



INVESTOR RISK STATEMENT

Estateguru operates an electronic system in relation to lending (the “Platform”), which enables investors to enter into peer-to-peer (P2P) loans with borrowers.

There is no guarantee that you will get back your investment either as a whole or in part. There is a possibility of losing all of the funds invested through the Platform. Below we outline the measures that we take to mitigate these risks.

Estateguru is a crowdfunding service provider as defined in the Regulation on European Crowdfunding Service Providers (ECSP) for business ((EU) 2020/1503) and provides the possibility for potential lenders and borrowers to meet and enter into loan contracts over the Platform.

If you enter into a loan contract on the Platform, your capital is at risk. While Estateguru takes steps to mitigate this risk for the client’s providing loans over the Platform investors by taking measures to manage risk outlined below, you may not get all, or any, of your money back. Each loan contract is entered into between each investor and borrower of the loan and Estateguru will only act as an intermediary on behalf of the lenders in relation to the relevant loan contract.

While there is a number of risks associated with investing, the largest risk to you losing your investment is that of a borrower’s default – if the borrower is unable to make their loan repayments. Estateguru’s project selection processes aim to protect your investment against the risk of a defaulting borrower. When you invest through the Platform, your money is lent borrowers seeking financing, who have passed a due diligence process implemented by Estateguru. Please read and make sure you understand the the information detailed below.

- **Your money is at risk.**

Your capital is at risk and you may not receive back all (or any) of your investment. The ability to recoup all the capital and interest on these loans is determined by the ability or willingness of the borrower to repay the loan and the underlying value of the asset (which could be affected by a material downturn in the property market). As such, we cannot guarantee that you will get your capital back or receive your interest. While the loans are secured by the assets of the borrower, this does not guarantee repayment of your loan (including any interest) as per your loan documentation. You should therefore never invest more than you are willing to lose.

- **Your investment is not protected.**

It is important to know that your investment is not in any way comparable to a deposit and is not covered by any deposit and investment insurance instrument or compensation scheme.

- **Your portfolio risk.**

Any loans entered into by you on the Platform should only be made as part of a diversified investment portfolio that includes a mix of illiquid and liquid assets. Investing small amounts in

multiple investments will help you spread your risk. The majority of your investments should consist of liquid asset classes, so that you can access your capital more easily.

- **Property market fluctuations.**

The property market is cyclical and values may go up or down depending on a range of issues, including political, economic or social. Historic performance of the property market or a particular property is not a reliable guide to future performance. A future downturn in the real estate market could severely adversely affect the ability of a borrower to repay the loan you make on the Platform.

- **Illiquidity.**

Loans made through the Platform are an investment. Your investment will be illiquid, meaning that once your invested funds are used to enter into loans, you will not get your money back until the end of the relevant loan term. There is also no guarantee that you will get your money back at the end of the term of the relevant loan in the event that the borrower defaults and is unable to repay.

- **No advice.**

Estateguru and its affiliates do not provide any investment advice or investment recommendations.

- **Tax is your responsibility.**

You should be wary of any tax obligations that might apply to you as a result of any interest received on loans entered into on the Platform. Whether and how any relevant tax obligation applies depends on your individual circumstances. You are strongly advised to consult with appropriately qualified tax professionals regarding your individual tax position, which depends on your personal circumstances and may be subject to change in the future.

- **The collateral agent will pursue any missed payments or defaults on your behalf.**

The collateral agent will pursue any missed payments and hold any relevant collateral on your behalf. If necessary, the collateral agent, will enforce the collateral and try to recover what is owed to you. If a loan goes into default we provide an update under the “loan update” section as “in default” to make sure you are aware of the default. Please note that even if the collateral agent enforces collateral on your behalf, you may not get your back all (or any) of your money.

- **We conduct thorough due diligence.**

We carefully examine three important criteria:

1. The asset: we conduct due diligence on the underlying assets – including an independent professional valuation for each asset we take as collateral;
2. The borrower: we conduct analysis of each borrower’s financial position, assessing their credit history and undertaking identity, AML and fraud checks; and

3. The exit: we assess each borrower's ability to pay back the loan.

We aim to limit the loan to value ratio of our borrowers. All loans given out to borrowers are secured by real estate at a maximum 'loan to value' ratio of 75%. We keep your money separate from ours. Any money that has not yet been allocated to loans will be held on a segregated 'client money' bank account. In the event of Estateguru's insolvency, this money would be inaccessible to Estateguru or its creditors.

The collateral agent will hold collateral on your behalf. Should Estateguru cease to trade, any collateral held on your behalf would continue to be managed by the collateral agent and a third-party administrator appointed by Estateguru. All loan contracts are concluded directly between a borrower and a lender (investor) and the collateral is held by the collateral agent. Estateguru tagatisagent OÜ (registry code 12766368) will act as collateral agent on behalf of lenders in relation to any collateral held in respect of a loan and will also enforce any collateral on behalf of lenders.

- **First-come, first-serve basis.**

We treat all of our customers fairly and do not favor new customers over old. We deal with all requests to deposit or withdraw money on our platform on a strictly first-come, first-served basis.

- **We take steps to ensure that operations will continue in case Estateguru's default.**

In the event of insolvency, default or bankruptcy of Estateguru, we make sure that our loans are administered in a way that ensures the arrangement fees payable in relation to these loan contracts are sufficient to cover the costs of administering them during any winding down process. Contingency plans are in place for a third-party administrator to take over administration of the loan parts for investors should it become necessary for any reason.