EkoBuja®
Real estate investments

Risk Disclosure

What can go wrong with a property investment on EkoBuja

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Before you invest

Property can build wealth. It can also lose money, tie up your cash, and disappoint you for years at a time. This document sets out what can go wrong on the EkoBuja platform. It is deliberately blunt.

Read it before you buy your first share, and read it again before you commit money you would struggle to lose.

This is not a complete list of every risk. It covers the ones that matter most and the ones people most often overlook. Nothing here is advice about whether an EkoBuja investment is right for you. Only you can decide that, and you may want independent advice first.

> **The single most important line in this document:** only invest money you can afford to lose, and only money you will not need back at short notice.

1. You can lose money

The value of a property share can fall as well as rise. You may get back less than you put in, and in a bad case you could lose a substantial part of your investment.

Buying property in fractions does not make property safer. It makes it smaller. The same things that can go wrong with a whole building can go wrong with your share of one.

2. Nothing is guaranteed

EkoBuja does not guarantee:

- that a property will produce income
- that a distribution will be paid in any period
- that a share will hold its value
- that you will find a buyer when you want to sell
- that you will get your capital back

Any figure you see described as a yield, a projection, a target or an illustration is an estimate built on assumptions. Assumptions fail. Treat projections as a possible outcome, not a promise.

Past performance, of a property, of the platform, or of Nigerian real estate generally, tells you nothing reliable about what happens next.

3. Property values move both ways

Property prices are driven by things nobody on the platform controls: interest rates, the strength of the economy, oil revenue, currency movements, government policy, infrastructure decisions, crime and security, and simple shifts in what tenants want.

A neighbourhood that is desirable today can be less so in five years. A new road, a new estate, or a new competing development nearby can change what a building is worth in either direction.

4. Your money is not liquid on demand

This is the risk investors underestimate most.

There are two ways out of a holding, and neither is a cash machine.

The secondary market. You can list your shares for sale to other EkoBuja investors. Whether anyone buys, and at what price, depends entirely on demand at that moment. There may be no buyers at all. There may be buyers only at a price well below what you paid or below the published share value. A listing can sit unfilled indefinitely. EkoBuja does not buy your shares on the secondary market and does not guarantee a sale.

Buyback. We may buy shares back directly at as low as 80% of the prevailing share value. That potential 20% difference is a real cost; on a ₦500,000 holding, ₦100,000. More importantly, **buyback is a discretionary facility, not a right.** We can limit it, cap the volume we take in any period, suspend it, or decline your request. It is most likely to be constrained exactly when the most people want it; during a market downturn, or when many investors try to exit at once.

> Plan on a multi-year horizon. If you might need the money in six months, this is the wrong place for it.

5. Buyback prices below share value, and is not a floor

Two points that follow from section 4 and are worth stating separately, because they get misread:

1. Buyback at as low as 80% means you might take up to a **20% haircut** every time you use it. Buying in and buying out quickly loses money even if the property does nothing wrong.
2. Buyback is **not a price floor**. It does not put a minimum under what your shares are worth. If the share value falls, buyback falls with it, meaning potentially 80% of a lower number.

6. Income depends on tenants

Rental income is only as reliable as the people paying it.

- A building can sit vacant between tenants, sometimes for months.
- A tenant can stop paying. Recovering arrears or possession through the Nigerian courts is slow and expensive, and you may never recover the money.
- A major tenant leaving can wipe out most of a property's income at once.
- Rents can be renegotiated downwards when the market turns.

When income stops, distributions stop. There is no reserve that guarantees you a payment.

7. Costs eat into returns

What reaches you is what is left after the building has been paid for. That includes property management fees, maintenance and repairs, security, utilities, service charges, insurance, statutory rates, taxes, and EkoBuja's own fees.

Some of these are predictable. Some are not, a failed generator, a roof, a structural problem found during inspection. A large unplanned repair can consume a period's income entirely, and there will be no distribution that period.

8. Share value is an estimate, not a price

The share value we publish is our assessment of what a share is worth, based on valuations, income performance, approved property impact adjustments, and market evidence.

It is not:

- a price anyone is obliged to pay you
- a guaranteed exit price
- a market price set by supply and demand

The secondary market price can be materially above or below it. Real property valuations are subjective, are updated periodically rather than continuously, and can be wrong. Two qualified valuers can look at the same building and reach different numbers.

9. Property impact adjustments involve judgement, and can be negative

Our facility managers log work on each property. Where the work materially affects what the building is worth, it is flagged and, once approved, carries a property impact percentage that feeds into share value.

This is a real strength of the model — physical upkeep is priced into your holding rather than disappearing into an expense line. But be clear about what it is:

- It is an **assessment**, not a transaction. Nobody has paid that price.
- It relies on the facility manager reporting accurately and the approver judging correctly. Both can be wrong.
- **It can be negative.** Deterioration, damage, an unresolved structural issue or a decline in the surrounding area can reduce share value the same way an improvement raises it.

10. You are concentrated

A share buys you exposure to **one specific building**. Not a portfolio, not an index, not a spread of assets.

If that building floods, burns, is damaged, loses its anchor tenant, sits in a declining area, or turns out to have a title problem, your share is directly and fully exposed to it. There is no diversification inside a single property holding.

Beyond the single building, you are also concentrated in one country, one currency and one property market. Nigerian macroeconomic and political conditions affect every property on the platform at the same time.

Spreading your money across several properties reduces some of this. It does not remove it.

11. Inflation and currency

Naira inflation can erode the real value of both your capital and your distributions. A 10% return in a year of higher inflation is a loss in purchasing power.

Naira depreciation reduces what your investment is worth measured in foreign currency. If you earn or spend in another currency, that matters to you directly.

Construction and maintenance inputs are often imported and priced against the dollar. A weaker naira raises the cost of maintaining a building, which reduces net income.

12. Interest rates and the wider economy

When interest rates rise, property tends to become less attractive relative to fixed income, and property values tend to fall. Higher rates also raise financing costs across the sector.

A recession, a sharp fall in oil revenue, banking sector stress, or a fall in consumer and business confidence can reduce demand for space, reduce rents, and reduce the pool of buyers on the secondary market at the same time.

13. Legal and title risk

Nigerian property carries specific legal risks:

- **Title.** Defective title, competing claims, disputed ownership, forged documents and unregistered interests are real risks. We conduct due diligence and take professional advice, but no due diligence eliminates the risk entirely.
- **Governor's consent and registration.** Transactions may need consent and registration that is slow to obtain, and delay can hold up a sale.
- **Government acquisition.** Land can be compulsorily acquired for public purposes. Compensation may be less than market value and may take a long time to arrive.
- **Community and boundary disputes.** These can interrupt access, use, or a planned sale.
- **Tenancy law.** Recovery of premises in Nigeria favours the occupier procedurally. Removing a defaulting tenant is slow.
- **Planning and regulatory action.** Enforcement, demolition orders, or changes in permitted use can affect value.

Litigation over a property can take years and consume income while it runs.

14. Development and works

Where a property involves construction, refurbishment or major works, add: cost overruns, contractor failure, delayed completion, materials price rises, and the risk that finished works do not deliver the value expected. Projects overrun more often than they come in early.

15. Insurance does not cover everything

Properties are insured, but insurance has limits, exclusions and deductibles. Losses from certain events may not be covered, may be partially covered, or may be disputed by the insurer. A claim can also take a long time to settle, during which income may be interrupted.

16. Third parties can fail

The platform depends on other organisations: banks, payment processors, identity verification providers, valuers, insurers, contractors, facility managers, and cloud infrastructure.

Any of them can fail, make a mistake, be defrauded, go out of business, or be unavailable when needed. A payment processor outage can delay your deposit or withdrawal. A bank failure can affect held funds. We select providers carefully, but we do not control them.

17. Technology, security and cyber risk

The platform can go down. Maintenance, outages, network failure, power failure and denial-of-service attacks can all prevent you from accessing your account or transacting when you want to.

Cyberattack is a real risk to any financial platform. Despite encryption, access controls, dual approval on money movement and regular testing, no system is completely secure.

Your own security matters as much as ours. Weak passwords, reused passwords, sharing one-time codes, phishing emails and compromised phones are the most common route to a stolen account. We will never ask you for your password, your card PIN, or a one-time code.

18. Fraud and impersonation

People will use the EkoBuja name to try to defraud you. Fake websites, fake WhatsApp groups, fake "account managers", fake investment offers promising fixed returns.

We will only ever ask for payment into your EkoBuja wallet through the platform itself. We do not take investment by personal bank transfer, we do not run investment groups on WhatsApp or Telegram, and we do not offer guaranteed fixed returns. If someone claiming to be from EkoBuja tells you otherwise, they are not from EkoBuja. Report it to **support@ekobuja.com**.

19. Operational and business risk

EkoBuja is a young company. Like any young company it faces execution risk, funding risk, key-person risk and competitive risk.

If EkoBuja were to stop operating, your shares would remain your property and the register would remain the record of your ownership, but realising the value could take considerable time and involve significant cost, and there is no guarantee about the process, the timing or the price achieved.

20. Regulation, policy and tax

Laws and regulations affecting property investment, fractional ownership, financial services and data in Nigeria can change, sometimes with little notice. Changes can affect how the platform operates, what it costs, what you can do, and what you receive.

Tax treatment can change too, and it depends on your own circumstances. Distributions, gains and other returns may be taxable. Withholding tax may be deducted at source. Tax is your responsibility, and you should take your own advice.

21. Conflicts of interest

EkoBuja earns fees on transactions, on management, and on the buyback spread. We also produce the valuations that drive share values.

We manage these conflicts through internal controls. For instance, separating those who propose transactions from those who approve them, requiring two people to approve money movements above set thresholds, using independent professional valuers, and keeping facility managers away from investor records. You should still be aware that the conflicts exist.

22. We do not advise you

EkoBuja does not provide investment, legal, tax or financial advice, and does not assess whether an investment suits your circumstances, your objectives or your tolerance for risk.

Property pages, reports, market commentary, projections and share values are information. The decision is yours. If you are not confident making it, get independent professional advice before you invest.

Before you commit money, check that you can say yes to all of these

- I understand I can lose money, including a substantial part of what I invest.
- I understand no return, income or distribution is guaranteed.
- I understand I may not be able to sell when I want to, and that buyback is discretionary and priced at up to 80% of share value.
- I am investing money I can afford to lose and will not need back at short notice.
- I am prepared to hold for several years.
- I have read the Terms of Use and the Privacy Policy.
- I am making this decision myself, and I have taken independent advice if I needed it.

> If any of these gives you pause, stop and get advice before you invest.

Questions

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