity;
 - 27.2. information about the amount of loans and other obligations of the Project owner, their currency, terms of the relevant loans and obligations, 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);

- 27.3. The Project Owner's income and cash flows generated during the last two years (if such information is available, ie if the Project Owner is required to prepare such information in accordance with the applicable legislation);
- 27.4. Project owner's planned income and cash flows related to the Project sought to be financed (except when crowdfunding funds are sought to attract working capital). The Company assesses the income and cash flows planned by the Project Owner in (i) optimistic, (ii) base and (iii) pessimistic scenarios (the Company considers the Project Owner's own income and cash flow forecasts as optimistic; meanwhile, the Company calculates the base and pessimistic scenarios by reducing the optimistic scenario, respectively, 15 and 30 percent) (The evaluator is guided by the historical data of the Project owner). Then the Company calculates the average of the income and cash flows forecasted according to all three scenarios and uses the obtained numbers to calculate the creditworthiness according to its approved procedure (algorithm) for calculating the creditworthiness scores of the project owners;
- 27.5. Project Owner's forecast financial statements (the Appraiser is guided by the Project Owner's historical data);
- 27.6. if necessary (e.g. if the Company has additional doubts about the information provided) additional information (according to the form established by the Company) with explanations regarding:
 - 27.6.1. assets (both long-term and short-term);
 - 27.6.2. obligations (both long-term and short-term);
 - 27.6.3. profit (including EBIT and ETBIDA);
 - 27.6.4. money and money equivalent;
 - 27.6.5. change in sales revenue;
 - 27.6.6. income;
 - 27.6.7. depreciation and amortization;
 - 27.6.8. equity;
 - 27.6.9. other financial and related indicators.
- 27.7. In relation to the property planned to be mortgaged by the project owner and the guarantor or guarantor (if any), - the property valuation and inspection report on the value of the property with photos by property valuers (or the equivalent of the valuation);
- 27.8. a short business or short loan utilization and repayment plan according to the form provided or the information provided by the Project Owner;
- 27.9. if necessary - Project owner for at least 6 months. a statement of the main settlement account, except for cases where the Project owner has been operating for less than 6 months. If the Project Owner has been operating for less than 6 months, it is requested to submit a statement of the Project Owner's main current account for the entire period of its activity. If the guarantor or guarantor is a natural person, his consent to check his personal data in external databases is provided and a statement of his main bank account for a period of not less than 6 months is provided, except in cases where the activities are carried out for less than 6 months;
- 27.10. contact details (name, surname, residential address, e-mail, telephone (if available), mobile phone, position) of the manager of the Project owner, the manager of the guarantor or guarantor, when a legal person guarantees or guarantees, details of the guarantor or guarantor (if the guarantor whether the guarantor is a natural person);
- 27.11. contact data (name, surname, residential address, e-mail, telephone (if available), mobile phone, responsibilities) and personal and (or) company code of each Participant of the Project owner (contact data, personal code and share of available shares are provided) .
28. In order to evaluate information about the financial condition of the Project owner, guarantor or guarantor (if any) and the ability of the Project owner, guarantor or guarantor (if any) to fulfill financial obligations, the Appraiser assesses based on the collected data:
 - 28.1. The financial situation of the project owner, guarantor or guarantor (income amount, sources of income, their diversity, sustainability, profitability, possible change in the future, etc.);
 - 28.2. The history of the project owner, guarantor or guarantor and information about the current and former improper performance of financial obligations.

29. If the data provided by the Project Owner differs from the data obtained by the Company from the databases, the data based on which the Project Owner's creditworthiness assessment will be more conservative will be used for the assessment of the Project Owner's creditworthiness.
30. The sources of data collected for the purposes of assessing the company's creditworthiness are detailed in the table below:

Collecting data	Data source(s)
information about the financial condition of the Project owner, including information about his liabilities and assets, profitability, etc.	Project Owner / Register of Legal Entities, Mortgage Register, Real Estate Register, Property Seizure Register / Creditinfo credit bureau system / Publicly available information on the Internet (when the Project Owner is established / resides in another country - databases / registers administered by the relevant state authorities)
Contact details of the project owner	Project owner
Approved (audited) financial statements of the project owner (and the guarantor or guarantor of the third party, if any) for the last two years) information and documents about the property and cash flows	Project owner (and a guarantor or guarantor third party) / Register of legal entities / Register of real estate / Creditinfo credit bureau system / Publicly available information on the Internet / Registers of other countries providing similar information if the project owner is established / resides in another country
Project owner's projected income and cash flows related to the Project sought to be financed	Project owner
Project owner's forecast financial statements	Project owner
Collateral provided by the project owner, including information on the value and valuation of the collateral	Project owner / Real estate registry / independent property appraiser
if the Project owner (and/or the guarantor or guarantor third party) is a natural person - an entrepreneur, documents justifying the structure of income and expenses received from the ongoing activity during the last two years	Project owner / State tax inspectorate (The project owner (and/or a guarantor or guarantor third party) must submit approved income declarations) / Creditinfo credit bureau system / Registers providing similar information in other countries if the project owner is established / resides in another country
a written explanation of currently known (or assumed) circumstances that may have a negative impact on the Project Owner's financial indicators or performance in the future	Project owner

31. The Company periodically updates information on collateral provided to secure the loan (that is, at least once every two years it requires the Project Owner (or a third party, if the third party provides a collateral for the Project Owner's obligations) to provide an updated valuation of the pledged property. The Company must also update at the same periodicity information about persons who have provided other types of security measures for the obligations of the Project owner (e.g. surety, promissory note, guarantee, etc.).
32. When assets are pledged to secure the obligations of the Project owner, the Company requires the Project owner to provide an independent property appraiser with an assessment of the property in accordance with the procedure established by legal acts, in which at least the following information would be assessed and provided:
- 32.1. Term of obligations of the project owner (mortgage/deposit term);
 - 32.2. in the case of financial assets, the last relevant price and the average price during the last 12 months in the liquid market;
 - 32.3. in the case of physical collateral - the last available market value;
 - 32.4. whether there is a market in which the assets can be easily liquidated;
 - 32.5. possible deviations in the value of the mortgaged property.

33. The company does not accept such collateral (pledged property) whose value cannot be determined and/or for which there is no relevant market for realization. The company also ensures that the property is pledged for the entire period of the loan agreement until the Project Owner properly fulfills its obligations.
34. When the project owner's obligations 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 identify such 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 its obligations, ie:
 - 34.1. **first**, the Company, collecting information from databases available to it (e.g. registers managed by VĮ Registrų centras, Creditinfo, etc.), assesses whether the relevant third party has sufficient assets to cover the obligations of the Project Owner - if the relevant third party has sufficient assets for the obligations of the Project Owner for coverage, the final credit score of the Project owner is improved by an additional 0.5 points;
 - 34.2. **second**, if the Company, having collected information about the third party's assets, determines that the third party does not have sufficient assets to cover the obligations of the Project Owner - the Company assesses the income received by such a third party (e.g. by collecting bank account statements or income declaration, etc.). If it is determined that the relevant third party receives a sufficient amount of income to be able to cover the obligations of the Project Owner, the final credit score of the Project Owner is improved by an additional 0.25 points;
 - 34.3. in the event that the Company determines that the third party has neither sufficient assets nor sufficient income to cover the obligations of the Project Owner - the final credit score of the Project Owner is additionally worsened by 0.25 score, except in cases where assets are also pledged to secure obligations (if taking into account the value of the assets, the LTV is less than or equal to 70%, in which case the score applied to the indicator described in this subsection is equal to 0).
35. The company individually assesses each Project owner, guarantors or guarantors, collateral (if any) - 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 impossible to objectively collect enough data about the guarantor) and in such a case assign the lowest score to the guarantor, which has a negative impact on the credit score of the Project owner.
36. When performing a creditworthiness assessment, the Company aims to assess the probability of the financier's losses. The Company divides the credit risk of Project owners into: low (1), medium (2), higher (3), high (4), too high (5). Project owners are classified according to credit risk by evaluating the criteria listed below (according to the formula presented in the algorithm approved by the Company):
 - 36.1. The history of commitments of the Project owner, to which 8 percent is attributed. weight in the final calculation of the credit risk rating (ie the applied factor is 0.08);
 - 36.2. information on the sector in which the Project owner operates, including macroeconomic conditions and competition is 0.06);
 - 36.3. information on business plan (information on business plan), which is assigned 12 percent. weight in the final calculation of the credit risk rating (ie the applied factor is 0.12);
 - 36.4. the projected profitability of the Project or the Project owner (projected profitability of the Project), to which 10 percent is attributed. weight in the final calculation of the credit risk rating (ie the applied factor is 0.1);
 - 36.5. projected cash flows of the Project owner, which includes 12 percent. weight in the final calculation of the credit risk rating (ie the applied factor is 0.12);
 - 36.6. Knowledge and experience of the Project owner in the relevant business sector, to which 10 percent is assigned. weight in the final calculation of the credit risk rating (ie the applied factor is 0.1);
 - 36.7. return on assets (RoA), to which 6 percent is attributed. weight in the final calculation of the credit risk rating (ie the applied factor is 0.06);
 - 36.8. debt yield (Debt Yield - DY), which is assigned 7 percent. weight in the final calculation of the credit risk rating (ie the applied factor is 0.07);
 - 36.9. the interest coverage ratio (interest coverage ratio - ICR), which is assigned 8 percent. weight in the final calculation of the credit risk rating (ie the applied factor is 0.08);

- 36.10. capital yield (Profit Yield), which is attributed to 7 percent. weight in the final calculation of the credit risk rating (ie the applied factor is 0.07);
 - 36.11. The project owner's track record and profitability / EBIT Margin, to which 7 percent is attributed. weight in the final calculation of the credit risk rating (ie the applied factor is 0.07);
 - 36.12. Sales to revenue dynamics of the project owner, to which 7 percent is attributed. weight in the final calculation of the credit risk rating (that is, the applied coefficient is 0.07) (when assessing the dynamics of the change in sales revenue, the Company must have information available for a period of at least two years; in the event that the Project Owner provides information for a full financial year and at least period of less than 6 months of the previous financial year, the Company can use the data of an incomplete financial year, calculating proportionally how much sales revenue the Project Owner would have earned if he had operated for the entire financial year and evaluate the change in sales revenue accordingly; however, in the event that the Project Owner operated for a shorter period , in relation to the relevant indicator, the Company assigns the highest risk score).
37. In addition to these Rules36Mr. specified criteria, the Company in individual cases may also evaluate other information that may be relevant and important in assessing the credit risk level of the Project owner.
 38. For each indicator, an appropriate level of importance, an estimated coefficient and a derived evaluation formula have been determined in the Company's approved Project Owners Creditworthiness Evaluation Algorithm.
 39. The value calculated according to this creditworthiness assessment formula describes the probability of loss of the financier, which is presented as the opinion of the Platform Operator. Below is the rating scale:
 - 39.1. **Class 5 (E)**(very poor condition, unsatisfactory) - credit risk is too high;
 - 39.2. **Class 4 (D)**(poor condition) – high credit risk;
 - 39.3. **Class 3 (C)**(medium condition) – higher credit risk;
 - 39.4. **Class 2 (B)**(good condition) – medium credit risk;
 - 39.5. **Class 1 (A)**(very good condition) - low credit risk.
 40. If 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 guaranteed in full.
 41. When evaluating the value of the real estate proposed to be mortgaged, the Company relies on relevant conclusions 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 real estate proposed to be mortgaged (its location, condition, purpose, etc.) and critically evaluates the content of the provided data about the value of this real estate. If there is any doubt about the data provided about the real estate value, the Appraiser must rely on the most conservative data.
 42. In addition, the Company indicates to financiers the value of the mortgaged real estate and assesses the reduced probability of the financier's losses. When assessing the assigned credit risk class, the platform also uses the LTV (loan to value) indicator, depending on the value of which, the final credit class can be changed:
 - 42.1. in such a case, if the ratio of pledged assets to the total loan amount is over 70% (LTV more than 70%), the ratio of the collateral is considered acceptable, but does not affect the final credit score of the Project owner's creditworthiness assessment;
 - 42.2. in such case if the mortgaged propertythe ratio for the total amount of the loan is 70% (LTV less than or equal to 70%), the collateral ratio is considered to be standard and can increase the creditworthiness assessment result of the Project owner to 0.5 of the final creditworthiness score;
 - 42.3. in such a case, if the ratio of the pledged property to the total loan amount is 60% (LTV less than or equal to 60%), the ratio of the collateral is considered to be liquid and the result of the creditworthiness assessment towards the Project owner can be raised to 1 final creditworthiness score;
 - 42.4. in such a case, if the ratio of the pledged property to the total loan amount is up to 50% (LTV less than or equal to 50%), the collateral ratio is considered to be of low risk, and in relation to the Project owner, the result of his creditworthiness assessment can be raised to 1.5 of the final creditworthiness score;

- 42.5. in such a case, if the ratio of the pledged property to the total loan amount is up to 40% (LTV less than or equal to 40%), the collateral ratio is considered to be of low risk, and the result of the creditworthiness assessment can be raised to 2 final creditworthiness score in relation to the Project owner.
43. In any case, the LTV indicator can influence the final credit score only if according to 36Mr. according to the established criteria, the credit risk of the Project owner is not determined to be too high (class 5 (E)). In the event that according to the financial data of the Project Owner (assessed according to 36Mr. established criteria) is determined to be too high credit risk (class 5 (E)), the LTV indicator has no effect on the final credit risk of the Project owner and it is considered that the Project owner is too high credit risk and in this case his Project is refused to be published on the Platform.
44. In certain cases (especially when financing the Project Owner's Project 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 (without VAT) when all construction/contracting works according to the technical project according to which the building permit was issued. In such cases, the Project owner is also required to submit a general estimate of the work (without VAT) for the entire relevant Project object. In all cases, the sum of the value of the land plot on which the Project object is developed and the total estimate must be less than or equal to the future value of the Project object (for example, if the total estimate of the Project object (without VAT) is equal to EUR 1.2 million, the value of the land plot is equal to EUR 0.5 million, and the value of the future object (without VAT) is equal to EUR 2 million, in such a situation the future LTV may be applied, since the total amount of the land plot value and the estimate of the Project object is lower than the future value of the Project object ($1.2 \text{ million EUR} + 0.5 \text{ million EUR} < 2 \text{ million EUR}$)).
45. In applying these Rules 44Mr. The financing of the projected future LTV project is carried out by always keeping the LTV of the same size, but the financing can be carried out in two scenarios:
- 45.1. **first scenario**- financing is carried out according to the VAT invoice issued to the Project owner, the amount of financing is 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 the works performed at the Project object in the amount of EUR 300 thousand (without VAT); accordingly, the Project owner can be financed in the amount of EUR 180 thousand ($\text{EUR } 300 \text{ thousand} \times 60\%$));
- 45.2. **the second scenario**– 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 developed, while maintaining the fixed LTV set for the Project owner (e.g. the future value of the Project object is equal to EUR 2 million; the land plot on which the Project object is developed, value is equal to 0.5 million EUR; the total estimate of the development works of the Project object is equal to 1.2 million EUR; 60% of LTV is determined for the owner of the Project; The future value of the Project object, minus the value of the land plot, is equal to 1.5 million EUR; The Project owner submits a deed for financing (and a VAT invoice) for EUR 300 thousand, which is 25% of the total estimate; respectively, 25% of the future value of the Project object (without the value of the land plot) is equal to EUR 375 thousand; 60% (LTV) from the proportional future value of the Project object (without the value of the land plot) is EUR 225 thousand; therefore, in this case, the specific financing stage cannot exceed the determined LTV from the future value, i.e. EUR 225 thousand, and the total (of all stages) the amount of financing cannot be higher than the total value of the estimate) (all values indicated in the calculation example are without VAT).
46. The company enters into an agreement with Creditinfo Lietuva UAB and thus gets 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. After finding additional information about arrears, the Company recalculates using such data 36 Mr. specified indicators and performs a repeated creditworthiness assessment.
47. The final creditworthiness class (assigned risk class) of the Project Owner may also be adjusted taking into account the additional reputation evaluation criteria of the Project Owner, its managers and/or Participants (if applicable) established in the algorithm approved by the Company. The procedure for the final assessment of the Project owner / reduction of the Project rating (assigned risk class) is also provided for in the algorithm approved by the Company.
48. After the company determines the credit rating of the Project owner/Project, the maximum loan amount to be granted to the Project owner is also determined, ie:

Credit rating	Maximum loan amount (calculated as a certain percentage of the Project
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	owner's mortgageable property (LTV)
A (low risk)	75 - 80 percent LTV
B (medium risk)	75 - 70 percent LTV
C (higher risk)	70 - 65 percent LTV
D (high risk)	65 - 55 percent LTV

49. The credit 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.
50. The Company, having completed the assessment of the Project owner's creditworthiness and made a positive decision regarding the publication of the Project on the Platform, discloses at least the following information to the financiers:
 - 50.1. Credit rating of the project owner/Project;
 - 50.2. a clear description and detailing of how the assessment of the creditworthiness of the Project owner was carried out;
 - 50.3. The probability of default by the project owner.
51. The company regularly (at least once every two years) updates information on the creditworthiness of the Project owner. Also, the Company is immediately informed by the financier about changes in the creditworthiness assessment process, which may have a significant impact on the results of the creditworthiness assessment process.
52. In order for project owners to republish the Project on the Company's platform, the Company re-evaluates the creditworthiness of the Project owners in accordance with the procedure provided for in these Rules and without applying any exceptions.
53. It should be noted that the Company will start business relations with the owners of the Projects only after the Company, in accordance with the established internal procedures, has carried out 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 the legal acts implementing it. In any case, the company does not intend to enter into business relations with clients posing a higher/significant risk of money laundering and/or terrorist financing. Accordingly, when assessing the creditworthiness of the Project Owners, the Companies will not take into account the risks or threats of money laundering and/or terrorist financing posed by them, since, in the Company's opinion, they will not have a significant impact on the Project Owner's creditworthiness.

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

54. Before announcing the Buy-to-let Project on the Company's platform, the Appraiser must evaluate the property to be purchased for the Project, the Project documents and the creditworthiness and reliability of the Project owner.
55. When evaluating a Buy-to-let project, when real estate is purchased, the Appraiser evaluates the creditworthiness of the Project owner in accordance with the procedure set forth in these Rules, but instead of the Rules36Mr. of the provided criteria, the following criteria are applied:
 - 55.1. History of commitments of Project owner, which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.2. information on the sector in which the Project owner operates, including macroeconomic conditions and competition (English Information on the sector in which the Project owner operates (including macroeconomic conditions and competition), which has a weight of 6 percent in the final credit risk assessment (ie the applied coefficient is 0.06);
 - 55.3. information on business plan (information on business plan), which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.4. projected profitability of the Project, which has 5% in the final credit risk assessment. weight (ie the applied factor is 0.05);
 - 55.5. projected cash flows of the Project owner, which has 5% in the final credit risk assessment. weight (ie the applied factor is 0.05);
 - 55.6. Knowledge and experience of the Project owner in the relevant business sector, which has

- 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
- 55.7. Return on (pledged) Assets - RoA, which has 6 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.8. Net Profit Margin (NPM), which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.9. Debt Ratio - DR, which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.10. The purpose of real estate (residential, recreational, creative workshop, commercial or other real estate), which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.11. The area (divided into Capital, Top 3 big city, resort city, city smaller than Top 3 city) which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.12. Location in the city (prestigious district, old town, center, sleeping area, suburb or other location), which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.13. Year of real estate construction (new construction (up to 10 years), newly completed reconstruction/renovation (up to 10 years), older construction (from 10-30 years), old construction (over 30 years), which in the final credit risk assessment has a weight of 6% (ie the applied factor is 0.06);
 - 55.14. 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 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.15. The price of the property to be purchased and the value determined in the real estate appraisal (purchase price less than 10 percent, less than 5 percent, equal to the purchase price, less than the purchase price), which has 6 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.16. The condition of the purchased property (newly equipped, good condition, satisfactory condition, repairable condition), which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 55.17. In the publicly published real estate market review(s) of the last or current year, an assessment of the price dynamics of similar property and expected price growth (price growth higher than in the business plan, in line with the price planned in the business plan, lower than the growth planned in the business plan, negative price change is planned), which has 6 percent in the final credit risk assessment. weight (ie the applied factor is 0.06).
56. When evaluating the Buy-to-let project, when the shares of the company are purchased, the Appraiser instead of the Rules55Mr. of the expected indicators evaluates the following indicators:
- 56.1. History of commitments of Project owner, which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 56.2. information on the sector in which the Project owner operates, including macroeconomic conditions and competition (English Information on the sector in which the Project owner operates (including macroeconomic conditions and competition), which has a weight of 6 percent in the final credit risk assessment (ie the applied coefficient is 0.06);
 - 56.3. information on business plan (information on business plan), which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 56.4. projected profitability of the Project, which has 5% in the final credit risk assessment. weight (ie the applied factor is 0.05);
 - 56.5. projected cash flows of the Project owner, which has 5% in the final credit risk assessment. weight (ie the applied factor is 0.05);
 - 56.6. Knowledge and experience of the Project owner in the relevant business sector, which has 6% in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 56.7. Evaluation of the company to be purchased (evaluation of the company's performance based on the company's profitable/unprofitable activities over the last 4 years) (loss-making, 1 year profitable, 2 years profitable, 3 years profitable, 4 years profitable), which has 6 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 56.8. Purchase amount of shares (<20%, >=20% to <35%, >=35% to <=50%, >50% to <100%,

- =100%), which has 6 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
- 56.9. Proportional ratio of the company's total assets minus the difference between payables and other liabilities and the price of purchased shares (<1; =1; >1; >1.1; >1.2), which has 6 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.06);
 - 56.10. Termination of employment contracts (terminations within 1 year) (>6, 5-6, 3-4, 1-2, 0), which has 8 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.08);
 - 56.11. Participation in legal proceedings as a defendant (>3 k., 2-3 k., 1 k. in <1 year, 1 k. in >1 year, 0 k.), which has 8 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.08);
 - 56.12. Term of activity of the purchased company (<1 year, <2 years, <3 years, <4 years, >4 years), which has 8 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.08);
 - 56.13. Late payment rating (according to credit bureau Creditinfo Lietuva) (9-10, 7-8, 5-6, 3-4, 1-2), which has 8 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.08);
 - 56.14. Bankruptcy rating (according to the assessment of credit bureau "Creditinfo Lietuva") (9-10, 7-8, 5-6, 3-4, 1-2), which has 8 percent in the final credit risk assessment. weight (ie the applied coefficient is 0.08);
 - 56.15. Business plan (analysis of expected financial flows and planned profitability is calculated for the planned 1 (one) euro of the price of purchased shares, proportional to the amount of acquired shares, during 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 8 percent in the final credit risk assessment. weight (ie the applied factor is 0.08).

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

- 57. In order to ensure that the reliability of the Project owner is properly assessed and human errors are eliminated as much as possible (for example, when calculating the credit score), the Company implements the following measures:
 - 57.1. **A standardized automatic credit score calculation form is used.** The evaluator calculates the credit score of the Project owner using the standardized excel form approved by the Company (financial indicators are entered manually and the credit score is automatically calculated);
 - 57.2. **The principle of "four eyes" is introduced.** After the evaluator calculates the creditworthiness score of the Project owner and after the final evaluation of the Project owner's reliability, 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 of the calculations and assessment submitted to him (among other things, he makes sure that the credit score has been calculated correctly based on the available data). If inaccuracies are noticed during the inspection, the employee of the Company performing the inspection passes them to the original Assessor for correction (after the correction, a repeated review procedure is performed);
 - 57.3. **validation of the assessment process.** After the final inspection 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 performed the inspection. In this case, it is considered that the Company has properly performed the procedure for assessing the reliability of the Project owner.
- 58. 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 relevant Project owner (if such a transaction was concluded) or from the date of receipt of this data (if the transaction was not concluded. Legal acts, regulating the legal protection of personal data and the storage of documents, may set longer data storage terms.
- 59. The company ensures that the Rules 58 Mr. during the specified data storage period, it would be possible to review and check the information collected and evaluated during the reliability assessment of the Project Owner at any time. 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 TERMS

60. For the project owner seeking financing on the Platform, the loan price is determined taking into account the following criteria: (i) credit risk; (ii) the loan period; (iii) the principal amount of the loan; (iv) the repayment structure of the loan over time. Below, the Company provides an explanation of how these elements are evaluated in determining the loan price for the Project Owner.
61. **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:**

Credit rating	Loan term			
	Up to 12 months	From 12 to 24 months.	From 24 to 36 months.	From 36 months
A (low risk)	9-11 percent	10-12 percent	11-12.5 percent	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 percent	15.5-17 percent
D (high risk)	15-17 percent	16-18 percent	17-18.5 percent	>17.5 percent

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

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

63. **Thirdly, the Company also takes into account the structure of loan repayment installments in terms of time. The Company basically uses two methods of structuring the repayment of the loan: (i) the loan can be repaid in equal periodic installments (eg, paid monthly) or (ii) the principal amount of the loan can be repaid at the end of the loan term. When applying the second method, the Company assumes that various circumstances (including economic changes) may occur during the term of the loan, as a result of which there is an additional risk that the Project Owner will not be able to properly fulfill its obligations. Accordingly, applying the second method, the Company may add 0.5 percent to the loan price. interest. The Company also takes into account the totality of loan collateral and, in addition to other loan collateral in the case of real estate mortgage, the Company may deduct 0.5 percent when calculating the loan price. interest.**
64. It should be noted that the provisions of the Regulation and the legal acts implementing it also provide for the possibility to use other criteria when calculating the loan price, including: (i) risk-free rate of return; (ii) availability of collateral; (iv) fees related to services provided by the Company; (v) other risks related to the Project and/or the Project owner (including market conditions at the time of loan issuance, business strategy, loan value).
65. It should be noted that, when calculating the loan price, the Company does not evaluate the risk-free rate of return or the fees related to the Company's services (these fees are paid at the expense of the Project owner and/or investors, depending on who the relevant fees are applied to, but are not related to the Loan itself, they amount or applicable interest), nor does it discount future payments under the loan agreement. Meanwhile, the presence of security measures is assessed when determining the credit rating of the Project owner/Project, and therefore is automatically included in the loan pricing system.
66. Other risks related to the Project and/or the Project owner are assessed when relevant, therefore

the Company, as provided for in these Rules^{67p.}, may deviate from the general rules for determining loan pricing and other conditions established above. Such risks could be, for example:

- 66.1. The financial position 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, forecasted income;
 - 66.2. certain economic conditions relevant to the individual sector may, in the Company's opinion, have a significant impact on the development of the Project and/or the Project Owner's ability to fulfill its obligations at a specific time;
 - 66.3. The financial position of the Project Owner is good, the Project's prospects are also realistic, but the Project Owner has no experience in implementing analogous or similar Projects, etc.
67. The company also does not adjust the loan price after issuing the loan to the Project owner. The loan may become more expensive for the Project owner only due to the cases provided for in the concluded loan agreement (e.g. the application of late interest or compensatory interest in case of delay in timely and proper fulfillment of obligations, etc.).
68. After the Loan is issued, the Loan may also become more expensive for the Project owner due to other cases provided for in the loan agreement (e.g. the application of late interest or compensatory interest in case of delay in timely and proper fulfillment of obligations, etc.).
69. The criteria for determining loan pricing and other conditions provided for above in the Rules are general, therefore the Company has the right to deviate from this procedure in individual cases and apply individual conditions for determining loan pricing 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 loan pricing requirements, thus ensuring a fair and correct price determination, as required by the Regulation and its implementing legislation.
70. In order to ensure that the loan price applied to the Project owner is fair, the Company takes into account and evaluates the following circumstances, among others:
- 70.1. credit risk rating;
 - 70.2. net present value of the loan:
 - 70.2.1. principal amount of the loan;
 - 70.2.2. loan term;
 - 70.2.3. frequency of loan payments;
 - 70.2.4. an appropriate interest rate to discount future repayments.

IX. REFUSAL TO PUBLISH THE PROJECT

71. The Company refuses to publish the Project on the Platform if at least one of the following conditions exists:
- 71.1. The project owner does not meet the minimum reputation assessment criteria for Project owners approved by the Company, or the credit risk class (class 5) is determined to be too high for the project owner in accordance with the Company's approved Project owner creditworthiness assessment criteria;
 - 71.2. The company lacks information to perform the assessments described in the Rules;
 - 71.3. 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. EVALUATION PROCESS FOR EACH LOAN

72. The company evaluates each loan in at least the following circumstances:
- 72.1. at the time of granting the loan;
 - 72.2. when, in the Company's opinion, it is unlikely that the Project Owner will fully fulfill the obligation to pay the loan, and the Company does not take any relevant collateral realization or other similar actions;
 - 72.3. In case of default of the project owner;
 - 72.4. when the Companies help the investor to withdraw before the end of the loan term.
73. The company ensures that in carrying out these Rules^{72Mr.} the intended loan evaluation would be guided by correct and relevant information at the relevant moment and that the relevant evaluation

would be timely and no older than 3 months before the loan is issued (when the evaluation is performed before the loan is issued).

74. When issuing a loan, the company takes into account at least the following criteria/circumstances when evaluating the loan:
- 74.1. loan term;
 - 74.2. periodicity/frequency of loan installments (payment schedule) and expected cash flows;
 - 74.3. any prepayment option provided for in the loan agreement;
 - 74.4. risk-free interest rate for discounting loan-related payments;
 - 74.5. the interest rate stipulated in the loan agreement;
 - 74.6. The probability of default by the project owner;
 - 74.7. the value of the collateral (if applicable);
 - 74.8. the presence of guarantees and the level at which they ensure the fulfillment of obligations.
75. When performing a loan evaluation after the loan is issued, the Company without these Rules74Mr. the provided criteria additionally takes into account:
- 75.1. the remaining term of the loan (until the end of the loan agreement);
 - 75.2. the probability of possible losses.
76. When performing a loan evaluation of these Rules72.3Mr. in the foreseen case, the Company takes into account the following criteria:
- 76.1. conservative assessment of collateral and/or guarantee;
 - 76.2. other fees and costs related to debt collection.
77. The company determines and approves the loan evaluation algorithm discussed in this section of the Rules, which provides the weight of each criterion and the evaluation methodology, as well as with the help of which the loan evaluation results are calculated and determined. Information about this algorithm is disclosed to Platform investors by publishing it on the Company's website.
78. It should be noted that when the Company helps the lender to withdraw before the end date of the loan (in the case of the Company, this is possible by the investor using the functionality of the bulletin board on the platform administered by the Company), the Company does not set a reference price, since the investor has the right to set the price of the available loan.

XI. STORAGE OF INFORMATION

79. In the course of its activities, the Company collects and stores data related to financing transactions concluded through the Platform managed by the Company.
80. Data related to financing transactions include:
- 80.1. information collected by identifying the Project Owners;
 - 80.2. Information collected during the reliability assessment of the project owner;
 - 80.3. documents related to the Project owner's mortgaged property and other security measures provided;
 - 80.4. any other relevant information related to the financing transaction and/or the Project owner, the Project.
81. The Company of these Rules80Mr. in all cases, the specified data is stored in electronic format, but it may also store paper copies of this data.
82. In relation to each Project owner, the Company opens a Project owner file in which these Rules are kept80Mr. other data related to the relevant Project owner are also specified. The project owner's file is stored in electronic format and the Company ensures that duplicates of such information are also stored in the Company's internal or cloud servers used by the Company.
83. The Company stores information related to the implementation of the financial engineering tool "Concentrated loan "Avieta" and the financing of Projects with the funds of this tool in electronic format and ensures that duplicates of such information are stored in the Company's internal or cloud servers used by the Company.

XII. INTEGRATION OF SUSTAINABILITY RISK

84. Sustainability risk is understood as an environmental, social or management event or situation, the occurrence of which would have a real or possible significant negative impact on the value of investments. Sustainability risk is relevant as a separate risk category and may be relevant as a component of other risks (including market, credit, liquidity risk). The Company follows its approved risk management procedures in the evaluation process of project owners and loans and, accordingly, assesses all risks, including sustainability risks, and factors that may affect the value of investors' investments and performance. Therefore, environmental protection, social welfare and governance may be relevant in specific cases ("**ESG**") **criteria, including sustainability risks related to them, which, as a component of all other risks and factors, may have a real or possible negative impact on the Company's operations or the value of investors' investments, if there is a possibility that a certain loan announced on the Platform is related to with sustainability risks.**
85. The company's goal is not sustainable investment as defined in 2019. November 27 Regulation (EU) 2019/2088 of the European Parliament and of the Council on the disclosure of sustainability-related information in the financial services sector. In addition, the Company's activities are not motivated by environmental or social features or any combination of these features. For these reasons, the sustainability risk is not relevant, in the Company's opinion, it is not relevant when it provides crowdfunding services. Investments related to this financial product do not take into account the criteria of EU environmentally sustainable economic activity according to the 2020 June 18 Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.
86. The Company assesses that the impact of sustainability risk corresponds to the impact of general investment risks (including market, credit, liquidity risks) and does not have a specific impact on the results of loans published by the Company or its Platform and/or the volume of risk assumed by them.
87. Principal adverse impact is understood as the impact of investment decisions that lead to a negative impact on sustainability factors. Since the Company does not promote environmental or social features, and the Company's goal is not sustainable investments, therefore, the negative impact of investment decisions on sustainability factors, as defined in 2019. November 27 Regulation (EU) 2019/2088 of the European Parliament and of the Council on the disclosure of sustainability-related information in the financial services sector is not taken into account.

XIII. FINAL PROVISIONS

88. These Rules come into force from the date of their approval and may be canceled or changed only by order of the Manager.
89. The Evaluator is responsible for the implementation of these Rules. In such a case, if the Appraiser cannot implement the Rules, the Head of the Company is responsible for the implementation of the Rules.
90. For compliance with these Rules is the responsibility of the Manager or his authorized person.
91. Every employee of the Company must be properly familiarized with these Rules in a signed manner.