

Expected loan default rate

Estimates of expected default rates by risk category are based on actual loan default rates by risk category.

Actual data for 2023-2024 (the platform did not operate in 2022):

	%	Part, pcs.
Number of defaults	-	26
Actual rate of default	12,15%	26/214
Expected loan default rate	12,61%	27/214

Distribution by Risk category:

	A	B	C	D
Number of defaults	0	0	26	0
Actual rate of default	0%, 0/0	0%, 0/28	14,44%, 26/180	0%, 0/6
Expected loan default rate	4,5%, 0/0	9%, 2/28	13,5%, 24/180	18%, 1/6

Methodology for the calculation of the actual default rate of loans by risk category

In accordance with Article 20(1)(a) of Regulation (EU) 2020/1503, for the purposes of disclosing the information referred to above, Crowdpear UAB shall calculate the simple average of the one-year default rate over the entire historical observation period using non-overlapping 12-month observation windows.

In calculating the above one-year default rate, Crowdpear UAB shall ensure that all of the following conditions are met:

- the denominator shall consist of the number of defaulted loans monitored at the beginning of the 12-month observation window;
- the numerator shall include all loans included in the denominator that have been subject to at least one default event during the 12-month monitoring interval.

Loans that are not scheduled for payment during the 12-month observation period shall not be included in the dataset used to calculate the default rate for that period.

Crowdpear UAB bases the calculation of the actual default rate on actual loan default rates using internal data. The historical data observation period is the historical data for all loans granted by Crowdpear UAB.

When publishing actual default rates for all loans in accordance with Article 20(1)(b)(i) of Regulation (EU) 2020/1503, Crowdpear shall use non-overlapping 12-month observation intervals, calculate arithmetic averages of the one-year default rates observed over the entire preceding observation period by risk category.

In calculating the one-year default rate by risk category, Crowdpear shall ensure that all the following conditions are met:

- the denominator shall consist of the number of defaulted loans monitored at the beginning of the 12-month observation period for the risk category for which the default rate is calculated;
- the numerator shall include all loans included in the denominator that have experienced at least one default during the 12-month monitoring period.

For the purposes of paragraph 2, loans that are not scheduled for payment during the 12-month observation period shall not be included in the data set used to calculate the default rate for that period.

Methodology for the calculation of the expected default rate of loans by risk category

When publishing expected default rates for all loans in accordance with Article 20(1)(b)(i) of Regulation (EU) 2020/1503, Crowdpear UAB shall base its estimates of expected default rates by risk category on actual default rates by risk category calculated in accordance with Article 3.

For the purposes of paragraph 1, and regardless of whether Crowdpear UAB uses internal data for the estimation of the expected default rate, the duration of the observation period for the historical data shall be the historical data for all loans issued by Crowdpear UAB.

More information on the calculation method, methodology, and assumptions used to determine the expected default rates can be found in the "Procedure for Management of defaults." The document is available by clicking

on the active link (https://crowdpear.com/wp-content/uploads/2025/02/Procedure_for_management_of_defaults.pdf)

Event of default

UAB Crowdpear considers that the default situation is in these cases:

a) The Company considers that the Project Owner is unlikely to pay the full amount or otherwise fulfil their credit obligations related to the relevant Loan Agreement without taking certain actions (e.g. realisation of collateral). The Company has grounds to believe that the Project Owner will not be able to properly fulfil their obligations related to the Loan Agreement when:

- a necessary restructuring of the credit obligation associated with the loan has occurred when it was likely that the financial liability would be reduced as a result of a significant cancellation or deferral of principal repayments, interest payments or related fees;
- The Project Owner requested or was granted bankruptcy status or similar protection in order to prevent or delay the repayment of the credit obligation related to the loan in question to the Lenders (Investors).

b) The Project Owner is more than 90 days late in fulfilling any significant credit obligation related to the Loan Agreement. For the purpose of this Clause, the Company considers that a significant credit obligation is an obligation that exceeds the amount of at least 1 (one) calendar month of instalments payable by the Project Owner under the Loan Agreement.

More information is available in the "Procedure for Management of defaults". The document can be accessed by clicking on the active link (https://crowdpear.com/wp-content/uploads/2025/02/Procedure_for_management_of_defaults.pdf).

UAB Crowdpear explains that the materiality threshold applied when assessing a 90-day delay in the fulfillment of a loan-related credit obligation is any amount from 1 euro cent, i.e. if there is a delay in repayment of even 1 euro cent or part thereof, this is already considered a case of default.

Individual loan portfolio management

UAB Crowdpear does not provide individual loan portfolio management.