

INFORMATION ON THE METHOD USED BY ESTATEGURU TO SUGGEST THE PRICE OF CROWDFUNDING OFFERS

Estateguru determines the interest rate applicable to each crowdfunding offer published on the Estateguru platform. In this document, we explain which elements of the crowdfunding offer are considered in determining the minimum interest rate that is offered and how these elements are considered.

Once you have invested in a loan, the interest rate is binding. Thus, we suggest you examine the information contained in this document to make sure that the way we price our loans is acceptable for you.

The principal amount of the loan

The interest rate is increased by 0,5 percentage points (pp) if the project's total loan amount is over 0,5 mEUR.

The maturity of the loan

The interest rate is increased by 1,0 pp if loan maturity is over 1,0 years.

The time structure of repayment installments

Not taken into account as Estateguru applies fixed interest rates and issues bullet loans.

The risk category

The interest rate is higher if the loan project is in a higher risk category (has a higher probability of default).

The risk-free interest rate used

The risk free interest rate sets one input to calculate the minimum return for the investors. The higher the risk free interest rate, the higher the interest rate (and return required by the investors). The yield of the 15-year government bond of Germany is used as the risk-free interest rate in our model.

The presence of collateral or guarantees

Generally, a secured loan (a loan that has collateral or guarantees) is priced at a lower interest rate compared to an unsecured loan. This principle may, is irrelevant for investors of the Estateguru platform, as Estateguru only publishes loan projects with real estate collateral.

The operating and administrative costs and fees levied by Estateguru

The only fees currently factoring into loan pricing is the interest rate spread and administration fees (as specified in the price list). The larger the spread withheld as a service fee by Estateguru, the lower the return for the investor. The interest rate spread applicable for each loan can be found in the project description.