

## **RISKS ASSOCIATED WITH INVESTMENT**

Investing in crowdfunding projects published on the crowdfunding platform operated by the crowdfunding service provider UAB ROIX (hereinafter – **the Company**) is associated with risk and the assumption thereof.

Although the Company undertakes measures to mitigate and manage relevant risks (e.g., by applying strict selection criteria for crowdfunding projects, requiring project owners to secure their obligations by pledging assets or other collateral, etc.), investment-related risks still remain. Due to these risks, investors may lose the funds invested through the crowdfunding platform managed by the Company and/or fail to receive the expected return.

**Investments made through the crowdfunding platform administered by the Company are not covered by the insurance protection provided for in the Law of the Republic of Lithuania on Deposits and Liabilities to Investors.**

The Company identifies the following key risks associated with investing through the Company's crowdfunding platform:

### **1) Risk of non-performance of obligations by project owners and/or persons providing collateral**

The Company assesses the reliability of project owners (and persons providing collateral) before publishing a specific project on its managed crowdfunding platform.

However, this does not guarantee that the project owner will always properly and timely fulfil the crowdfunding agreement. There may be situations where, due to certain reasons (e.g., increased project implementation costs; improperly planned cash flows; unforeseen circumstances during project execution; poor or inefficient organization of the project owner's activities, etc.), the project owner fails to partially or fully meet obligations to the investors.

To mitigate this risk, the Company usually requires the project owner to secure its obligations to investors by means of additional collateral. Such measures reduce the risk of the project owner's failure to fulfil obligations, but do not eliminate it. As a result, investors may incur losses and/or not receive the expected return.

### **2) Risk of changes in the economic, legal, and tax environment**

Some risks that may lead to improper performance by the project owner are associated with changes in economic indicators (e.g., real estate depreciation, decrease in the project owner's income, inflation), as well as changes in legal regulation (e.g., amendments to laws governing lending activities) and changes in the tax system.

The Company aims to continuously monitor and assess relevant indicators and market developments to determine the need to adjust/update its internal procedures in order to better adapt to the changed market conditions.

Despite the measures taken by the Company, certain changes in the economic, legal, and/or tax environment may inevitably result in a situation where the investor incurs losses and/or does not receive the expected return.

### **3) Risks related to collateral**

Typically, investments made by investors in a project are secured by certain types of collateral (e.g., asset pledge, mortgage, promissory note, etc.).

However, there may be cases where the value of the collateral is insufficient to fully cover the obligations of the project owner (e.g., due to changes in the tax system; economic changes in the country; fluctuations in other economic indicators, etc.).

To reduce this risk, the Company regularly monitors the value of collateral, in accordance with its approved procedures. However, this does not eliminate the risk that the collateral will be sufficient to cover the project owner's obligations, and investors may still suffer losses and/or fail to receive the expected return.

#### **4) Risks related to the enforcement of collateral**

If the project owner fails to properly meet its financial obligations, enforcement of the collateral provided by the project owner or other persons in favour of the investors may be initiated.

During enforcement proceedings, problems may arise regarding the liquidity of the assets (e.g., the asset may be harder to sell than expected), which may result in a longer recovery process or a lower amount recovered (which may be insufficient to cover all of the project owner's debts).

#### **Investors should take note of the following:**

Before investing, each investor must carefully assess their investment experience, knowledge, financial situation, and the risks associated with investing.

If you believe you do not understand the potential risks related to the crowdfunding transaction you are entering into, consider consulting specialists or refrain from entering into such a transaction. It is also recommended to consult specialists on all tax-related matters that may be relevant when investing in projects published on the crowdfunding platform administered by the Company.

The Company is not responsible for the accuracy of the information provided by the project owner. The project description, including information related to the project's budget and expected income, is for informational purposes only and may change due to various market conditions. Each crowdfunding transaction may have risks specific to it. Therefore, we recommend that the investor consider not only the general risk descriptions but also other circumstances that may affect the specific crowdfunding transaction being entered into.

The crowdfunding platform administered by the Company is merely a technical tool to help the parties of the crowdfunding transaction conclude their agreements. The Company is not liable to investors for any lost investments and/or unrealized returns.

Please also note that statistical information published on the Company's crowdfunding platform regarding previously concluded crowdfunding transactions should not be considered a reliable indicator for forecasting future investment returns. You should not rely on past performance as a guarantee of future results.