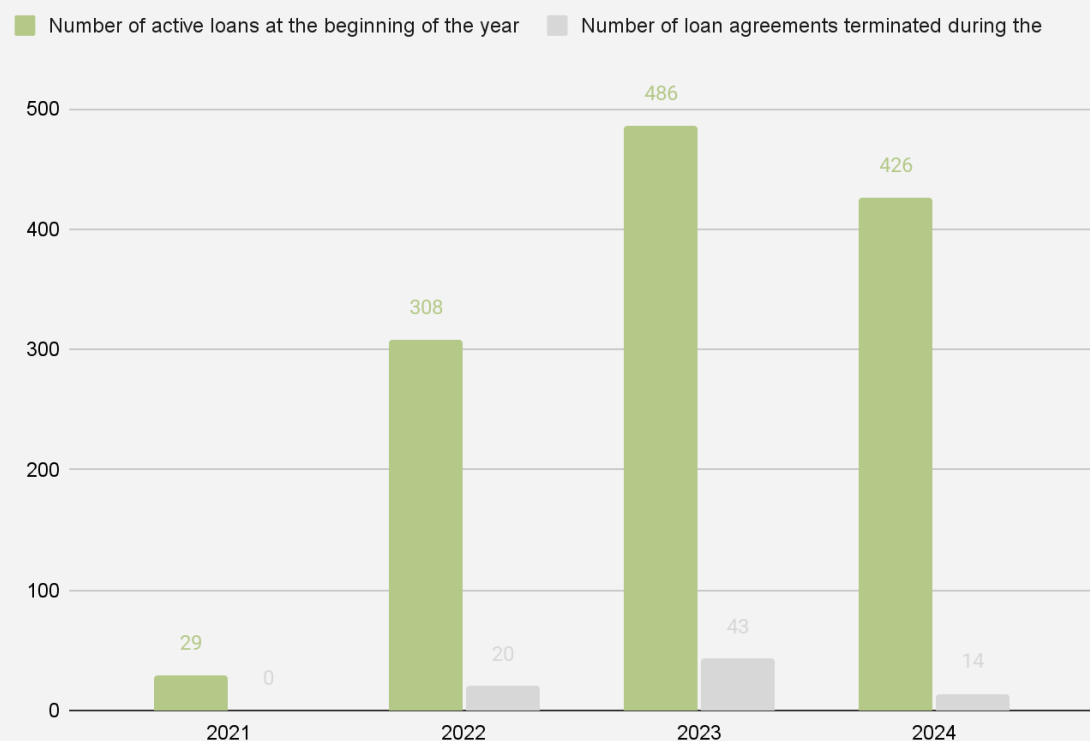


Factual default rates



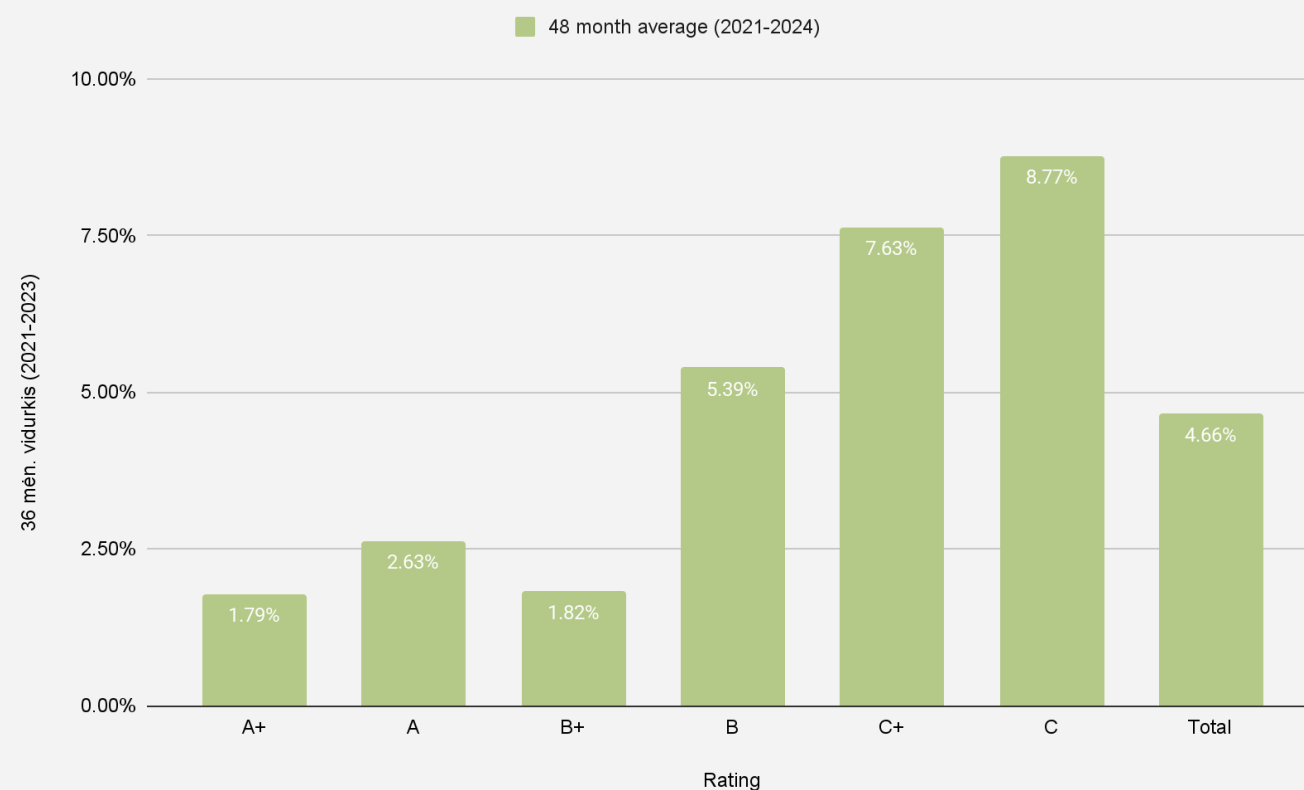
Calculate the rate as the simple average of the observed 1-year default rate over the entire historical observation period using non-overlapping 12-month observation windows.

For the calculation of the 1-year default rate:

- **The denominator** consists of the number of non-defaulted loans observed at the beginning of the 12-month observation window;
- **The numerator** includes all loans considered in the denominator that had at least one default event during the 12-month observation window.

Loans for which no payment is scheduled in the payment schedule during the 12-month observation period are excluded from the data set used to calculate the default rate for that period.

Factual default rates by risk groups



The length of the underlying historical observation period used is at least 36 months for at least one source.

The default of a loan is considered a case when one or both of the following events have occurred:

- the crowdfunding service provider considers that the project owner is unlikely to pay in full, or otherwise fulfill its credit obligations related to the loan concerned, without recourse to actions, such as realizing security;
- the project owner is more than 90 days past due on any material credit obligation related to the loan concerned.



Rating	48 month average (2021-2024)	2021		2022		2023		2024	
		Terminated	Total	Terminated	Total	Terminated	Total	Terminated	Total
A+	1.79%	0	0	0	3	2	28	0	29
A	2.63%	0	8	2	90	9	122	1	108
B+	1.82%	0	0	0	0	2	81	4	83
B	5.39%	0	17	13	186	22	211	7	169
C+	7.63%	0	0	0	0	3	16	2	17
C	8.77%	0	4	5	29	5	28	0	20
Total	4.66%	0	29	20	308	43	486	14	426

UAB Heavy Finance assesses the expected default indicators by risk categories based on actual loan default indicators by risk categories.

A+	A	B+	B	C+	C	Total
1.79%	2.63%	1.82%	5.39%	7.63%	8.77%	4.66%