

RULES FOR ASSESSING THE RELIABILITY OF PROJECT OWNERS

1. GENERAL PROVISIONS

- 1.1. These rules for assessing the reliability of Project Owners of UAB „Finance EU“, legal entity code 306726092, registered office address at Debesijos g. 8-38, Vilnius, Lithuania (the „Company“) (the „Rules“) establish the requirements for assessing the criteria for the reputation of Project Owners and the credit assessment of Projects.
- 1.2. The Company provides intermediation services for lending-based crowdfunding transactions.
- 1.3. The Rules have been prepared in accordance with Regulation (EU) 2020/1503 of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (the „Regulation“) and other applicable legal acts.
- 1.4. Additional provisions (e.g., data sources, credit assessment parameters) applicable to the Polish market are set out in Annex No. 3 to these Rules.

2. DEFINITIONS

- 2.1. The terms used in these Rules have the meanings indicated below, unless the context of their use requires otherwise:
 - 2.1.1. **Company** – UAB „Finance EU“, legal entity code 306726092, registered office address at Debesijos g. 8-38, Vilnius, Lithuania;
 - 2.1.2. **Participant** – a shareholder, member, or other person of the Project Owner who directly or indirectly holds voting rights or share capital equal to or exceeding 20 percent, or who is able to exercise a direct and/or indirect decisive influence over the Project Owner;
 - 2.1.3. **Director** – the head of the Company;
 - 2.1.4. **Client** or **User** – a prospective or existing investor or Project Owner to whom the Company provides or intends to provide crowdfunding services;
 - 2.1.5. **Platform** – a publicly available online information system (www.florrid.com) administered and operated by the Company;
 - 2.1.6. **Supervisory Authority** – the Bank of Lithuania;
 - 2.1.7. **Crowdfunding Offer** or **Project** – a notice provided by the Company in any form and by any means, containing sufficient information on the terms of the offer and the crowdfunding project offered, so as to enable an investor to invest in the crowdfunding project;
 - 2.1.8. **Project Owner** – a natural or legal person seeking to obtain financing through the Platform;
 - 2.1.9. **Regulation** – Regulation (EU) 2020/1503 of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937.
- 2.2. Other terms used in this Policy are understood as they are defined in the Regulation or in other Company documents, unless the context requires otherwise.

3. ASSESSMENT OF THE RELIABILITY OF PROJECT OWNERS

- 3.1. The Company shall take all necessary measures to ensure that the crowdfunding transactions carried out through the Platform and the Project Owners comply with the requirements set out in legal acts. If a Project Owner does not meet the Company's reputation requirements and/or a Project does not meet the Company's credit requirements, the Company shall immediately terminate the publication on the Platform of the Project whose financing does not comply with the requirements of legal acts.
- 3.2. The Company seeks to enable the financing of Projects initiated by a Project Owner that is already operating and has an operating history. Therefore, the Company's approved procedure for calculating Projects' credit scores (Annex No. 2 to the Rules) (the „**Credit Score Calculation Procedure**“) is oriented towards the credit assessment of such Projects, but may also be used in the case of Project Owners that do not have an operating history. All information contained in the

Credit Score Calculation Procedure constitutes the Company's trade secret and is not publicly disclosed.

- 3.3. The Company takes all necessary measures to prevent the Platform from being used for criminal purposes. Where there is reasonable suspicion that the Platform is being used for unlawful purposes, the Company's employees shall inform the competent authorities, terminate the publication and financing of such a Project, and follow the instructions of law enforcement authorities.
- 3.4. The assessment of a Project Owner's reliability carried out by the Company consists of:
 - 3.4.1. assessment of the reputation of the Project Owner, its manager, and Participants;
 - 3.4.2. credit assessment of the Project.
- 3.5. Having regard to the information provided by the Project Owner and available to the Company, the Company shall assess the objectively foreseeable material factors that may affect the reliability of the Project Owner.
- 3.6. The Company shall retain the information, data, and documents collected (assessed) during the assessment of the Project Owner's reliability for 10 years from the date of conclusion of the crowdfunding transaction (if such a crowdfunding transaction was concluded) or from the date of receipt of such data (if no crowdfunding transaction was concluded), unless other legal acts governing the legal protection of personal data and the retention of documents establish longer retention periods. The Company shall ensure that, at any time during the said data retention period, it is possible to review and verify the information collected and assessed during the assessment of the Project Owner's reliability. All written information related to the process of assessing the Project Owner's reliability shall be stored in the electronic file for the assessment of the Project Owner's reliability.

4. ASSESSMENT OF THE REPUTATION OF PROJECT OWNERS

- 4.1. The Company shall approach the Project Owner in order to assess information about:
 - 4.1.1. the Project Owner itself; and
 - 4.1.2. the manager and Participants of the Project Owner (a legal person).
- 4.2. When assessing the reputation of Project Owners, the Company's employees rely on the documents and information provided by the Project Owner, its manager, and Participants, as well as on information collected by the Company's employees.
- 4.3. When assessing reputation, the Company collects data from the following sources:
 - 4.3.1. the Project Owner, its manager, and Participants must complete the questionnaire set out in Annex No. 1 to these Rules, thereby providing information about their reputation;
 - 4.3.2. the Company's employees additionally verify, to the maximum extent possible, publicly available and published information about the Project Owner, its manager, and Participants, and also check databases available to the Company (for example, the Creditinfo system ("Creditinfo") administered by UAB „Creditinfo Lietuva“, information available in the registers administered by the State Enterprise Centre of Registers (Real Estate Register, Register of Legal Entities, Register of Property Seizure Acts), data provided by the Wanted Persons Register administered by the Information Technology and Communications Department, as well as other reliable databases lawfully accessible to the Company);

Note: The provisions of Clause 4.3.2 of the Rules applicable to Polish Project Owners are set out in Clause 1 of Annex No. 3 to the Rules.
 - 4.3.3. If necessary, the Company's employees may additionally request the submission of further documents, written explanations, and other information that was not indicated in the completed questionnaire and/or that is necessary for detailing the collected data and dispelling any doubts.
- 4.4. The following circumstances are assessed when evaluating the reputation of the Project Owner:
 - 4.4.1. the person's criminal record or a pre-trial investigation initiated for financial crimes or criminal misdemeanours, intentional bankruptcies, other serious or very serious crimes

and/or criminal misdemeanours (or corresponding criminal acts under the criminal laws of other states);

- 4.4.2. whether there is data confirming that the person being assessed does not, or previously did not, fulfil creditor obligations;
 - 4.4.3. litigation history;
 - 4.4.4. legal violations related to dishonesty and/or fraud, and other legal violations (in particular where they involve violations of legal acts governing the activities of legal entities, the Project Owner's field of activity, corporate bankruptcy, insolvency, or consumer protection);
 - 4.4.5. recognition and experience in the Project Owner's field of activity;
 - 4.4.6. publicly available published information about the reputation of the Project Owner, its manager, and Participants;
 - 4.4.7. other circumstances relevant to the assessment of the reliability of the Project Owner's reputation.
- 4.5. Project Owners seeking to publish Projects on the Platform must be of impeccable reputation. The reputation of a Project Owner shall be deemed impeccable if there is no data confirming adverse information about the reputation of the Project Owner, its manager, or Participants, and there is no reasonable ground to doubt the Project Owner's reputation.
- 4.6. In order to assess the reputation of the Project Owner, the Company shall take the following steps:
- 4.6.1. first, the Company's employees collect information about the Project Owner's manager and its Participants;
 - 4.6.2. second, the Company's employees assess the collected information to determine whether the Project Owner's reputation meets the minimum reputation requirements (the „**Minimum Reputation Requirements**“). The Project Owner's reputation cannot be considered impeccable and compliant with the Minimum Reputation Requirements if the Company's employees have grounds to believe that:
 - 4.6.2.1. there are, concerning the Project Owner, its manager, and/or Participant, entries in the register of convictions related to violations in the fields of national commercial law, bankruptcy law, financial services law, anti-money laundering law, anti-fraud law, or professional liability duties;
 - 4.6.2.2. the Project Owner, its manager, and/or Participant is established/resident in a country or territory that is considered a non-cooperative country or territory under the relevant European Union policy, or a high-risk third country under Article 9(2) of Directive (EU) 2015/849;
 - 4.6.2.3. there exists at least one of the following negative reputation factors directly attributable to the Project Owner, its manager, and/or Participant:
 - 4.6.2.3.1. at the time of assessment, the person is late in repaying significant amounts of debt (the total amount of improperly performed debt obligations exceeds EUR 10,000), except where the Company has sufficiently reasoned and objective information allowing it to conclude that the Project Owner's reputation should not be assessed negatively on account of overdue obligations, e.g., the obligations are disputed (e.g., pre-trial/court disputes are ongoing regarding the relevant obligations); the person seeks to refinance existing obligations and its creditworthiness gives sufficient grounds to believe that its ability to repay the loan is adequate, and other similar cases);
 - 4.6.2.3.2. within the last 2 years, bankruptcy or restructuring proceedings have been initiated against the person and/or there is reasoned data about planned bankruptcy or restructuring proceedings;
 - 4.6.2.3.3. at the Company's request, the person refuses to provide (or fails to provide within a reasonable period set by the Company) written explanations regarding negative information about the person found by the Company;

- 4.6.2.3.4. the Project Owner's activity is related to currency exchange, pawnshops, gambling, nightclubs, trading in virtual currency, or weapons.
- 4.6.3. Third, if the Minimum Reputation Requirements are met, the Company's employees, when assessing the collected information, shall determine whether there is knowledge of the existence of additional negative reputation factors (the „**Additional Negative Reputation Factors**“). When assessing the Additional Negative Reputation Factors, the Company's employees shall analyse whether the Project Owner, its manager, or Participant:
 - 4.6.3.1. within the last 1 year, has been more than 5 times late in fulfilling its financial obligations (regardless of their amount);
 - 4.6.3.2. within the last 2 years, has been at least once involved in judicial proceedings as a defendant or has lost at least one court dispute (as a defendant) in which the amount claimed constituted at least 50 percent of the amount sought to be financed on the Company's platform;
 - 4.6.3.3. within the last 3 years, it (if a legal person), or the companies it manages (managed) or owns (owned), has declared bankruptcy or restructuring proceedings, or an investigation has been initiated under Article 2.124 of the Civil Code, or corresponding proceedings under the legal acts of a foreign state;
 - 4.6.3.4. within the last 3 years, it has been subject to an administrative penalty or another measure of influence provided for by law for a gross violation of a requirement of a law or other legal act governing the provision of financial services or the activities of financial institutions, or for a violation of the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania;
 - 4.6.3.5. negative information about the persons is found in reliable media (e.g., journalistic investigations concerning possible violations of legal acts), and the person does not substantially refute this information in its additional explanations;
 - 4.6.3.6. a significant amount of negative reviews by other persons about these persons (as businesspersons), or about the legal entities managed or controlled by these persons, is found in the public domain, and the person does not substantially refute this information in its additional explanations;
 - 4.6.3.7. the Company has other information about the Project Owner, its manager, or Participant that poses a reputational risk, and the person does not substantially refute this information in its additional explanations.
- 4.7. Having carried out the reputation assessment, the Company shall adopt one of the following decisions:
 - 4.7.1. if the Project Owner, its manager, and/or Participant does not meet the Minimum Reputation Requirements, the Project Owner shall be deemed not to be of impeccable reputation and the corresponding Project may not be published on the Platform; or
 - 4.7.2. if the Company's employees determine that the Minimum Reputation Requirements are met and there are no Additional Negative Reputation Factors, the final level of risk of the Project Owner shall be deemed to be determined solely by the further Project credit assessment process.
- 4.8. If the Project Owner publishes a Project on the Platform again, the Company must re-verify the information provided by the Project Owner and its reliability in the manner set out in these Rules.

5. CREDIT SCORE CALCULATION METHOD

- 5.1. Before publishing a Project on the Platform, the Company's employees shall also assess the Project Owner's and the Project's credit assessment, which includes the assessment of the Project Owner's financial situation, the Project, and security measures.
- 5.2. The Company uses the following assessment methods for the credit assessment of the Project Owner and the Project:

- 5.2.1. statistical models, based on past financial performance;
- 5.2.2. evaluative models, based on the assessment of the business plan and its prospects, the assessment of financial forecasts, the assessment of reputation, and the like;
- 5.2.3. automatic models (e.g., reports generated by CreditInfo);
Note: The provisions of Clause 5.2.3 of the Rules applicable to Polish Project Owners are set out in Clause 2 of Annex No. 3 to the Rules.
- 5.2.4. The Company's credit assessment model is designed so as to take into account financial factors (the Project's profitability; the cash flow generated in the course of the Project; the Project Owner's financial leverage, level of indebtedness, and solvency; the Project Owner's credit history; the ability to provide security or guarantees) and non-financial factors (macroeconomic conditions; the level of competition in the Project Owner's sector; the Project Owner's knowledge and experience in its sector; the Project Owner's reputation).
- 5.3. The Company continuously assesses the effectiveness of the creditworthiness assessment process and its compliance with applicable requirements, as well as the quality of the creditworthiness assessment and the models used. The person responsible for this assessment/review at the Company is the person performing the Company's compliance function, who carries out a corresponding assessment on a regular basis (at least once a year).
- 5.4. When assessing the Project's credit score, the Company's employees shall:
 - 5.4.1. collect information about the Project Owner's financial condition, including information about its liabilities and assets, profitability, etc.;
 - 5.4.2. assess whether the Project Owner's ability to fulfil financial obligations to funders within the set deadlines is realistic, and whether the Project Owner's planned income will be sufficient to fulfil the obligations assumed under the crowdfunding transaction;
 - 5.4.3. verify that no bankruptcy and/or restructuring proceedings have been initiated against the Project Owner, its manager, or Participants;
 - 5.4.4. if a third party seeks to provide security obligations for the Project Owner (e.g., a suretyship, guarantee, promissory note, etc.), the credit risk of such person shall be assessed *mutatis mutandis* in the same manner as that of the Project;
 - 5.4.5. if the loan agreement is secured by a pledge, assess the condition, value, degree of encumbrance, liquidity, liquidation value, and other relevant parameters of the pledged asset;
 - 5.4.6. assess the Project itself, its scale and justification within the Project Owner's activities;
 - 5.4.7. assess the purpose of the loan sought;
 - 5.4.8. assess the Project Owner's ownership (shareholder) structure;
 - 5.4.9. assess the business plan submitted by the Project Owner in relation 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 similar types of projects; (ii) the soundness and reliability of the business plan; (iii) an analysis of the Project's *strengths and weaknesses*; (iv) the competition existing in the relevant business sector; (v) the type of the Project Owner's clients and their geographic location.
- 5.5. When assessing the Project's credit score, the Company's employees shall rely on the information and documents provided by the Project Owner (and, where relevant, other third parties, e.g., guarantors) and on data collected by the Company's own employees.
- 5.6. In order to assess the Project's credit risk under Clause 5.1 of these Rules, the Company shall also assess the information and confirmations that the Project Owner provides by completing the standardised questionnaire form prepared by the Company, the Project Owner's application for a financing transaction, and by responding to other inquiries addressed by the Company to the Project Owner (if any). In all cases, the Company must collect at least the following information from the Project Owner:
 - 5.6.1. contact details:

- 5.6.1.1. of the Project Owner: name, company code, registered and actual seat address, e-mail, telephone number (if the Project Owner is a natural person – a businessperson: name, surname, personal identification number, place of residence and place of business, basis for conducting business, e-mail, telephone number);
- 5.6.1.2. of the Project Owner's manager: name, surname, residential address, e-mail, telephone, position;
- 5.6.1.3. of the Project Owner's Participants: company name, company code, registered office address, shareholding held, contact details (e.g., e-mail, telephone); for natural persons – name, surname, personal identification number, shareholding held, contact details (e.g., e-mail, telephone);
- 5.6.1.4. if security measures are provided by a third party, contact details concerning that third party shall be collected in the same manner as for the Project Owner.
- 5.6.2. the Project Owner's (and, if any, the guaranteeing or surety third party's) confirmed audited financial statements for the last three years, together with information and documents on assets owned and cash flows, except where the Project Owner has not been established or has not started conducting business, if the Project Owner (and the guaranteeing or surety third party) does not have audited financial statements, the Company must require financial statements signed by both the manager of the relevant legal person and its accountant, as well as information and documents on assets owned and cash flows. Among other things, information is collected on the amount of the Project Owner's outstanding loans and other obligations, their currency, the terms of the relevant loans and obligations, their repayment schedules, and the applicable interest or other types of compensation. If the Project Owner (and the guaranteeing or surety third party) does not have audited financial statements, the Company shall require the submission of documents substantiating the Project Owner's financial position, prepared by a certified person subject to a professional quality assurance system (e.g., a tax consultant, accountant, or similar);
- 5.6.3. the Project Owner's projected income and operating cash flows related to the Project sought to be financed. The Company assesses the Project Owner's projected income and operating cash flows under (a) an optimistic, (b) a base, and (c) a pessimistic scenario. The Company considers the optimistic scenario to be the income and operating cash flow forecasts provided by the Project Owner itself. The base and pessimistic scenarios, in turn, are calculated by the Company by reducing the optimistic scenario by 10 and 20 percent, respectively. The Company then calculates the average of the income and operating cash flows forecast under all three scenarios and uses the resulting figures to calculate creditworthiness in accordance with its approved Credit Score Calculation Procedure (Annex No. 2 to the Rules);
- 5.6.4. the income received from the Project and the cash flow generated over the last two years (if such information is available);
- 5.6.5. information on the amount of the Project Owner's outstanding loans and other obligations, their currency, the terms of the relevant loans and obligations, their repayment schedules, and the applicable interest or other types of compensation;
- 5.6.6. the Project Owner's projected financial statements;
- 5.6.7. the security measures offered by the Project Owner, including information on the value and valuation of the security measures and the possibilities of realising the relevant security measures in the event of enforced recovery.
- 5.6.8. if the Project Owner (and/or the guaranteeing or surety third party) is a natural person – a businessperson, documents are requested, where necessary, substantiating the structure of income and expenses from the business carried out over the last three years (or, if the business has been conducted for a shorter period, for that shorter period), together with a statement of its main bank account for a period of not less than 12 months (except where the business has been conducted for less than 12 months), as well as the structure of its assets and assumed obligations;
- 5.6.9. a written explanation of currently known (or anticipated) circumstances that may have a negative impact on the Project Owner's financial indicators or business operations in the future.

- 5.7. In order to assess information about the Project Owner's (and, if any, the third party providing security's) financial condition and ability to fulfil financial obligations, the Company's employees also use access to reliable registers available to them:
- 5.7.1. registers administered by the State Enterprise Centre of Registers:
- 5.7.1.1. Register of Legal Entities;
- 5.7.1.2. Information System of Participants of Legal Entities; Mortgage Register;
- 5.7.1.3. Real Estate Register;
- 5.7.1.4. Population Register;
- 5.7.1.5. Register of Property Seizure Acts;
- 5.7.2. the Creditinfo credit bureau system administered by UAB „Creditinfo Lietuva“.
- Note: The provisions of Clause 5.7 of the Rules applicable to Polish Project Owners are set out in Clause 3 of Annex No. 3 to the Rules.*
- 5.8. From the data of reliable registers, the Company's employees assess the following in respect of the Project Owner (and the person providing security, if any):
- 5.8.1. financial situation: amount of income, sources of income, their diversity, sustainability, profitability, possible future changes;
- 5.8.2. operating history and information on current and past improper performance of financial obligations;
- 5.8.3. existing and planned obligations (if the Company is aware or should be aware of them);
- 5.8.4. the impact of known circumstances on the Project Owner's economic and financial situation and the Project Owner's ability to properly fulfil financial obligations throughout the entire term of the loan agreement.
- 5.9. If the data provided by the Project Owner differs from the data obtained by the Company from databases, the data on the basis of which the Project's credit assessment would be more conservative shall be used for the Project's credit assessment.
- 5.10. The sources of data collected by the Company for creditworthiness assessment purposes are set out in detail in the table below:

Data collected	Data source(s)
information about the Project Owner's financial condition, including information about its liabilities and assets, profitability, etc.	Project Owner / Register of Legal Entities / Mortgage Register / Real Estate Register / Register of Property Seizure Acts / Creditinfo credit bureau system / publicly available information on the internet
Project Owner's contact details	Project Owner
the Project Owner's (and, if any, the guaranteeing or surety third party's) confirmed (audited) financial statements for the last three years, and information and documents on assets owned and cash flows	Project Owner (and guaranteeing or surety third party) / Register of Legal Entities / Real Estate Register / Creditinfo credit bureau system / publicly available information on the internet
Project Owner's projected income and cash flows related to the Project sought to be financed	Project Owner
Project Owner's projected financial statements	Project Owner
security measures offered by the Project Owner, including information on the value and valuation of the security measures	Project Owner / Real Estate Register / independent property valuer

if the Project Owner (and/or the guaranteeing or surety third party) is a natural person – a businessperson, documents substantiating the structure of income and expenses from the business carried out over the last three years	Project Owner / State Tax Inspectorate (the Project Owner (and/or the guaranteeing or surety third party) must provide confirmed income declarations) / Creditinfo credit bureau system
written explanation of currently known (or anticipated) circumstances that may have a negative impact on the Project Owner's financial indicators or business operations in the future	Project Owner

Note: The provisions of Clause 5.10 of the Rules applicable to Polish Project Owners are set out in Clause 4 of Annex No. 3 to the Rules.

- 5.11. The Company periodically updates information about the security measures provided for the loan (i.e., at least once a year it requires the Project Owner (or a third party, if a third party provides security for the Project Owner's obligations) to submit an updated valuation of the pledged assets. With the same periodicity, the Company must also update information about persons who have provided other types of security measures for the Project Owner's obligations (e.g., a suretyship, promissory note, guarantee, or the like).
- 5.12. Where assets are pledged to secure the Project Owner's obligations, the Company requires the Project Owner to provide a valuation of the assets performed by an independent property valuer in accordance with the procedure established by legal acts, which must include at least the following information:
 - 5.12.1. in the case of financial assets – the last available price and the average price over the last 12 months in a liquid market;
 - 5.12.2. in the case of physical collateral – the latest available market value;
 - 5.12.3. whether there is a market in which the asset can be easily liquidated;
 - 5.12.4. possible deviations in the value of the pledged asset.
- 5.13. The Company does not accept security (pledged assets) whose value cannot be determined and/or for which there is no corresponding market. The Company also ensures that the asset remains pledged for the entire term of the loan agreement until the Project Owner has properly fulfilled its obligations.
- 5.14. Where a third party guarantees or acts as surety for the Project Owner's obligations, the Company must identify that third party and assess its creditworthiness and reliability (in the same manner as for the Project) in accordance with the procedure set out in these Rules, thereby determining whether the loan amount could be recovered from the relevant third party if the Project Owner fails to properly fulfil its obligations, i.e., whether the relevant third party has sufficient assets to cover the Project Owner's obligations. The Company shall also assess the guarantee/suretyship, taking into account the following information:
 - 5.14.1. the identity of the guarantor/surety;
 - 5.14.2. the type of guarantee/suretyship;
 - 5.14.3. the enforceability of the guarantee/suretyship;
 - 5.14.4. the level of protection afforded by the guarantee/suretyship;
 - 5.14.5. the amount that the guarantor/surety undertakes to pay in the event of the Project Owner's default or failure to repay the loan.

6. ASSIGNMENT OF A CREDIT SCORE TO THE PROJECT

- 6.1. Having collected the necessary information, the Company shall individually assess each Project, the persons securing the Project Owner's obligations, and the security measures (if any). The Company's employees must ensure the objectivity of the assignment of the credit score to the Project, i.e., that each Project is assessed according to the same assessment criteria and standards approved in the Rules.

- 6.2. In assigning a credit score to a Project, the Company seeks to assess the probability of loss to the funder. The Company classifies the credit risk of Projects according to the following ratings (from the lowest to the highest risk):
- 6.2.1. **A+** (assigned when the total score calculated for the Project reaches from 93 (inclusive) to 100 (inclusive)) – lowest credit risk;
 - 6.2.2. **A** (assigned when the total score calculated for the Project reaches from 87 (inclusive) to 92 (inclusive)) – very low credit risk;
 - 6.2.3. **A-** (assigned when the total score calculated for the Project reaches from 80 (inclusive) to 86 (inclusive)) – low credit risk;
 - 6.2.4. **B+** (assigned when the total score calculated for the Project reaches from 70 (inclusive) to 79 (inclusive)) – below-average credit risk;
 - 6.2.5. **B** (assigned when the total score calculated for the Project reaches from 55 (inclusive) to 69 (inclusive)) – average credit risk;
 - 6.2.6. **B-** (assigned when the total score calculated for the Project reaches from 35 (inclusive) to 54 (inclusive)) – above-average credit risk;
 - 6.2.7. **Unsuitable** (assigned when the score calculated for the Project is equal to or less than 34 (points)) – excessively high credit risk.
- 6.3. A credit score is assigned to Projects after assessing, among other things, the non-financial and financial factors related to the Project and the Project Owner:
- 6.3.1. **Non-financial factors:**
 - the Project Owner's knowledge and experience** – this factor is assessed with regard to the information provided by the Project Owner and publicly collected by the Company on the Project Owner's years of experience in the specific sector of the Project, or the scope of Projects successfully completed by the Project Owner. The factor has a 9% influence on the final creditworthiness risk rating;
 - the Project Owner's reputation** – this factor is assessed on the basis of the documents and information provided by the Project Owner, its manager, and Participants, and information publicly available and published, collected by the Company's employees, as well as by checking accessible databases (for example, in Lithuania: the Information System of Participants of Legal Entities, the Register of Legal Entities, Creditinfo, checking published information about related court cases, etc.; in Poland: the Information System of Participants of Legal Entities, the Register of Legal Entities, the Krajowy Rejestr Sądowy (National Court Register), checking published information about related court cases, etc.). The factor has a 6% influence on the final creditworthiness risk rating;
 - the Project's competitive environment** – this factor is calculated with regard to changes in the net profit margin of the Project's sector over the last two years, based on publicly available information about the history of comparable projects. The factor has a 6% influence on the final creditworthiness risk rating;
 - Macroeconomic conditions** – this factor is calculated with regard to the general economic environment in Lithuania or Poland, including the dynamics of interest rates, the level of inflation, and changes in gross domestic product (GDP). The assessment uses official statistical data (e.g., indicators published by the state statistics agencies of the Republic of Lithuania or the Republic of Poland or by the European Central Bank), and information provided in the Project's business plan about the economic situation in the Project's jurisdiction is also analysed. The factor has a 4% influence on the final creditworthiness risk rating.
 - 6.3.2. **Financial factors:**
 - the Project Owner's credit history** – this factor is calculated with regard to the Project Owner's past performance of obligations. The assessment analyses data from credit bureaus (e.g., in Lithuania: „Creditinfo“, in Poland: „BIG InfoMonitor“) on payments made or not made on time, the extent and duration of overdue obligations, and also takes into account the history of repayment of previous loans and general payment discipline. The factor has an 8% influence on the final creditworthiness risk rating;

the Project's profitability – this factor is assessed by the Project's Net Profit Margin indicator, which is calculated with regard to the income and expenses envisaged in the Project's business plan. In assessing the Project's profitability, alternative profitability indicators may also be taken into account, such as the Project Owner's earnings before interest, taxes, depreciation, and amortisation (EBITDA) margin, or the Project Owner's Return on Assets. The factor has a 10% influence on the final creditworthiness risk rating;

the cash flow generated by the Project – this factor is assessed by the ratio of the Project's projected cash flows to payable obligations (Debt Service Coverage Ratio), which is calculated with regard to the cash flow forecast provided for in the Project's business plan and the total amount of financing obligations payable over the entire financing term of the Project. The factor has a 20% influence on the final creditworthiness risk rating;

the Project Owner's financial leverage and solvency – this factor is assessed by the Equity Ratio indicator, which is calculated by assessing the ratio of the Project Owner's equity to all planned Project expenses. Alternatively, this factor may be assessed by the debt-to-equity ratio. The factor has a 12% influence on the final creditworthiness risk rating;

Security measures and guarantees – this factor is assessed by the loan-to-value (*LTV*) ratio of the pledged asset to the debt, the liquidity ratio of the pledged asset, and the reliability of any additional suretyship provided (if any). The values of these indicators are determined by the market price, type, geographic location, market demand, realisation term, and price stability of the pledged asset, as well as the financial capacity of the surety. The factor has a 25% influence on the final creditworthiness risk rating.

- 6.4. **6.3**The Company's employees shall assess all the criteria and their assigned coefficients specified in Clause **Error! Reference source not found.** of the Rules. In assessing these criteria, the Company's employees use the Credit Score Calculation Procedure (Annex No. 2 to the Rules), which sets out the algorithm for calculating the final creditworthiness score.
- 6.5. In addition to the criteria specified in Clause 6.3 of these Rules, the Company may, in individual cases, also assess other information that may be relevant and important for assessing the Project's credit score. Additional information is assessed in accordance with the Credit Score Calculation Procedure. In such a case, the Company's employees shall indicate in detail, in the Project's credit assessment form (submitted together with the Credit Score Calculation Procedure), the additional circumstances and their impact on the Project's credit level.
- 6.6. In assessing the final credit score of the Project, factors related to the security measures provided are also taken into account (these factors are assessed in accordance with the Credit Score Calculation Procedure).
- 6.7. Having carried out the Project's credit assessment, the final credit score is calculated and the Company assigns the Project one of the ratings provided for in Clause 6.2 of the Rules (in accordance with the Credit Score Calculation Procedure). The result of the Project's credit assessment, which is also provided to the investor, includes the credit score assigned to the Project, an explanation of how that score was calculated and assigned to the Project, and the acceptability of the relevant Project for financing on the Company's Platform (having regard to Clause 6.2 of the Rules).
- 6.8. A Project may not be published on the Platform unless it is assigned at least a B- credit score.
- 6.9. In all cases, Projects published on the Platform must meet all of the following requirements:
 - 6.9.1. in all cases, the ratio (*LTV*) of the amount of financing (loan) sought and the security measures provided may not exceed 85% (i.e., the security measures must in all cases cover at least the entire loan amount);
 - 6.9.2. the maximum permissible term of the loan agreement is 60 months;
 - 6.9.3. a suitable Project credit score ranges from A+ to B-.
 - 6.9.4. the maximum amount financed is up to EUR 5 million.
 - 6.9.5. no bankruptcy or restructuring proceedings have been initiated (and there is no reasoned data about planned proceedings) against the Project Owner (and the person providing security for the obligations, if any).
 - 6.9.6. The maximum loan amount and loan term that may be granted to the Project Owner shall be determined according to the assigned Project credit rating:

Credit score	Loan amount	Loan term
A+, A	Up to 85% of the value of the pledged asset	Up to 5 years
A-, B+	Up to 85% of the value of the pledged asset	Up to 4 years
B, B-	Up to 80% of the value of the pledged asset	Up to 3 years

- 6.10. The employee assessing the Project shall, when carrying out the creditworthiness assessment, complete the Project's credit assessment form provided together with the Credit Score Calculation Procedure. The completed Project's credit assessment form, signed by the responsible employee, together with the supporting documents and data (sources), shall be retained for the periods established in Clause 3.6 of these Rules.
- 6.11. In such a case, if Project Owners are given the opportunity to change the security measures during the course of the Project, the Company shall ensure that the relevant asset and/or the other security measures provided are not of lesser value than the Project Owner's previous obligations and/or security measures. In all cases, such changes to the pledged assets and/or other security measures are not permitted if they would result in a lower credit score being assigned to the Project.
- 6.12. It should be noted that the Company will only enter into business relations with Project Owners after the Company, in accordance with its established internal procedures, has carried out proper due diligence on the Project Owner in the manner set out in the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania and the legal acts implementing it. In all cases, the Company does not intend to enter into business relations with clients posing a higher/more significant risk of money laundering and/or terrorist financing. Accordingly, when assessing the Projects' credit level, the Company will not take into account the money laundering and/or terrorist financing risks or threats posed by Project Owners, since, in the Company's assessment, they will not have a material impact on the Project's credit level.
- 6.13. Having carried out the Project's credit assessment and adopted a positive decision on the publication of the Project on the Platform, the Company discloses at least the following information to investors:
- 6.13.1. the Project's credit score;
 - 6.13.2. a clear description and details of how the Project's credit assessment was carried out;
 - 6.13.3. the probability of the Project Owner's default (e.g., according to data provided by Creditinfo, Scorify, or similar);
- 6.14. The Company regularly (at least once a year) updates information about the Project's credit assessment. The Company also immediately informs investors of any changes to the credit assessment process that may have a material impact on the results of the credit assessment process.

7. PROCEDURE FOR DETERMINING THE LOAN PRICE AND OTHER TERMS

- 7.1. For a Project Owner seeking financing on the Platform, the loan price is determined with regard to the following criteria:
- 7.1.1. the base interest rate;
 - 7.1.2. the Project's credit score;
 - 7.1.3. the loan term;
 - 7.1.4. the principal loan amount;
 - 7.1.5. the structure of the loan repayment instalments over time.
- 7.2. The loan price applicable to the Project Owner is determined with regard to the following elements:
- 7.2.1. in calculating the loan price, the base 12-month EURIBOR interest rate is taken into account, to which additional interest is added, determined according to the Project's credit score and the anticipated loan term:

Credit score	Loan term			
	Up to 12 months	From 12 to 24 months	From 24 to 36 months	From 36 months
A+, A	5–6%	6–7%	7–8%	8–9%
A-, B+	6–7%	7–8%	8–9%	9–10%
B, B-	7–8%	8–9%	9–10%	11–12%

Note: The provisions of Clause 7.2.1 of the Rules applicable to Polish Project Owners are set out in Clause 5 of Annex No. 3 to the Rules.

- 7.2.2. Having regard to the principal loan amount and the Project's credit score, the Company may apply additional interest on top of the loan price indicated above:

Credit score	Loan amount	
	From 1 to 3 million EUR	From 3 million EUR
A+, A	+ 0.5%	+ 1.0%
A-, B+	+ 0.7%	+ 1.2%
B, B-	+ 1.0%	+ 1.5%

- 7.2.3. Having regard also to the structure of the loan repayment instalments over time, the Company applies two loan repayment instalment structure methods: (i) the loan may be repaid at the end of the term (the Project Owner repays the loan, interest, and administration fees at the end of the term. Investors are paid the invested amount and interest at the end of the loan term), or (ii) the annuity method (the Project Owner pays equal instalments throughout the entire loan term, consisting of the loan principal being repaid, interest, and administration fees. Investors are paid part of the invested amount and interest periodically). Accordingly, when applying the first method, the Company may, when calculating the loan price, add up to 0.5% additional interest.
- 7.3. It should be noted that 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 existence of security measures; (ii) fees related to the services provided by the Company; (iii) other risks related to the Project and/or the Project Owner (including market conditions at the time of loan issuance, business strategy, and the value of the loan).
- 7.4. It should be noted that, in calculating the loan price, the Company does not assess the risk-free rate of return or fees related to the Company's services (these fees are covered by the Project Owner and/or investors, depending on to whom the relevant fees are applied, but are not related to the Loan itself, its amount, or the applicable interest), nor does it discount future payments under the loan agreement. Meanwhile, the existence of security measures is assessed when determining the Project's credit score, and is therefore inherently and indirectly incorporated into the loan pricing system as well. Other risks related to the Project and/or the Project Owner are assessed where relevant, and accordingly, the Company, as provided for in Clause 7.2 of these Rules, may depart from the general loan pricing and other terms rules established above. Such risks could be, for example:
- 7.4.1. the Project Owner's financial position, having regard to the information collected during the assessment of the Project's credit score, is good, but the Company has doubts about the feasibility of the business plan or the planned cash flows and forecasted income;
- 7.4.2. certain economic conditions relevant to the individual sector may, in the Company's assessment, have a material impact at a particular time on the development of the Project and/or the Project Owner's ability to fulfil its obligations;
- 7.4.3. the Project Owner's financial position is good, and the Project's prospects are also realistic, but the Project Owner lacks experience in implementing analogous or similar Projects, and the like.
- 7.5. The Company also does not adjust the loan price after the loan has been issued to the Project Owner. The loan may become more expensive for the Project Owner only due to cases provided for in the loan agreement being concluded (e.g., the application of default interest or compensatory

interest for delays in properly fulfilling obligations on time, or the like). The Company may apply certain fees to the Project Owner after the loan has been issued (e.g., loan administration and monitoring fees, fees related to the administration of security measures, fees for changes to the terms of the loan agreement or restructuring terms, and the like), but these fees may only affect the loan price incurred by the Project Owner, not the return earned by investors.

- 7.6. The loan pricing and other terms-setting criteria set out above in these Rules are general in nature, and the Company therefore has the right, in individual cases, to depart from this procedure and apply individual loan pricing and other terms-setting conditions. In any event, investors are always informed in advance of such cases, being provided with all information about the reasons for departing from the standard loan pricing requirements. In order to ensure fair and appropriate loan pricing, the Company, among other things, takes into account the following factors: (i) the nature of the risk of the Project Owner and the Project; (ii) the net present value of the loan (determined with regard to the principal loan amount, repayment term, frequency of instalment payments, and the appropriate interest rate used to discount future amounts to be repaid); (iii) the market conditions prevailing during the loan issuance process and throughout the term of the loan; (iv) the business strategy.

8. REFUSAL TO PUBLISH A PROJECT

- 8.1. The Company shall refuse to publish a Project on the Platform if at least one of the following conditions exists:
- 8.1.1. the reputation assessment of the Project Owner, its manager, and/or Participant is negative, i.e., the Minimum Reputation Requirements are not met; or
 - 8.1.2. the Project's credit score is too high (unsuitable);
 - 8.1.3. the Company lacks the information needed to carry out the assessments described in the Rules (reputation and/or the Project's credit score); and/or
 - 8.1.4. if the information available to the Company gives grounds to believe that publishing the Project on the Platform would pose a threat to the interests of funders.

9. ASSESSMENT PROCESS FOR EACH LOAN

- 9.1. The Company shall carry out an assessment of each loan at least in the following circumstances:
- 9.1.1. at the time the loan is granted;
 - 9.1.2. when, in the Company's opinion, it is unlikely that the Project Owner will fully perform its obligation to repay the loan, and the Company does not take any corresponding action to realise the security measures or other similar action;
 - 9.1.3. in the event of the Project Owner's default;
 - 9.1.4. when the Company assists an investor to exit before the end date of the loan term.
- 9.2. The Company shall ensure that, in carrying out the loan assessment provided for in Clause 9.1 of these Rules, accurate information relevant to the particular time is used, and that the relevant assessment is timely and not older than 3 months before the loan is issued (where the assessment is carried out before the loan is issued).
- 9.3. At the time of loan issuance, when carrying out the loan assessment, the Company shall take into account at least the following criteria/circumstances:
- 9.3.1. the loan term;
 - 9.3.2. the periodicity/frequency of loan instalments (payment schedule) and the anticipated cash flows;
 - 9.3.3. any option for early repayment provided for in the loan agreement;
 - 9.3.4. the risk-free interest rate used to discount loan instalment payments;
 - 9.3.5. the interest rate provided for in the loan agreement;
 - 9.3.6. the probability of the Project Owner's default, as provided for in the Company's procedure for managing non-performing obligations;
 - 9.3.7. the value of the security measure (where applicable);

- 9.3.8. the existence and level of guarantees securing the performance of obligations.
- 9.4. In carrying out the loan assessment after the loan has been issued, the Company, in addition to the criteria set out in Clause 9.3 of these Rules, shall additionally take into account:
 - 9.4.1. the remaining loan term (until the end of the loan agreement);
 - 9.4.2. the probability of possible losses.
- 9.5. In carrying out the loan assessment in the case provided for in Clause 9.1.3 of these Rules, the Company shall take into account the following criteria:
 - 9.5.1. a conservative valuation of the security measure and/or guarantee;
 - 9.5.2. other fees and expenses related to debt recovery.
- 9.6. The Company shall establish and approve the algorithm for the loan assessment discussed in this section of the Rules, setting out the weight of each criterion and the assessment methodology, by means of which the results of the loan assessment are calculated and determined. Information about this algorithm is disclosed to investors on the Platform by publishing it on the Company's website.

10. INTEGRATION OF SUSTAINABILITY RISK

- 10.1. Sustainability risk is understood as an environmental, social, or governance event or condition that, if it occurred, would cause an actual or potential material negative impact on the value of the investment. Sustainability risk is relevant as a separate category of risk and may also be relevant as a component of other risks (including market, credit, and liquidity risk). In carrying out its assessment process for Project Owners and loans, the Company follows its approved risk management procedures and, accordingly, assesses all risks, including sustainability risk, and factors that may affect the value and performance of investors' investments. Accordingly, in specific cases, environmental, social, and governance („ESG“) criteria may be relevant, including the sustainability risk related to them, which, as a component of all other risks and factors, may have an actual or potential negative impact on the Company's operations or on the value of investors' investments, should the probability materialise that a particular loan published on the Platform is related to sustainability risk.
- 10.2. The Company considers that the impact of sustainability risk is equivalent 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 the loans published on its Platform and/or the extent of the risk assumed by them.
- 10.3. Principal adverse impact (*“principal adverse impact”*) is understood as such an impact of investment decisions that results in a negative impact on sustainability factors. Since the Company is not to be regarded as a financial market participant, 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, the negative impact of investment decisions on sustainability factors is not taken into account.

11. FINAL PROVISIONS

- 11.1. These Rules shall enter into force on the date of their approval and may only be amended or repealed by order of the Director. Following any amendment to these Rules, the latest version thereof shall also be published on the Platform.
- 11.2. The Director shall be responsible for the implementation of and compliance with these Rules.
- 11.3. Every employee of the Company must be properly familiarised, against signature, with these Rules.
- 11.4. The Director or a person authorised by the Director shall periodically, but not less than once a year, review whether the requirements set out in these Rules for assessing the reliability of Project Owners and the acceptability of the type of crowdfunding transaction for the funder are sufficiently effective. In carrying out these functions, the Director or the person authorised by the Director shall at least:
 - 11.4.1. periodically review the provisions of these Rules, propose how to improve them, and ensure their consistency with other internal documents of the Company and with applicable legal acts;

- 11.4.2. inform the Company's employees of new procedures introduced by the Company and advise them on the implementation of specific provisions of the Rules;
- 11.4.3. continuously monitor changes in legal regulation and, where necessary, immediately initiate amendments to the Rules with regard to changes in applicable legal acts.

ANNEX NO. 1

PROJECT OWNER REPUTATION ASSESSMENT QUESTIONNAIRE

[date]

Name of the Project Owner		
Legal form of the Project Owner		
Legal entity code		
Have any of the following circumstances occurred to you, or to a company controlled (previously controlled) by you, or a company of which you are (were) the manager:		
1. have you been (were you) found guilty of committing a serious or very serious crime, or a crime or criminal misdemeanour against property, property rights and property interests, the economy and business order, the financial system, public safety, the civil service and public interests, or corresponding criminal acts under the criminal laws of other states?	Yes ☐	No ☐
2. have you been prosecuted (charged) for a criminal act and/or convicted of a criminal act not covered by point 1, under the criminal laws of the Republic of Lithuania or a foreign state?	Yes ☐	No ☐
3. have you been subject to administrative penalties, disciplinary penalties, and/or other sanctions or measures of influence established by law?	Yes ☐	No ☐
4. do you not fulfil (have you not fulfilled) creditor obligations?	Yes ☐	No ☐
5. have you committed violations related to national rules on commercial law, bankruptcy law, financial services law, anti-money laundering law, anti-fraud law, or professional liability duties?	Yes ☐	No ☐
6. are you established/resident in a country or territory that is considered a non-cooperative country or territory under the relevant EU policy, or a high-risk third country under Article 9(2) of Directive (EU) 2015/849 ¹ ?	Yes ☐	No ☐
If you answered yes to one or more of the above questions, briefly describe the material circumstances, indicating the dates of the event and the relevant decisions.		
Are there any other circumstances relating to you, or to a company controlled (previously controlled) by you, or a company of which you are (were) the manager, that could have a negative impact on your reputation?		
Yes ☐ (briefly describe the relevant circumstances) No ☐		

¹ https://finance.ec.europa.eu/financial-crime/high-risk-third-countries-and-international-context-content-anti-money-laundering-and-counteracting_en

Rules for Assessing the Reliability of Project Owners
approved by UAB „Finance EU“ by Order No. 1 of the Director dated 2026-09-24

Full name

Signature

ANNEX NO. 3

PROVISIONS OF THE RULES FOR ASSESSING THE RELIABILITY OF PROJECT OWNERS FOR THE POLISH MARKET

This annex to the Rules sets out the provisions applicable to Project Owners carrying out activities in the territory of the Republic of Poland. This annex sets out those provisions that differ from the provisions set out above in the Rules, which are oriented towards Project Owners operating in the Republic of Lithuania.

1. The Company's employees additionally verify, to the maximum extent possible, publicly available and published information about the Project Owner, its manager, and Participants, and also check databases available to the Company (for example, the National Court Register of Poland, the Central Register of Business Transactions and Information of Poland, Rejestr.io, the Polish Land and Mortgage Register, the Polish National Register of Debtors (KRZ), the Polish tax debt register, and the like).
2. automatic models (e.g., reports generated by BIG InfoMonitor S.A., Biuro Informacji Kredytowej S.A., Krajowy Rejestr Długów Biuro Informacji Gospodarczej S.A.).
3. In order to assess information about the Project Owner's (and, if any, the third party providing security's) financial condition and ability to fulfil financial obligations, the Company's employees also use access to reliable registers available to them;
 - 3.1. national registers administered by the Polish state;
 - 3.1.1. Central Register of Business Transactions and Information of Poland;
 - 3.1.2. National Register of Debtors (Krajowy Rejestr Zadłużonych);
 - 3.1.3. Land and Mortgage Register;
 - 3.1.4. Fiscal Pledge Register;
 - 3.1.5. Rejestr.io;
 - 3.1.6. National Court Register (Krajowy Rejestr Sądowy);
 - 3.1.7. Polish tax debt register;
 - 3.2. business creditworthiness assessment reports provided by S.A. Biuro Informacji Kredytowej.
4. The sources of data collected by the Company for creditworthiness assessment purposes are set out in detail in the table below:

Data collected	Data source(s)
information about the Project Owner's financial condition, including information about its liabilities and assets, profitability, etc.	Project Owner / Central Register of Business Transactions and Information of Poland / National Court Register / National Register of Debtors / Land and Mortgage Register / Rejestr.io / Biuro Informacji Kredytowej / publicly available information on the internet
Project Owner's contact details	Project Owner
the Project Owner's (and, if any, the guaranteeing or surety third party's) confirmed (audited) financial statements for the last three years, and information and documents on assets owned and cash flows	Project Owner (and guaranteeing or surety third party) / National Court Register / Land and Mortgage Register / Rejestr.io / publicly available information on the internet
Project Owner's projected income and cash flows related to the Project sought to be financed	Project Owner
Project Owner's projected financial statements	Project Owner

security measures offered by the Project Owner, including information on the value and valuation of the security measures	Project Owner / Land and Mortgage Register / independent property valuer
if the Project Owner (and/or the guaranteeing or surety third party) is a natural person – a businessperson, documents substantiating the structure of income and expenses from the business carried out over the last three years	Project Owner / Central Register of Business Transactions and Information of Poland (the Project Owner (and/or the guaranteeing or surety third party) must provide confirmed income declarations) / Rejestr.io
written explanation of currently known (or anticipated) circumstances that may have a negative impact on the Project Owner's financial indicators or business operations in the future	Project Owner (and guaranteeing or surety third party) / accounting services provider of the Project Owner

5. In calculating the loan price, the base 12-month EURIBOR interest rate is taken into account, to which additional interest is added, determined according to the Project's credit score and the anticipated loan term:

Credit score	Loan term			
	Up to 12 months	From 12 to 24 months	From 24 to 36 months	From 36 months
A+, A	7–8%	8–9%	9–10%	10–12%
A-, B+	8–9%	9–10%	10–11%	11–13%
B, B-	9–10%	10–11%	11–12%	12–14%

<https://nbp.pl/en/monetary-policy/mpc-decisions/interest-rates/>