

DESCRIPTION OF THE RISKS OF INVESTING IN HEAVYFINANCE

Investing in projects published on the HeavyFinance crowdfunding platform (hereinafter referred to as the **Platform**) is an integral part of risk-taking.

The Platform Operator shall take measures to mitigate the risks associated with the investment by establishing criteria for the selection of projects to be published on the Platform; in order to ensure the fulfilment of the obligations of the project owners by requiring the project owner to pledge the property and/or provide other guarantee measures.

However, despite the protection measures applied by the Platform Operator against investment-related risks, the relevant risks still remain and the funder may lose all profits and/or amounts invested through the Platform.

Please note that **investments in crowdfunding projects made on the Platform are not covered by the insurance protection provided by the Republic of Lithuania Law on Insurance of Deposits and Liabilities to Investors.**

MAIN RISKS

1. Improper fulfilment of the obligations assumed by the project owner and/or the persons who have provided collateral

The Platform Operator shall make every effort to assess the reliability of project owners and those who have provided collateral, i.e. the reputation and creditworthiness of such persons.

However, the Platform Operator cannot in any way guarantee that the project owner shall always execute the concluded crowdfunding transaction in a proper and timely manner.

Please note that the project owner may in some cases fully or partially default on its obligations to the funders. This may be due, among other things, to an increase in the amount of costs necessary for the implementation of the project, inadequate or inefficient organisation of the project owner's activities, etc.

Despite the fact that the risk of fulfilling the obligations assumed by the project owner is reduced by the collateral required by the Platform Operator, this in no way eliminates this risk to the full extent.



	Therefore, funders should realize that they may in any case incur losses and/or not achieve the desired financial return.
2. Risks related to collateral	<p>Projects published on the Platform shall usually be secured by certain collateral, such as pledging of assets, suretyship, etc.</p> <p>However, there may be cases where the value of the relevant collateral shall not be sufficient to cover the project owner's liabilities in full.</p> <p>The latter cases may be due to:</p> <ul style="list-style-type: none"> • the changed economic situation in the country; • the actions of the project owner that adversely affect the value of the collateral; • the changed economic indicators; • the liquidity of the collateral and the ability to sell it at normal market price; • other objective reasons.
3. Risks related to recovery under collateral	<p>If the project owner fails to meet its financial obligations properly, the Platform Operator may initiate recovery proceedings in accordance with the collateral provided by the project owner.</p> <p>However, the poor financial situation of the project owner may be encountered during recovery, which may lead to a longer recovery process and a lower amount to be recovered, which may not cover all the project owner's debts to the funders.</p>
WARNINGS AND RECOMMENDATIONS	
<p>We would like to point out that you should take at least the following risk management measures before investing in the projects published on the Platform:</p> <ol style="list-style-type: none"> 1. assess whether you have sufficient experience and knowledge in the field of investing; 2. assess whether you have a proper understanding of the risks associated with the investment; 3. assess their financial situation and potential negative impact in the event of a failed investment, i.e. loss of part or all of your invested funds; 	



4. consider having recourse to professionals who can provide advice and guidance on the conclusion of a crowdfunding transaction;
5. consult with specialists on all tax issues that may be relevant for the financing of crowdfunding projects published on the Platform.

Please also note that:

1. The Platform Operator is not liable for the accuracy of the information provided by the project owner;
2. The project description and project-related information provided on the Platform is indicative only and is subject to change due to various market conditions;
3. Each crowdfunding transaction may only have inherent risks, and funders must assess not only this description of the overall risks but also any other circumstance that may affect the specific crowdfunding transaction;
4. The Platform is only a technical tool to assist the parties to a crowdfunding transaction in concluding the relevant transactions; accordingly, the Platform Operator shall not be liable in any way to funders for any loss of investment and/or loss of expected return;
5. The statistics published on the Platform concerning past crowdfunding transactions and their results may in no way be considered to be a reliable indicator of future returns on investment; accordingly, funders should not rely on past performance as a guarantee of future investment performance.

