

The logo for Borgo, featuring a stylized 'B' followed by the word 'orgo' in a dark teal, sans-serif font.

Modernizing the mortgage market

INVESTOR PRESENTATION

Q3 2022

Borgo

EXECUTIVE SUMMARY

KEY HIGHLIGHTS



- Borgo is a Swedish mortgage company, focusing on the financing and origination of mortgage loans
- The company is under the supervision of Swedish FSA and has a credit market company as well as covered bond issuance license from 2021
- Borgo is jointly owned by ICA Banken, Ikano Bank, Söderberg & Partners, Sparbanken Syd and Ålandsbanken, as well as several financial investors. The industrial owners distribute mortgage loans using their own brands with Borgo as credit provider and funding vehicle
- Borgo aims to fund the loan portfolio by issuing covered bonds, senior bonds and by receiving deposits from the public

Key highlights

Low risk assets consisting of Swedish prime mortgages

Conservative underwriting standards

Strong capitalisation

Borgo's equity expected to be SEK 1,2bn by end of 2022

Solid ownership structure

Baa2 rating by Moody's with Stable outlook

Moody's ratings

Type	Assigned rating
Covered bond rating	Aaa (Stable)
Long-term Issuer Ratings	Baa2 (Stable)
Adjusted Baseline Credit Assessment	baa3
Long-term Counterparty Risk Assessment	A3(cr)
Short Term	P-2

AGENDA

1. BACKGROUND, STRATEGY AND BUSINESS MODEL

2. FINANCIALS, FUNDING AND LIQUIDITY

3. ASSET QUALITY AND CAPITAL ADEQUACY

4. MANAGEMENT & ESG

5. CONTACT DETAILS

BORGO IN BRIEF

STRONG DISTRIBUTION NETWORKS JOINING FORCES

Distribution with track-record



SBAB historical mortgage provider and discontinued given capital constraints at the state-owned bank



Short term both Skandia and Bluestep Bank act as mortgage providers, but not perceived as sustainable long term

ÅLANDSBANKEN

Has been offering own mortgages in the Swedish market since 2009, expected to benefit from the ability scale up in the partnership, funding wise and operationally

Sparbanken Syd

Full-service bank, established in 1827, with existing distribution through SBAB and own balance sheet

Proven historical distribution capacity

Fully operational company

Seasoned management team and organisation

With a vision to transform the mortgage market by creating a new financial institution, combining modern technology with responsible lending principles – managing cost of funding, efficient capital structure, credit and liquidity risk

Financially strong partners, investors and experienced board of directors

Supporting the company financially and through industrial experience with a long-term perspective

Pure-play mortgage company with distribution, access to capital market funding and organisation in place

Scalable platform

Modern platform with high degree of automation

Allowing Borgo to build economies of scale and distributors to focus on sales, customer relationships and service

Partnerships with distributors and service providers

Proven IT-systems, payment services, credit administration processes and treasury support – at variable cost based on mortgage volume

Legacy-free and scalable platform with benefits from outsourced back- and front-end

BORGO Q3 KEY FINANCIALS - SUMMARY

SIGNIFICANT AND CONTROLLED GROWTH

Q3 2022



Total lending
SEK 13,0bn



Committed equity
SEK 2.7bn



Liquidity reserve
SEK 4,6bn



Long term funding
SEK 11,3bn



OC-level
32,5%



Total deposits
SEK 5,1bn



Credit losses
0,00%

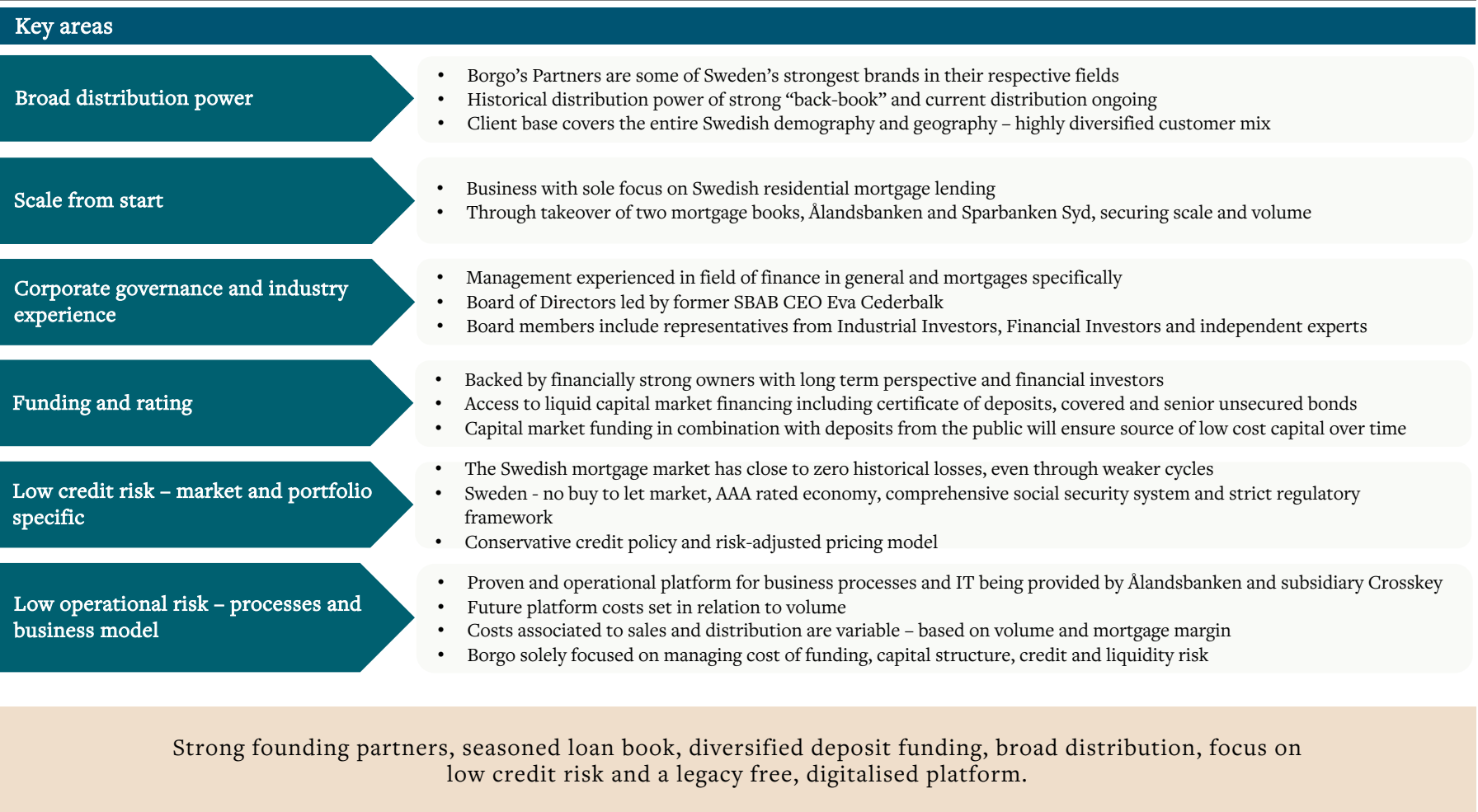


Total capital ratio (CET1 ratio)
18,1%

With strong owners, a modern platform and digital processes,
Borgo offers better mortgages for both distributors and customers

KEY ASPECTS OF BORGO'S BUSINESS MODEL

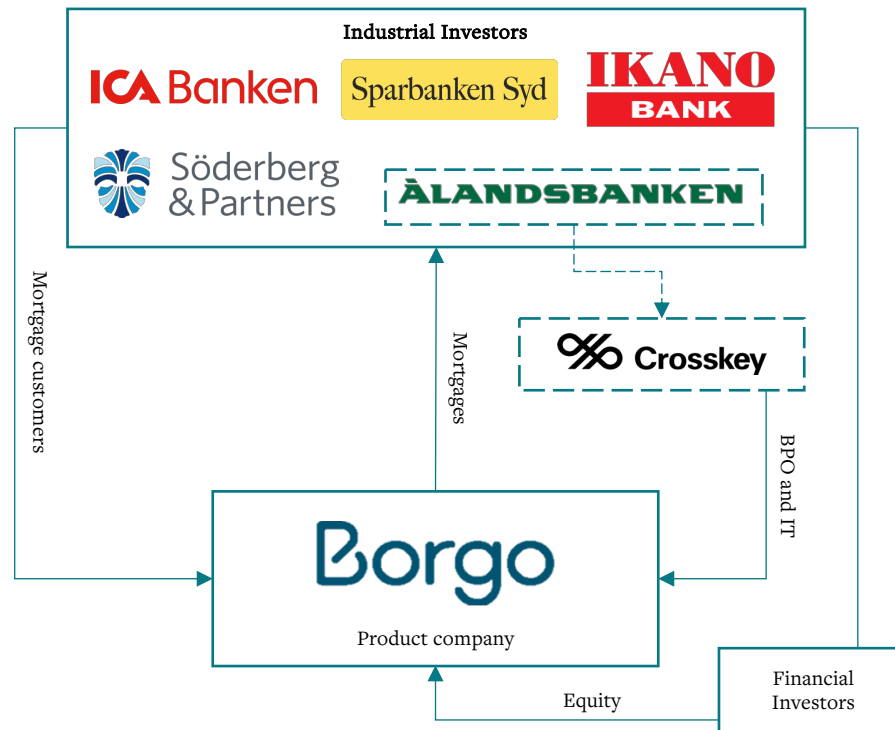
LOW-RISK MORTGAGE BUSINESS



PARTNERSHIP STRUCTURE

THE BORGO SPHERE

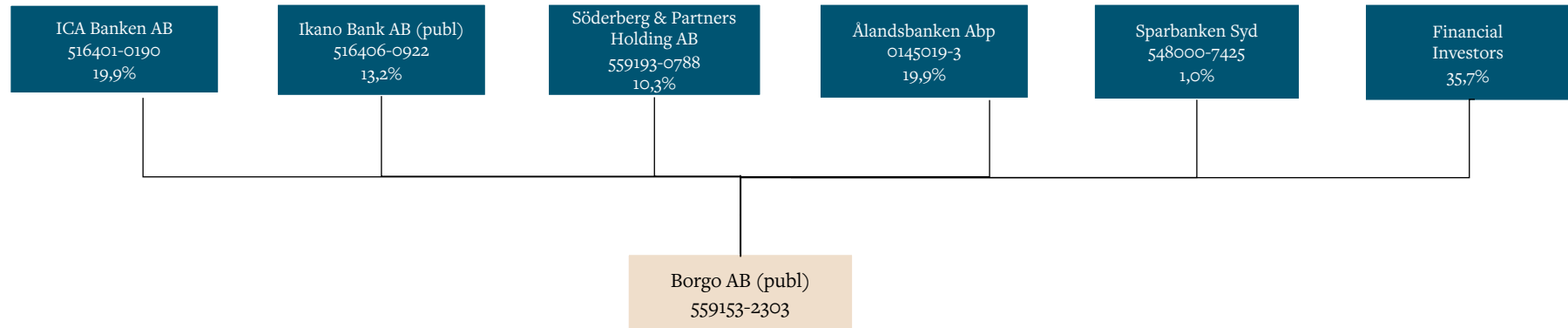
Partnership overview



- Since September 2019, the Industrial Investors have been funding operational activities and project related costs, investing a substantial amount in Borgo
- Part of the strategic rationale behind the Industrial Investors joining forces, was an intention by each partner to support its future distributed mortgage volume with equity (subject to pre-agreed restrictions and limitations) and benefit from economies of scale
- To cover the growth of Borgo's balance over the coming years, in particular through the acquisition of the Swedish mortgage loan portfolios from Ålandsbanken (completed) and Sparbanken Syd, new equity capital has been secured from current and new investors.

OWNERSHIP AND CAPITALIZATION Q3 2022

EQUITY SUPPORT OF BORGO



Key financial investors

- Ikano Bank (*both industrial and financial investor*) with a total ownership of 24,1%
- Real Alliance - 5,7%
- Persson Invest - 5,5%
- Ogrob, Rogbo (*ICA handlare/Söderberg & Partners Management Team*) - 7,6%
- Proventus - 2,8%

Capital support for the business plan

- As per Q3 2022, Industrial Investors' total combined maximum amount available to support Borgo's business plan is approx. SEK 1,4bn
- Financial Investors' combined commitment exceeds SEK 1,3bn
- Total capital available SEK 2,7bn

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FINANCIALS

SELECTED KEY FIGURES Q3

Q3 2022 Balance Sheet and Income Statement

- Well positioned for growth and building a high credit quality mortgage portfolio
- As part of a conservative approach, Borgo's liquidity portfolio is expected to be corresponding to approx. 20% of total assets
- Stable source of financing will be SEK denominated covered bonds
 - Deep market, historically proved to remain open with high investor confidence even through volatile times
- Existing deposits on balance sheet and continued inflow in Q4 indicate an interest in depositing funds in Borgo, which alongside additional deposit distribution partnerships provides support for future growth
- Complementary issuance of senior unsecured bonds is planned to achieve a diversified long-term funding profile
- Secured capital from Industrial Investors and Financial Investors provide Borgo with equity to grow well beyond lending volumes of 2022
- Capital requirement calculations are based on Basel III framework (standardised method) and include conservative management buffers vs. regulatory requirements
 - No dividends during growth phase

SEKm (book value)	2022 Q3	
Total lending	13 071	
Liquidity portfolio	4 594	
Long term funding	11 265	
Deposits	5 119	
NII	30,4	
Operation expenses	-92,4	
Net Income	-89,4	
	Covered bonds/total financing (ex equity)	57,4%
	Senior unsecured/total financing (ex equity)	10,6%
	Deposits/lending	37,3%
	Liquidity portfolio/total assets	26,0%
	CET 1 ratio	18,1%
	Leverage ratio	5,6%
	OC	32,5%
	Credit loss ratio (%)	0,0%

LIQUIDITY MANAGEMENT

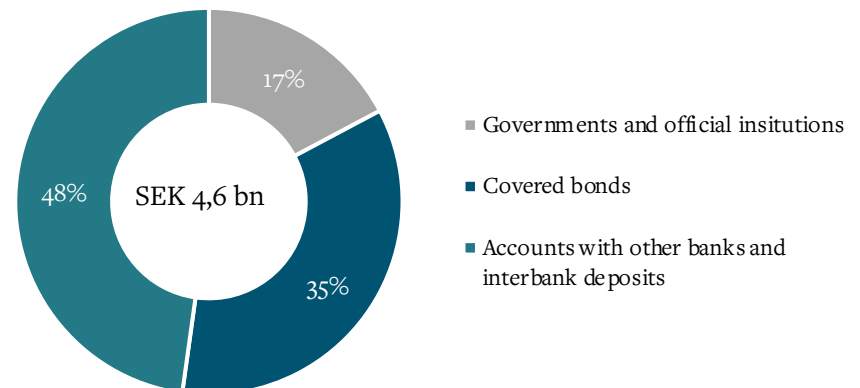
ENSURING EFFICIENCY AND MAINTAINING LIQUIDITY REQUIREMENTS

- Borgo targets to hold a liquidity portfolio equivalent to 20% of total assets
- The composition of the liquidity portfolio is:
 - High quality liquid assets (HQLA), eligible at Riksbanken or with the ECB
 - Only SEK issued securities, no FX-risk, low duration
- The Board of Directors have decided on a risk appetite framework taking both NSFR and LCR into consideration and the forecasted development of the liquidity portfolio provides a significant buffer to the risk limits set by the Board
- In addition to LCR/NSFR Borgo intends to use an internally defined survival horizon metric to ensure a sufficient liquidity position at all times
- Borgo is well prepared to manage its liquidity and survive stressful conditions

Key metrics Q3 2022

LCR	1051%
NSFR	119%
Survival Horizon	48 months

Liquidity portfolio composition Q3 2022



CAPITAL MARKET FUNDING STRATEGY

A TRANSPARENT AND REGULAR ISSUER

Long term strategy to support market demand

Strategy

- Transparent issuer, communicating issuance plans
- Building a smooth maturity profile
- Aiming for Level 1 bonds with high liquidity
- Long-term commitment
- Regular issuer in the capital market
- Buy-backs to manage refinancing risk

Covered bonds

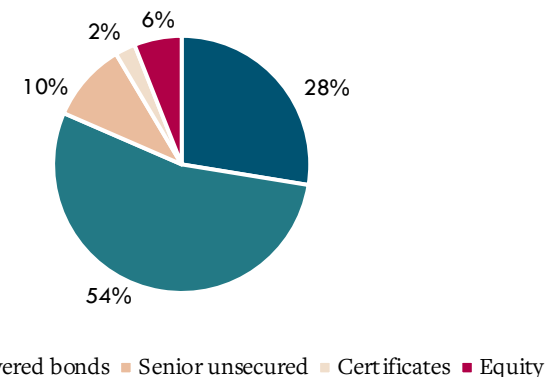
- Swedish krona
- Preferred tenor 3-5 years
- FRN or Fixed, soft bullet
- Both syndicated issues and privat placements
- Long-term OC of approximately 30-40 percent

Senior unsecured

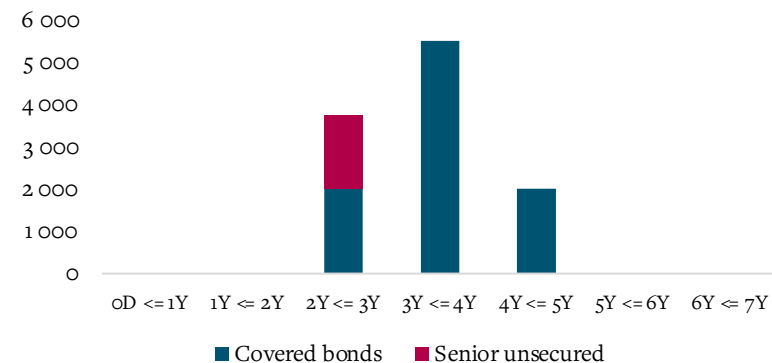
- Swedish krona
- Preferred tenor 2-3 years
- FRN or Fixed
- Senior unsecured debt issued to support Borgos rating and to diversify the funding sources

Funding Profile Q3 2022

Funding mix incl. equity

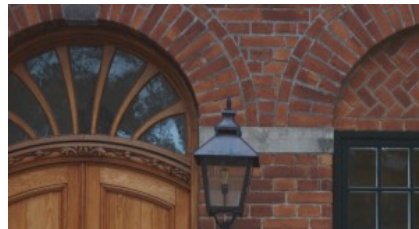
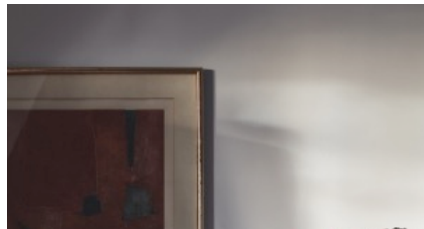
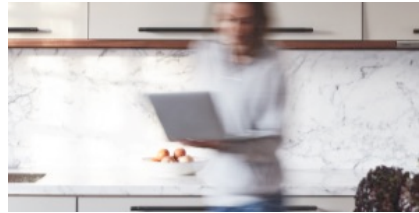


Maturity profile long term funding



2-YEAR SEK 500M FIXED RATE SENIOR UNSECURED NOTES DUE NOVEMBER 2024

Issued
Nov 25th
2022



Issuer	Borgo AB ("Borgo")
Issuer Rating	Baa2 (stable) by Moody's
Format	Senior Unsecured
Trade Date	16 November 2022
Settle Date	25 November 2022 (T+7)
Maturity Date	25 November 2024 (2 years)
ISIN	SE0013360831
Issue Size	SEK 500,000,000
Reoffer	4.950% / 100.000%
Coupon	4.950%
Day Count Fraction	30/360, Unadjusted, Modified following business day
Denomination	SEK 2,000,000 and increments of SEK 2,000,000 thereof
Business Days	Stockholm
Law	Swedish Law
Listing	Nasdaq Stockholm
Settlement	Euroclear Sweden
Documentation	Issuer's SEK 50bn covered and senior MTN programme dated 24 th of January 2022
Lead Manager	Nordea

Key insights

Transaction overview

Transaction

Placed with leading Swedish accounts

Participating in the offering

Borgo

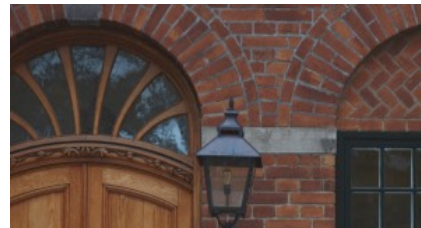
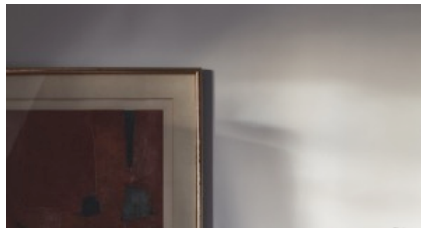
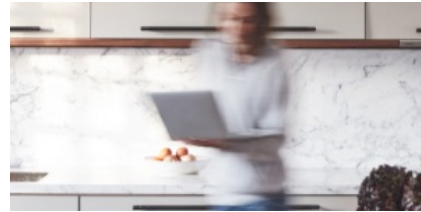
'Moody's assigns first time Baa2 Deposit and Issuer ratings to Borgo AB; outlook stable'

- 18th January 2022

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- Borgo is jointly owned by ICA Banken, Ikano Bank, Söderberg & Partners and Ålandsbanken alongside some financial investors. The owners distribute mortgage loans using their own brands with Borgo as credit provider and funding vehicle
- On the 14th of February Borgo acquired a large portion of the Swedish mortgage portfolio of Ålandsbanken and it also transferred to correspondent SEK covered bonds to Borgo. At the same time Moody's announced a Aaa rating for Borgo's covered bonds
- Borgo monitored the market for a while and on 16th of November 2022, Borgo mandated Nordea with a short notice to capture a good market window by issuing a Senior Unsecured Bond
- The transaction was a FXD SEK 500m with maturity on November 2024 and reoffer of 4.950% (MS+187bp). This issue was allocated between large and well-known Swedish investor accounts
- The quick response time by the investor accounts to the offering combined with the well-thought-out market window highlighted once again the strength of Borgo's brand name among Swedish investors

5-YEAR SEK 1BN FLOATING RATE COVERED BOND NOTES DUE JUNE 2027

Issued
March 30th
2022



Issuer	Borgo AB ("Borgo")
Issuer Rating	Aaa by Moody's
Format	Mortgage Covered Bond
Trade Date	23 March 2022
Settle Date	30 March 2022 (T+5)
Maturity Date	30 June 2027 (Extended Maturity Date 30 June 2028)
ISIN	SE0013360724
Issue Size	SEK 1bn
Reoffer	3m Stibor +49 bps / 100.053%
Coupon	3m Stibor +50 bps
Day Count Fraction	ACT/360, Adjusted, Modified following business day, Quarterly
Denomination	SEK 2,000,000 and increments of SEK 2,000,000 thereof
Business Days	Stockholm
Law	Swedish Law
Listing	Nasdaq Stockholm
Settlement	Euroclear Sweden
Documentation	Issuer's SEK 50bn covered and senior MTN programme dated 24 th of January 2022
Lead Manager	

Key insights



Transaction overview

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- On the 14th of February Borgo acquired a large portion of the Swedish mortgage portfolio of Ålandsbanken and it also transferred to correspondent SEK covered bonds to Borgo. At the same time Moody's announced a Aaa rating for Borgo's covered bonds
- On the 23rd March Borgo successfully issued its first Covered Bond under its own name. The transaction was a FRN SEK 1bn club deal with maturity in June 2028 and with a reoffer of 3mS+49 bps
- The transaction was executed in a club deal format on the back of reverse enquiries from many well-known Nordic investors, again highlighting the great investor interest towards Borgo name
- The investor interests was well diversified both geographically and by type of investor

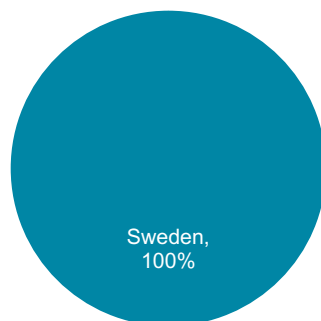
3-YEAR SEK 1.75BN FRN SENIOR UNSECURED NOTES DUE JUNE 2025

Issued
February 14th
2022

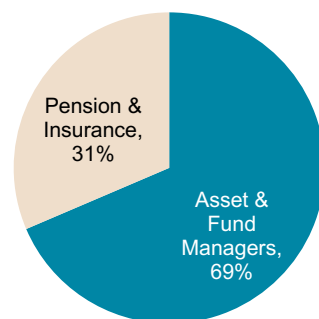
Timeline (CET)

17 th of January 2022	<p>17th of January Press release</p> <ul style="list-style-type: none"> Borgo AB announced that they will shortly complete the establishment of a Medium Term Note program for the issuance of Senior Unsecured and Covered bonds The company published their new investment grade rating Baa2 by Moody's Borgo AB mandated Nordea and SEB to evaluate Senior Unsecured bond interest
19 th of January – 2 nd of February	<p>19th of January – 2nd of February Investor Presentations</p> <p>1-1 investor presentations</p>
2 nd of February	<p>2nd of February Issue day</p> <ul style="list-style-type: none"> SEK 3 year 1.75bn Senior Unsecured Floating Rate Note 3mStibor + 90bps
	<p>4th of February Allocated/ Priced</p>

Allocations – Geography



Allocations – Investor type



Final books SEK 2.5bn

13 accounts participating

Key terms at pricing

Issuer	Borgo AB ("Borgo")
Issuer Rating	Baa2 (stable) by Moody's
Format	Senior Unsecured, RegS
Trade Date	2-February-2022
Settle Date	14-February-2022 (T+8)
Maturity Date	14-February-2025 (3 years)
ISIN	SE0013360633
Issue Size	SEK 1.75bn
Reoffer	3mStibor + 90bps / 100.000%
Coupon	3mStibor + 90bps
Day Count Fraction	ACT/360, Adjusted, Modified following business day, Quarterly
Denomination	SEK 2,000,000 / 2,000,000
Business Days	Stockholm
Law	Swedish Law
Listing	Nasdaq Stockholm
Settlement	Euroclear Sweden
Documentation	Issuer's SEK 50bn covered and senior MTN programme dated 24 th of January 2022
Bookrunners	Nordea & SEB

Transaction overview

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- The issuer released a press statement the 17th of January announcing that their new Medium Term Note program for Senior Unsecured and Covered bonds will be established shortly. Simultaneously Borgo's new investment grade rating (Baa2) by Moody's was published. Borgo announced a forthcoming roadshow to evaluate investor interest in a Senior Unsecured transaction
- The roadshow concluded that investor interest from the Swedish investor community was strong. Several quality investors expressed interest in participating in a forthcoming Senior Unsecured transaction. Subsequently Borgo issued their inaugural SEK 1.75bn 3-year Senior Unsecured Floating Rate Note bond the 2nd of February 2022. The issuer opted for an intraday club deal execution
- The investors showed reliable for Borgo with support from several large key investors. Orderbook stood close to SEK 2.5bn before the transaction closed with 13 quality investors participating. Main investors were Swedish Asset & Fund Managers (69%), in addition to a large size being allocated to Pension & Insurance accounts (31%)
- The final deal size was set to SEK 1.75bn. The successful start is a testament to Borgo's journey towards becoming an established issuer in the SEK market

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INTERNAL CREDIT ASSESSMENT PROCESS

CONSERVATIVE CREDIT SCORING PROCESS

Overview of credit assessment and scoring process

- Borgo has a restrictive credit policy, in line with traditional banks' credit policies
- The plan to use PSD2-enabled services alongside established credit scoring services to give current and forward-looking view of homeowners' financial state
- All loans are secured by a first ranking pledge over mortgage certificates or rights to tenant owned apartments, in all cases owned solely by the borrower
- Independent valuation function separated from the credit department to ensure independence and unbiased valuations
- Quarterly revaluation of all properties

Identification of customers

- All mortgage applicants are identified via BankID, only administered to Swedish residents, to secure a uniform and secure identification
- The legal capacity and financial position of the mortgage applicants are retrieved through a third-party provider

Income status

- The income status of the applicant is retrieved through a third-party provider and verified by the applicant

Stress testing

- The applicant's current and future payment ability is assessed by establishing a KALP. The KALP outcome is stress-tested with an interest rate level of 6%.

Customer scoring

- Each applicant is assigned a credit scoring

Additional criteria for inclusion in the cover pool

- The Issuer identifies the mortgages that are eligible for inclusion in the Swedish Cover Pool according to criteria set by the Covered Bond Act and the Issuer
- Prime Swedish residential mortgages

Applicant(s) should
reside in Sweden

Loan size
max. SEK 15m

LTV
below 85%

LTI
max. 5x annual income

KALP
interest rate 6%

Housing society leverage
max. SEK 20 k/m²

COVER POOL

A HIGH QUALITY, LOW-RISK LOAN PORTFOLIO

Borgos mortgage portfolio

- The acquisition of Ålandsbanken's mortgages and transfer of their outstanding covered bonds denominated in SEK
- Per September 30, 2022, total mortgage loan volume was SEK 12 882m, consisting of 9 512 loans split by 8 778 clients with an average loan size of SEK 1 367m per household
- The portfolio is of high quality with an average LTV of 55,0%
- A majority of the portfolio (62 %) is on a floating rate (0-3 months)
- The portfolio is dominated by exposures in the Stockholm region with 47% of the total mortgage portfolio

Key characteristics of outstanding covered bonds

Outstanding issues in SEK (total: SEK 9 500m)

SE0017232366 (ISIN) SEK 2,000m	<ul style="list-style-type: none"> • Settlement date: 2020-05-12 • Maturity: 2025-05-12 • Coupon: 1,923 • Fixed/Floating: Floating
SE0017232358 (ISIN) SEK 5,500m	<ul style="list-style-type: none"> • Settlement date: 2021-09-10 • Maturity: 2026-09-10 • Coupon: 1,979 • Fixed/Floating: Floating
SE0013360724 (ISIN) SEK 2,000m	<ul style="list-style-type: none"> • Settlement date: 2022-03-30 • Maturity: 2027-06-30 • Coupon: 2,413 • Fixed/Floating: Floating

Cover pool overview (September 30, 2022)

Credit rating	Aaa rated by Moody's
Included assets	SEK 12 912m (including SEK 30m substitute assets)
Over-collateralisation	33% (nominal)
Type of collateral	100% Single -family housing & flats
Cover pool items	<ul style="list-style-type: none"> • Number of loans 9 512 • Number of clients 8 778 • Number of properties 5 541 • Average loan size TSEK 1 367
Regional distribution	Stockholm 47% (loan volume SEK 6 011m)
Repayments	<ul style="list-style-type: none"> • Interest only 39% (SEK 4 983m) • Amortizing 61% (SEK 7 899m)
Interest rate type	<ul style="list-style-type: none"> • Floating 62% (SEK 7 938m) • Fixed 38% (SEK 4 944m)
LTV levels (mortgage assets)	<ul style="list-style-type: none"> • 70-75%: SEK 2 503m (19% of volume) • 60-70%: SEK 2 582m (20% of volume) • 50-60%: SEK 2 690m (21% of volume) • ≤ 50%: SEK 5 108m (40% of volume) • WALTV: 56,0%
Loans past due	SEK 0 (zero)

CAPITAL ADEQUACY IN Q3

SOUND RISK MANAGEMENT

Overview of assumptions and basis for calculations

- Borgo submitted its application for credit institute license to the Swedish Financial Supervisory Authority in 2020 and received an approval in the first quarter of 2021

Capital targets include conservative management buffers above regulatory requirement, determined by the Board of Directors

- In a stressed scenario the CCyB and CCoB are also assessed to be available to cover unforeseen losses
- The capital planning is forward looking and is based on the continuous ICAAP process where the current estimates on the capital target includes:

Combined buffer requirement

- An increase in CCyB to 1,0% in Q3 2022 per the SFSA communication and a further increase to 2,0% in the end of 2023

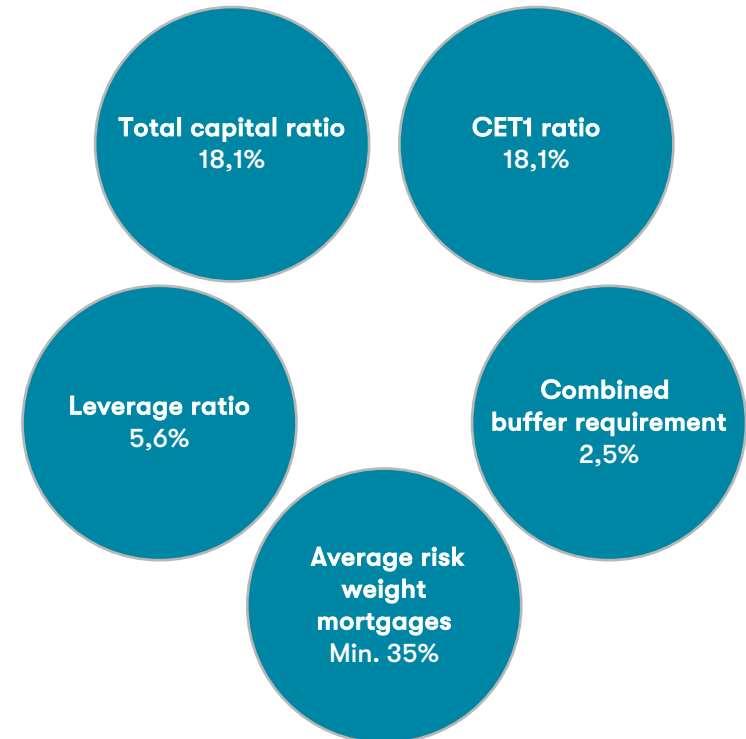
Regulatory changes in the risk weight calculation

- The Basel IV framework is assumed to apply as of January 1, 2025 (per the communicated timing on CRR III / CRD VI) resulting in a reduction in the riskweight applied to the mortgage lending

Pillar 2

- The Pillar 2 requirement is calculated based on the risk in the company quarterly

Capital ratios Q3 2022



Borgo is committed to strong capital ratios, diversified funding and a conservative approach to risk.

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BOARD OF DIRECTORS

REPRESENTATIVES FROM OWNERS ALONGSIDE INDEPENDENTS

External

Eva Cederbalk
Chairman

Board member at Ikano
Bank and Svolder
Prior: CEO at SBAB,
Chairman at Klarna

Julia Lannerheim
Board member

Risk & Compliance Officer
Arvato Financial Solutions

Johan Brodin
Board member

CTO at Intrum
Prior: CRO at Intrum,
CRO at SBAB

Industrial investors

ICA Bank
Per Balazsi
(CFO)

Söderberg & Partners
Gustaf Rentzhog
(CEO)

Ikano Bank
Anna Wanby
(CLO)

Ålandsbanken
Jan-Gunnar Eurell
(CFO & deputy CEO)

Sparbanken Syd
Johan Sandberg
(CFO)

Financial investors

Proventus
Caj Tigerstedt
(CIO)

Persson Invest
Björn Rentzhog
(CEO)

MANAGEMENT TEAM & KEY PERSONNEL

EACH WITH DECADES LONG EXPERIENCE FROM THE FINANCIAL FIELD

Management team & key personnel

CEO, Gustav Berggren – With prior experience as Head of the Private bank division and member of Group Management at Avanza. Oversight of the Stabelo mortgage offering and partnership

COO and deputy CEO, Peter Walldour – With prior experience as Head of Private banking & Pro at Avanza (implementation of the mortgage offering). Other positions at Collector and Nordea

CCO, Adam Lewenhaupt – With prior experience from M&A Advisory at Goldman Sachs and Ovington Financial Partners. Private equity at Brummer & Partners and entrepreneurial endeavours

CFO, Samuel Tawadros – With prior experience as Head of Finance at Landshypotek Bank. Other previous experience from companies such as Deloitte, Bluestep and Santander.

CTO, Daniel Kolvik – With prior experience as CTO at Redeye and Blendow Group

CRO, Emma di Nicola – With prior experience as Head of CRO Office at Länsförsäkringar Bank, the Swedish FSA and EY

CLO, Camilla Philipson Watz – With prior experience as legal counsel at Nordnet Bank, Stadshypotek and the Swedish FSA

Head of Compliance, Tanya Forsstedt – With prior experience from several of Sweden's larger niche banks, including Avanza Bank and Klarna Bank

Head of Treasury, Fernanda Echenique – With prior experience as Treasury Manager at SBAB and the Swedish National Debt Office

Head of Accounting and Reporting, Mattias Vilhelmsson – With prior experience as financial controller and other related roles at Bluestep Bank

Head of Credit, Linnea Sigot – With prior experience from management consulting, credit and credit risk roles at different Swedish banks (Länsförsäkringar etc)

ESG

DEVELOPMENTS DURING 2022

DURING 2022, BORGO HAS TRANSLATED IDEAS INTO STRATEGY

Ethos

- Early on in 2022, Borgo engaged ESG-specialist consultancy ESG to ensure the highest level of quality could be achieved in terms of initial analysis and assessment, reporting and advice on implementation of ESG-strategy

Materiality Assessment & Strategic Pillars

- During the summer of 2022, Borgo completed a materiality assessment, providing the foundation for Borgo's ESG strategy
- Key focus-areas were identified and will make up the pillars of Borgo's ESG strategy

Reporting

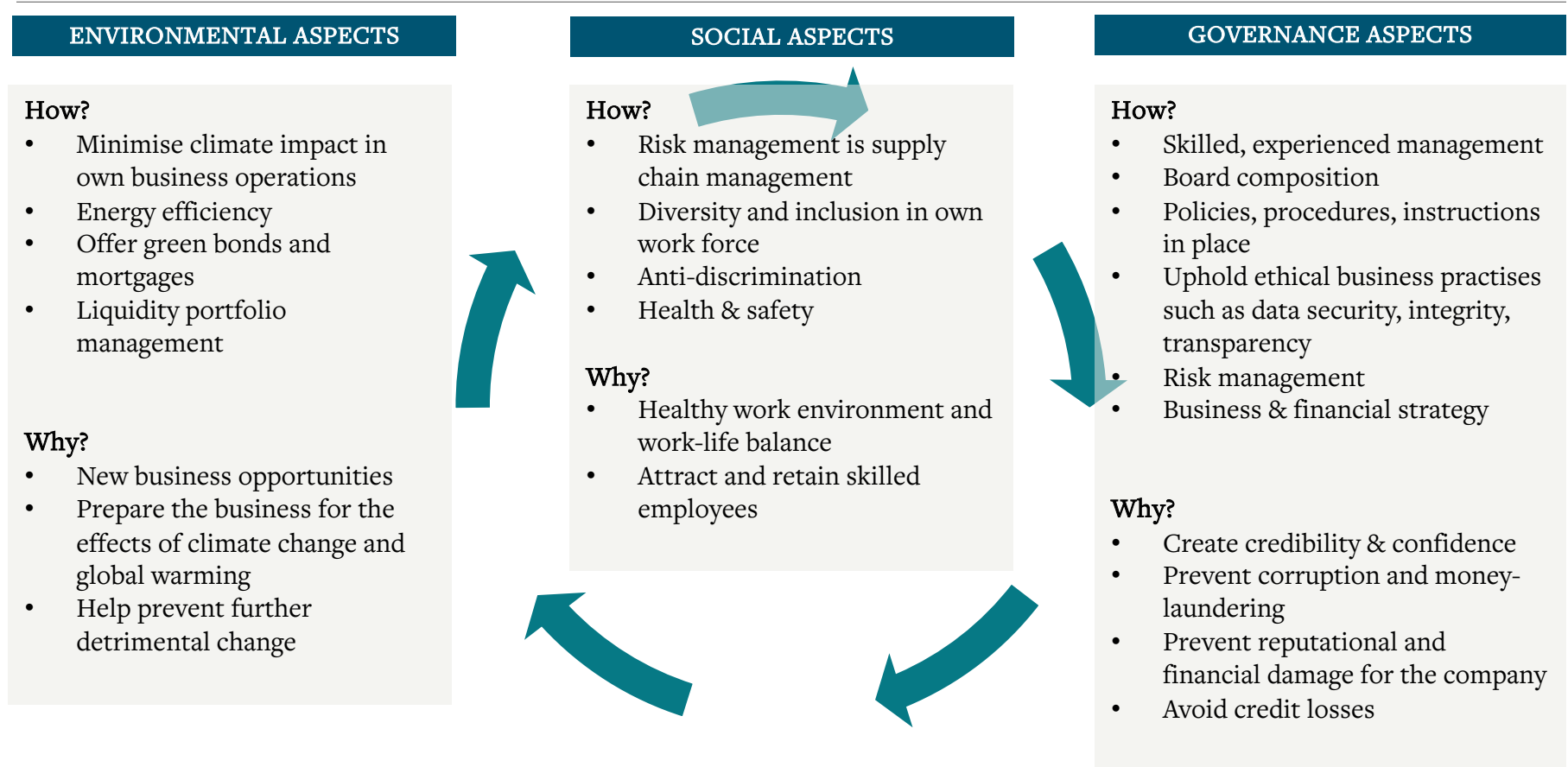
- Borgo is in the final stages of completing its TCFD-report and the first full year Sustainability Report is in progress
- The Sustainability Report for 2022 will be part of the Annual Report

Implementing the Strategy

- Borgo's challenge within ESG now lies in fully implementing the Strategic Pillars in the day-to-day business activities
- Borgo is already well on track with numerous aspects, but technical developments will be required over the next few years in order to be able to offer "green products"
- In addition, Borgo will develop its Green Bond Framework, likely during 2023, to prepare for issuing Green Bonds

ESG

ESG IS HIGHLY RELEVANT FOR BORGO



Borgo's ESG-work is of great importance to our employees and investors, as well as to meet stakeholder expectations, build customer loyalty, mitigate risks & improve financial performance.

ESG

LEGISLATION AND REGULATION

EXPANDING ESG LEGISLATIONS AND REGULATIONS

- There is a rapid development of ESG/sustainability legislations on a national and EU level. Requirements on investors, and from investors, are growing
- Some of the current and upcoming legislations do not apply directly to Borgo, yet they apply to us through our business relations, where we need to supply data and information to other companies.

KEY LEGISLATION RELEVANT FOR BORGO (CURRENT)

- NFRD (Non-financial Reporting Directive), incorporated into the Swedish AAA (Årsredovisningslagen)
- CSRD (Corporate Sustainability Reporting Directive), adopted by the EU in November 2022, replaces the NFRD by 2024
- SFDR (Sustainable Finance Disclosure Regulation)
- EU Taxonomy

Pending decision-making in the EU:

- Corporate Sustainability Due Diligence
- Human Rights Due Diligence
(these may become relevant to Borgo as part of bigger companies' value chains)

FUTURE IMPLICATIONS FOR BORGO

- Increased demands for sustainability data to be provided to owners, investors, business partners, clients
- Increased demands on Borgo's own sustainability reporting
- The EU is repainting the sustainable finance landscape, defining what can be called a sustainable economic activity and thus a sustainable investment
- Clients, customers, and consumers will have access to better sustainability information, ensuring they make informed decisions
- Access to capital will be dependent on company's sustainability governance, strategy and performance

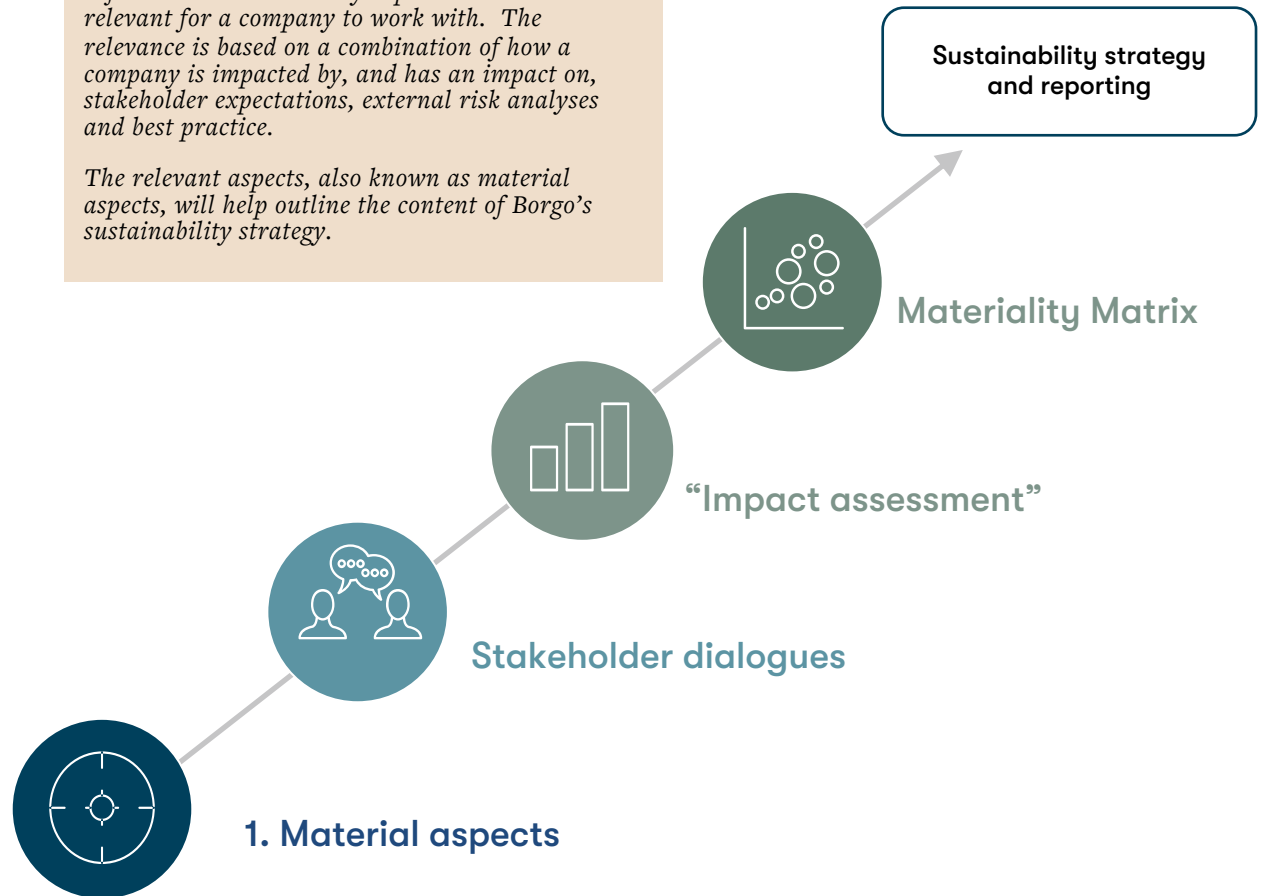
ESG

MATERIALITY ASSESSMENT

- The materiality assessment identified nine material aspects, which have been reviewed by Borgo and specialist consultancy firm Ethos to reflect upcoming legislation, stakeholder expectation and best practices
- The top three material aspects are: ‘offer green mortgages’, ‘invest capital responsibly and transparently’, and ‘contribute to sound personal finances’
- In addition to these three aspects, six other aspects are considered material and should be developed and monitored
- The materiality assessment will help Borgo formulate a sustainability strategy, which integrates all aspects in a reasonable and proportional way
- The materiality process is aligned with Borgo’s stakeholders and Borgo’s sustainability impact, and allows Borgo to mitigate risk, prepare for legal requirements, including regarding sustainability reporting and meeting investors’ and customers’ expectations in an evolving sustainability landscape.

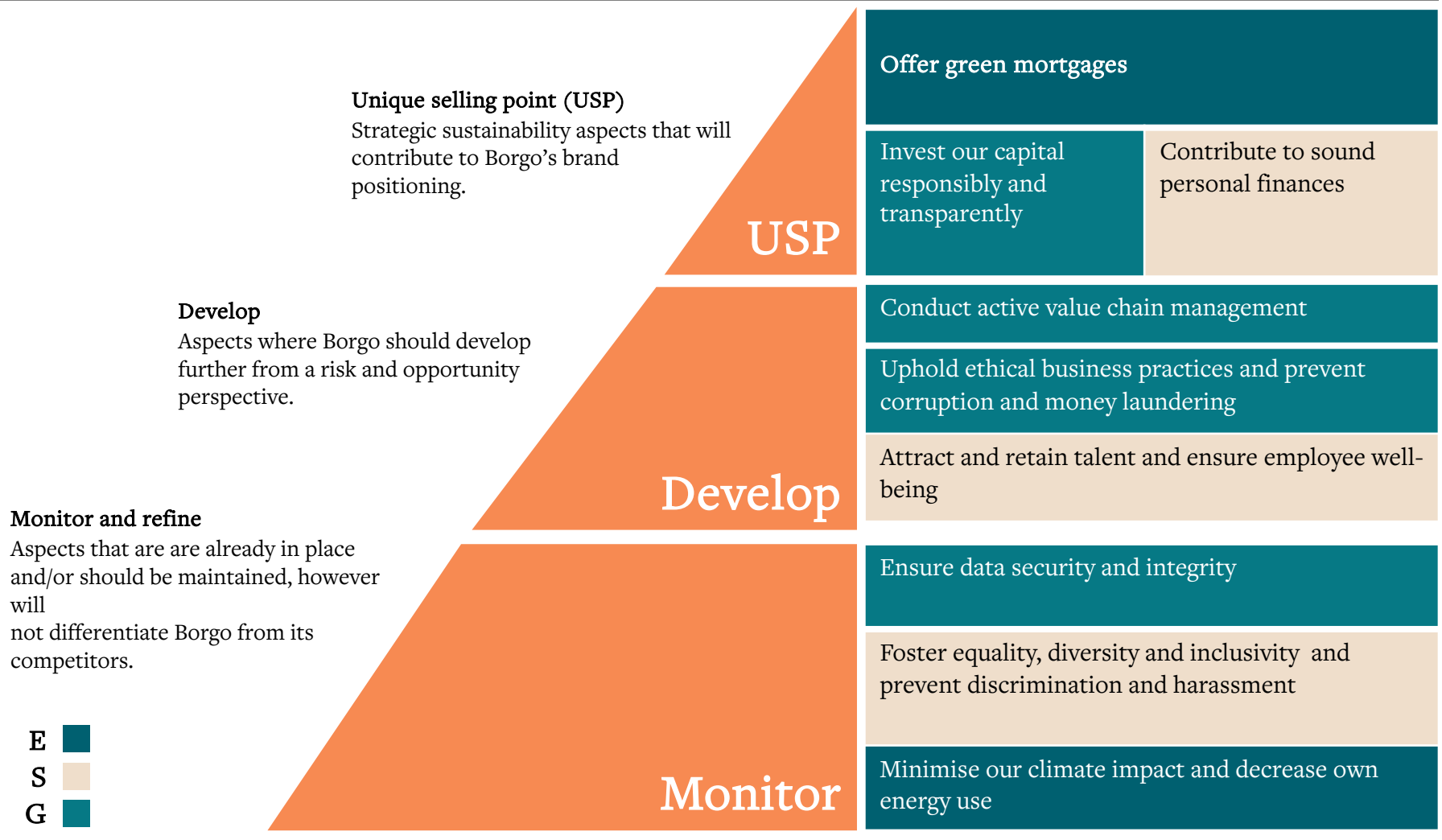
The double materiality assessment is the method to define what sustainability aspects that are most relevant for a company to work with. The relevance is based on a combination of how a company is impacted by, and has an impact on, stakeholder expectations, external risk analyses and best practice.

The relevant aspects, also known as material aspects, will help outline the content of Borgo’s sustainability strategy.



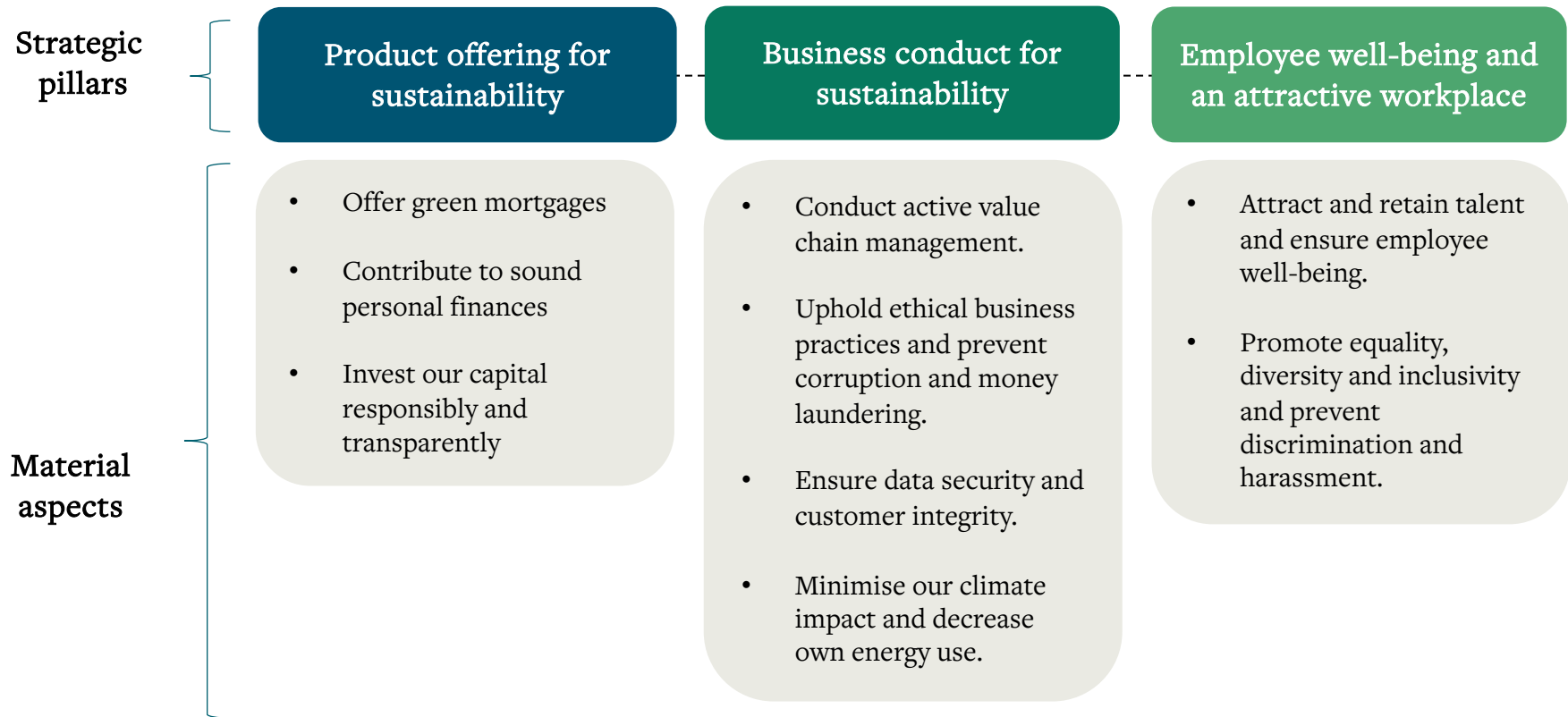
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BORGO'S MATERIALITY PYRAMID



ESG

BORGO'S STRATEGIC PILLARS & MATERIAL ASPECTS



The strategic pillars and material aspects are based on and aligned with Borgo's stakeholders views, while also being designed to be adapted to a fast evolving sustainability landscape.

AGENDA

1. BACKGROUND, STRATEGY AND BUSINESS MODEL

2. FINANCIALS, FUNDING AND LIQUIDITY

3. ASSET QUALITY AND CAPITAL ADEQUACY

4. MANAGEMENT & ESG

5. CONTACT DETAILS

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