

Date	28.04.2023
Version	1.0

## DISCLOSURE OF RISKS AND RISK CONTROLS

Investing in notes that are backed by loans secured by real estate property has risks, including risks relating to the financial instruments and to the investment platform. Before making an investment, potential investors should carefully consider at least the risks and risk controls outlined below:

<b>Risk description</b>	<b>INDEMO's risk management What we do</b>	<b>Investor's risk management What you should do</b>
<b>Risks associated with Notes</b>		
Market risk: Variations in market circumstances, such as changes in interest rates, currency exchange rates, shifts in real estate market trends or alterations in the state of the economy, may have an impact on the value of the notes.	In order to support investors in making an informed choice regarding investing in certain financial instruments, INDEMO will provide investors with research and analysis on various investments, including market trends and historical performance data. On our webpage we will publish educational resources to help you understand the risks associated with investing and how to manage those risks.	To manage risks associated with investments in financial instruments, consider applying the following basic risk management measures: - Diversify your portfolio across different types of notes, issuers/loan originators, and geographic regions. This helps to spread risk and minimize losses in the event of a market downturn. - Monitor market conditions and stay up-to-date on economic news and events that may affect the value of your notes. This can help make informed decisions and adjust your portfolio as needed.
Issuer default risk: There is a chance that the company issuing the notes won't fulfil its promises to investors, which could cost investors their principal and interest payments.	The issuer is created as a special purpose vehicle for issuing the notes. It is fully owned by INDEMO and is not involved in any other business operations, which effectively	

	minimizes the risk of default associated with the issuer.	- Consider interest rates, since they can have a significant impact on the value of notes. - Keep cash reserves to cover unexpected expenses or emergencies, so you do not need to sell notes at an inopportune time.
Loan originator risk: The risk that the loan originator may default or fail to perform their obligations in servicing the loans. This can lead to a reduction in the value of the notes, lower than expected returns, or even a complete loss of the investment.	We have implemented risk management measures to ensure that loan originators meet our standards. These include:  - Conducting due diligence before accepting loan originators onto the platform. This involves reviewing their financial strength, creditworthiness, and track record of loan performance. - Imposing contractual requirements on loan originators, such as providing regular loan performance updates, adhering to certain loan underwriting standards, and maintaining certain levels of reserves.	
Borrower default risk: The risk that borrowers could stop making payments on the loans that support the notes, losing out on principal and interest payments.	INDEMO demands from loan originators to perform rigorous underwriting and due diligence on the borrowers and the properties underlying the loans in order to reduce this risk. All loans should be sufficiently collateralised and should have credit enhancements like mortgage insurance or guarantees.	
Liquidity risk: Investors run the danger of not being able to sell their notes on the secondary market or withdraw their money when they want to.	To make it easier for investors to sell or withdraw their investment, INDEMO will create a secondary market or introduce a redemption program.	
<b>Risk associated with INDEMO</b>		
Platform risk: INDEMO could lose its financial stability, have its license withdrawn, or be unable to provide customer service.	INDEMO is an investment firm licensed and supervised by the Latvijas Banka (Central Bank of Latvia) . License number 06.06.08.824/547.	To address risks associated with using investment platform you should:

	<p>INDEMO is a member of the national investor compensation scheme established under EU Directive 97/9/EC. The scheme protects investors by providing compensation if Indemo SIA fails to return financial instruments or cash to investors.</p> <p>The maximum compensation an investor can claim under the scheme is 90% of their net loss, up to a maximum of €20 000.</p> <p>Investing in asset backed securities involves risk.</p>	<ul style="list-style-type: none"> <li>- Research the platform thoroughly before investing. Review the platform's history, reputation, and track record.</li> <li>- Carefully review fees and charges associated with the investment platform, including transaction fees, management fees, and other charges. Compare the fees with other platforms and determine if they are reasonable.</li> <li>- Monitor the performance of your investments on the platform and make necessary adjustments to your portfolio.</li> <li>- Stay informed about any changes or updates from the investment platform. Read newsletters, updates, and other communication from the platform to stay up-to-date with any changes in policies, fees, or investment options.</li> <li>- Keep personal information secure by applying the following measures: use of a strong password; use of two-factor authentication; use of secure devices; regularly monitor your accounts; keep software up-to-date.</li> <li>- Get familiar with other documents describing INDEMO's regulatory liabilities and corporate governance practices (<a href="https://www.indemo.eu/docs">https://www.indemo.eu/docs</a>).</li> </ul>
<p>Operational risk: The investor's ability to access their account, place trades, or keep track of their investments may be impacted by operational risks like technological glitches, errors, or cyberattacks.</p>	<p>To reduce the effects of operational risks, INDEMO employs effective operational risk management procedures in place, such as routine system maintenance, security testing, and incident reaction plans.</p>	
<p>Regulatory risk: Changes in regulations, compliance requirements, or legal issues could impact the platform's ability to operate, which could impact the investor's investments.</p>	<p>Our legal and compliance teams are constantly keeping an eye on legal and regulatory events that might have a negative impact on platform's operations, servicing customers and investors.</p>	
<p>IT and cybersecurity risk: These risks include the potential for data breaches, hacking, and other cyberattacks that could compromise the security of investors' personal information and financial transactions. In addition, IT risks such as system failures or technical malfunctions could result in disruption of service, lost data, or other negative impacts.</p>	<p>INDEMO's risk management measures, include regular monitoring and testing of systems, implementation of strong security protocols and controls, independent audits and ongoing training and education of employees and investors.</p>	
<p>Conflicts of interest risk : This risk can arise in the work of an investment platform when the interests of the</p>	<p>We have developed and implemented a Conflict of Interest Management Policy that is binding for all employees and members of the</p>	

<p>platform, loan originators or its employees conflict with the interests of investors.</p>	<p>company's board. The policy aims to prevent any negative impact on the company, its investors, and creditors. It includes measures for identifying and managing conflicts of interest, minimizing their impact, and sharing responsibilities.</p> <p>We strive to inform our board members and employees about any identified conflicts of interest and the measures taken to manage them. We ensure that our decisions are independent and made in the best interest of the company. We provide clear and complete information to our investors and avoid offering better conditions to loan originators or related parties.</p>	
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Before making any investment decisions, investors should closely consider the risks involved with using an investment platform as well as the risk management procedures in place. Investors must realize that investing involves risk, and that past performance does not guarantee future success.