Modernising the mortgage market

INVESTOR PRESENTATION

Financial information as of Q2 2026

Updated 2026-08-27

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1. Introduction to Borgo

Borgo in short

- Borgo is a Swedish mortgage company
- Originating & financing Swedish mortgages
- Lending via distribution partners
- Funding via covered bonds, senior bonds and retail deposits
- Owned by ICA Banken, Ikano Bank, Söderberg & Partners, Sparbanken Syd, Lån & Spar and Ålandsbanken, as well as several financial investors

ICA Banken

IKANO BANK

Sparbanken Syd

Söderberg & Partners

ÅLANDSBANKEN

Total assets: SEK 49,4bn	Lending: SEK 41,6bn	Credit losses: 0,01%	Retail deposits: SEK 12,4bn	Customers: 22 000	CET1 ratio: 16,6%

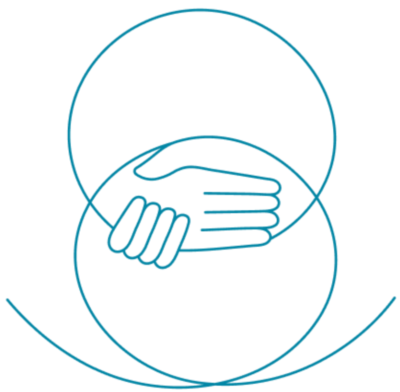
EXECUTIVE SUMMARY

- Strong mortgage asset quality
  - SEK lending to Swedish households
- Ongoing business transformation
  - Creating state-of-the-art digital infrastructure
- Structural reduction in funding costs
  - Well established issuer of covered bonds
- Scalable operating model
  - Keeping it simple with focus on mortgage lending
- Clear pathway to improved profitability
  - Scalability
  - Lower cost of funding
  - Stable operating costs
  - Growth

"Borgo is transforming into a scalable and digitally enabled mortgage platform."

OWNERS

- Strategic owners
  - Act as distribution partners
  - Providing access to a nationwide network
- Financial investors
  - Borgo as a financial investment
- Securing strong capitalization and long-term commitment



IKANO BANK	~23%
ICA Banken	~20%
Söderberg & Partners	~12%
ÅLANDSBANKEN	~8%
Sparbanken Syd	~4%
Lån & Spar Bank	~4%
Financial investors	~29%

2. Business model: The borgo way

THE BORGO WAY

- Focused on mortgage lending
  - No distracting products
- Lean organisation
  - Short chain of command
- Borgo manages the core business
  - Production rate
  - Origination of loans
  - Mortgage servicing platform
  - Funding, liquidity and risk
- Distributors manage customer relations
  - Set their own lending rate
- Deposits are handled both via distribution partners and via the Borgo brand

PURE-PLAY BUSINESS MODEL

- Mortgage lending to Swedish homeowners
- Distribution via some of Sweden's strongest consumer brands
- Lending only SEK
- Lending only through owners
- Conservative underwriting standards
- Digital business
- No corporate lending
- No handling of cash
- No international business

Distribution

✓Partnering with strong names
✓Extensive network
✓Strategic owners

In-house origination

✓Lending to Swedish homeowners
✓Business only in SEK
✓Digital process

Funding and risk-mitigation

✓Retail deposits
✓Wholesale funding
✓Interest rate risk

Strengthening our digital capacity

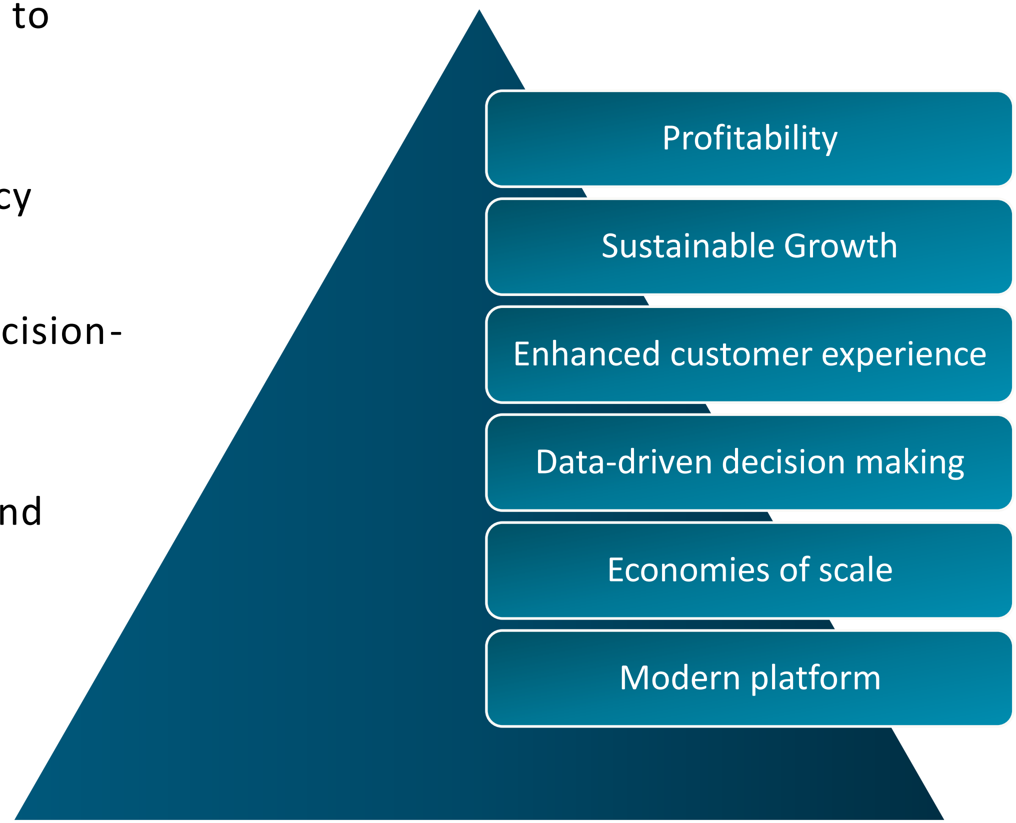
- Borgo has acquired Hypoteket's lending platform
- The agreement includes an option to acquire Hypoteket's mortgage portfolio of approximately SEK 15 billion
- The acquisition strengthens Borgo's digital capabilities and distribution capacity
- Expected to enhance operational efficiency and support future growth
- Provides a scalable platform for continued product and customer proposition development

"This marks an important strategic milestone for Borgo, significantly strengthening our digital capabilities. The opportunity to leverage a proven platform, a well-established brand, and substantial economies of scale provides a strong foundation for our continued growth and long-term ambition to become Sweden's most modern and efficient mortgage bank."

Pehr Olofsson, CEO of Borgo

WHY ARE WE TRANSFORMING?

- Modernising our technology platform to support future growth
- Driving scale and operational efficiency
- Leveraging data and AI to enhance decision-making and risk management
- Improving the customer experience and engagement
- Strengthening funding efficiency and supporting long-term profitability



3. Financial update

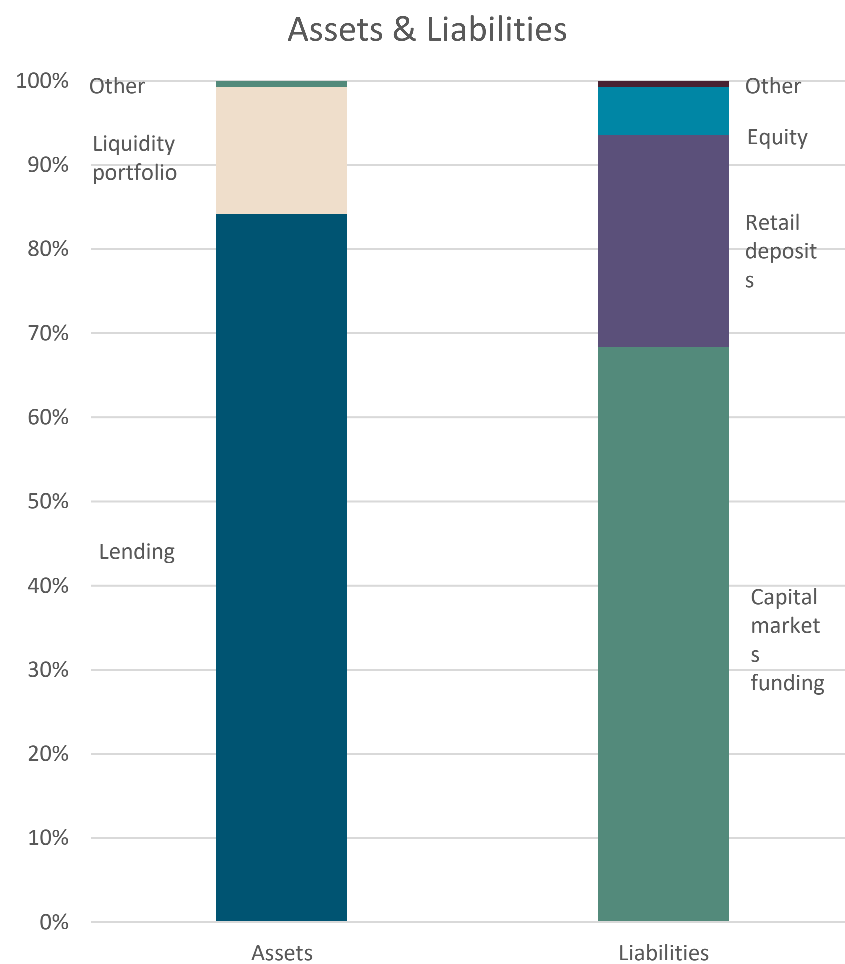
What you see is what you get

Assets

- Lending
- Liquidity portfolio

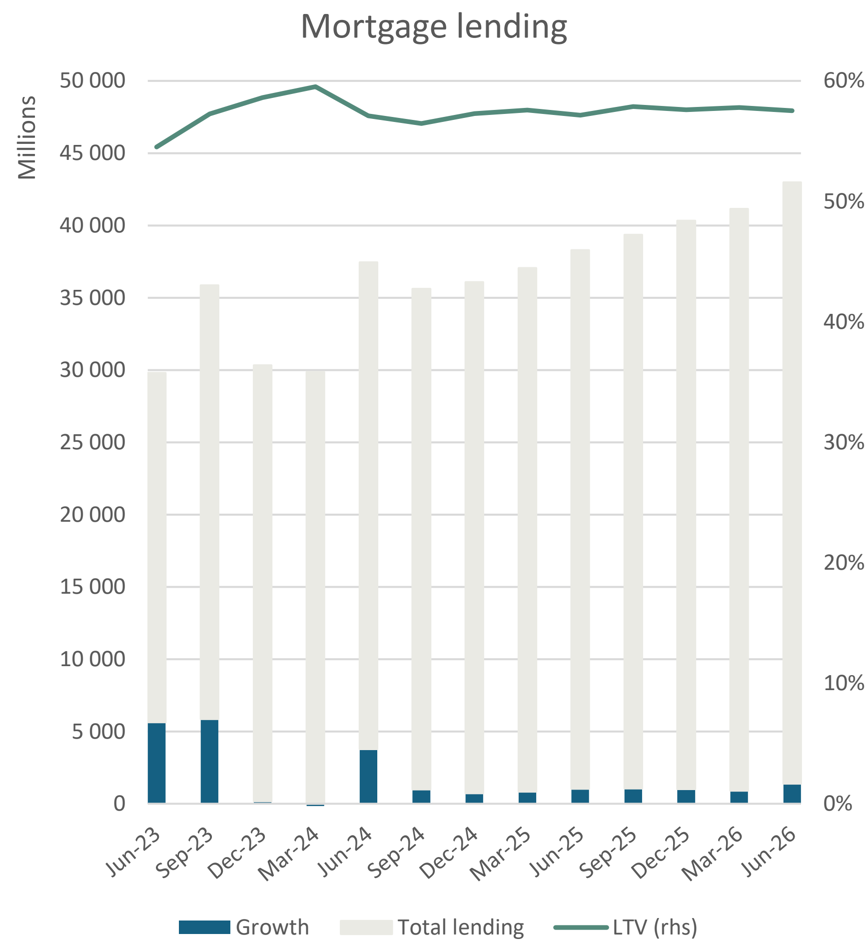
Liabilities

- Capital markets funding
- Retail deposits
- Equity



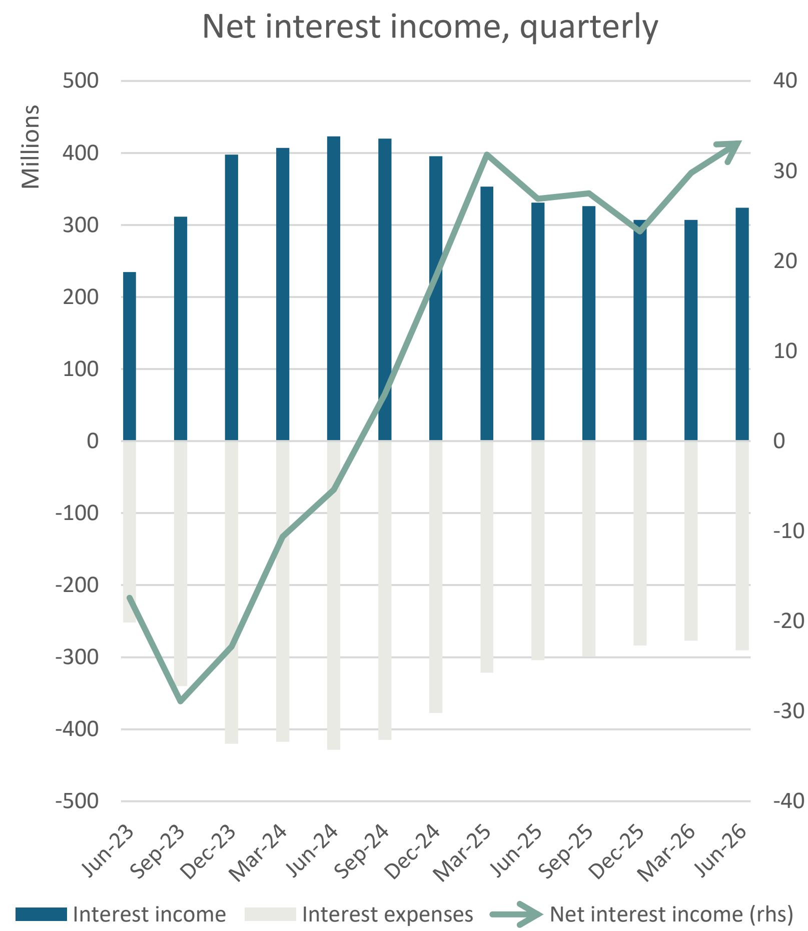
Sustainable growth

- Nation-wide distribution
- Competitive pricing
- Conservative underwriting standards
- Risk-adjusted pricing matrix



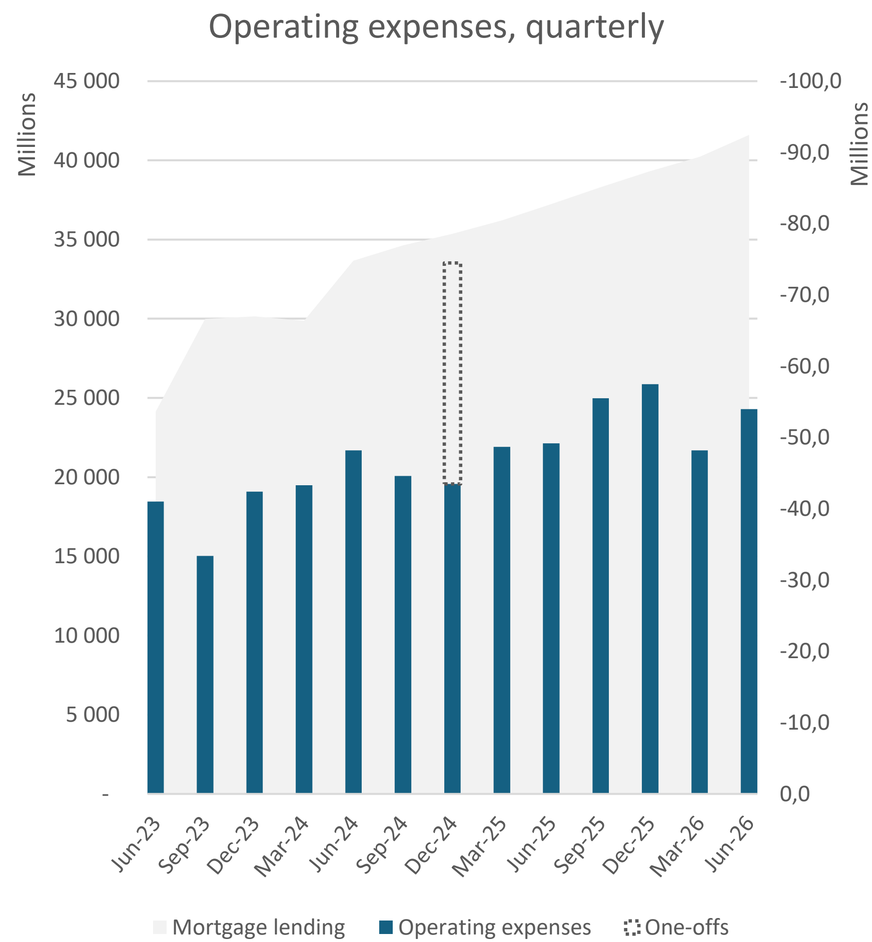
INCREASING NET INTEREST INCOME

- Improving net interest income
- Lower cost of funding
- Increasing mortgage volumes
- Diluting expensive funding
- Improvement expected to continue as old and expensive funding matures



CURBING OPERATIONAL EXPENSES

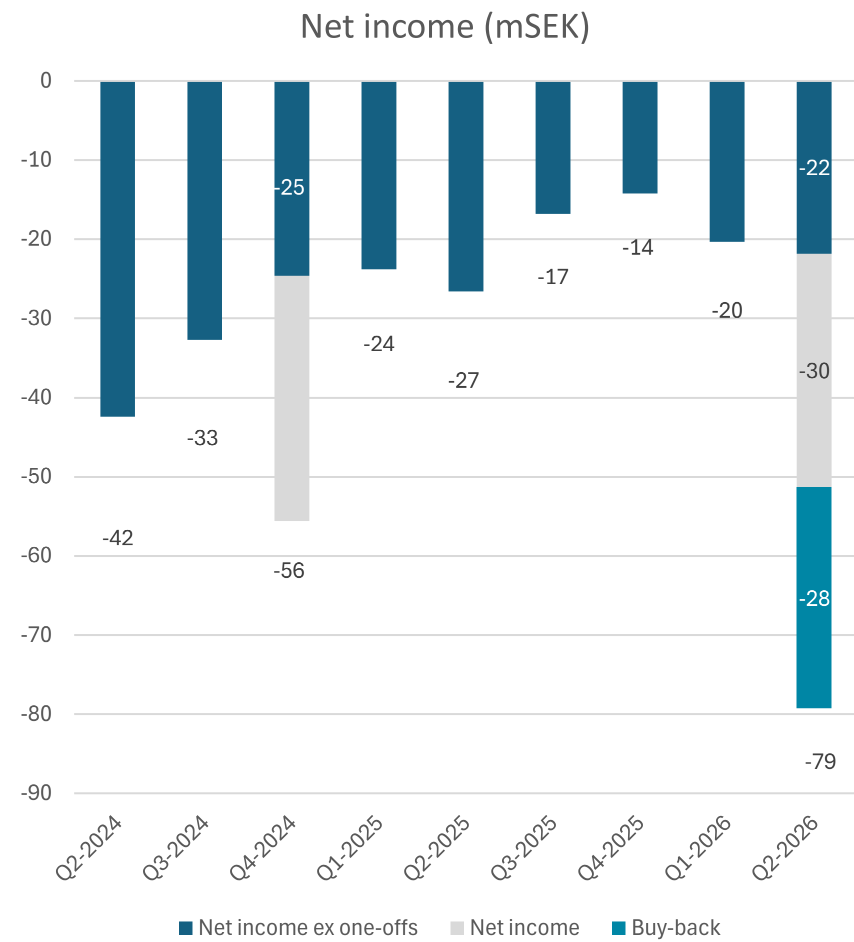
- Scalability is key
- Focus on cost control
- Managed to keep expenses stable despite balance sheet growth
- Some SEK 31m One-offs taken in Q4 2024



**Adjusted for SEK 31m one-off expenses in Q4 2024*

NET INCOME

- Stable underlying cost base
- Lower cost of funding
- One-off cost of SEK 28m from the repurchase of higher-cost funding instruments
- Non-cash DTA write-down of SEK 29.5m as deferred tax assets attributable to historical negative net interest income are no longer deemed recoverable



Borgo key financials

- Continued balance sheet growth
- Solid capital position
- Growing net interest income
- Improving profitability
- Healthy risk metrics

Income statement	Q2 2026	Q1 2026	Q2 2025
Interest income	324	307	331
Interest expenses	-291	-277	-304
Net interest income	33	30	27
Operating income	-79	-20	-27

Balance sheet	Q2 2026	Q2 2025	Change
Mortgage lending	41 607	37 248	12 %
Retail deposits	12 441	11 628	7 %
Wholesale funding	33 804	30 134	12 %
Equity	2 830	2 578	10 %

Asset quality	Q2 2026	Q2 2025
Loan-to-value (LTV)	57.5%	57.1%
Credit losses	0.01 %	0.02 %

Liquidity measures	Q2 2026	Q2 2025
LCR	1005 %	501 %
NSFR	109 %	110 %

CAPITAL BUFFERS

- Committed owners with a strategic and long-term horizon
- Capital buffer mostly CET1 capital
- SEK 350m AT1 outstanding
- The Swedish FSA has assigned Borgo a Pillar 2 Guidance (P2G) of 5.0% of RWA and 1.5% of the leverage ratio exposure measure
- Borgo has filed an appeal against the decision

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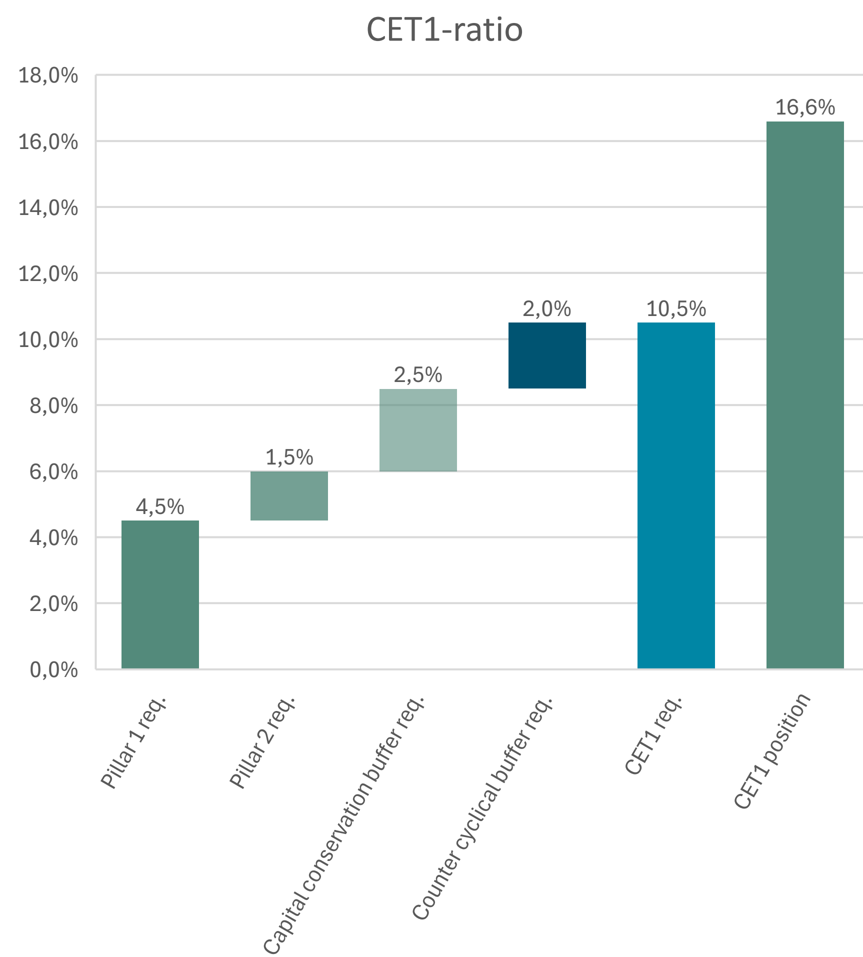


4. Asset quality

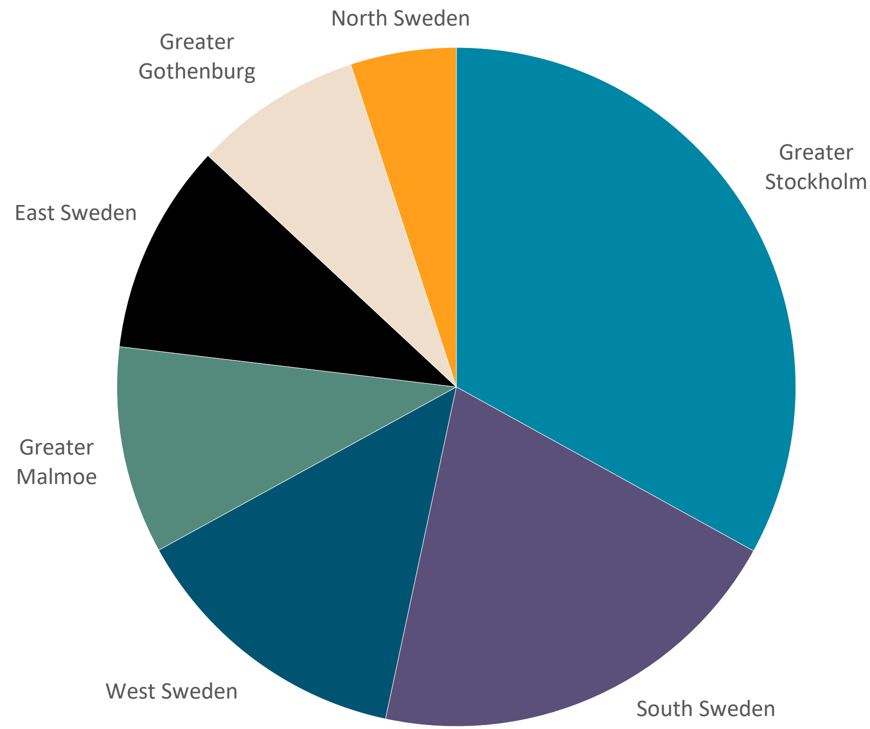
Lending at Borgo

- Swedish residential mortgage lending
- Digital customer journey and origination process
- Conservative underwriting standards
- KALP calculations stress-tested at a 6% interest rate
- All loans secured by first-ranking collateral
- Regular property revaluations across the portfolio
- Risk-adjusted pricing supporting sustainable growth

Asset distribution

- Skewed towards the more densely populated areas of Sweden, such as Stockholm and Southern Sweden
- Representing the customer base of the distributors
- Distribution broadens as we grow
- Single family housing: 64%
- Tenant owner rights: 36%

Regional distribution



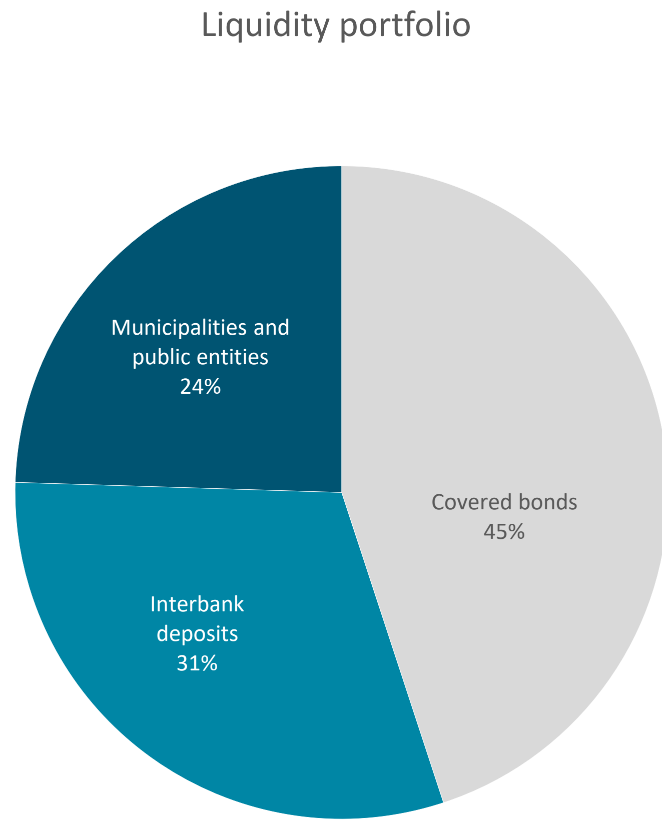
COVER POOL

Metric	Value
Collateral:	100 percent Swedish mortgages
Property type:	Residential properties only
Cover pool size:	MSEK 36 100
Outstanding covered bonds:	MSEK 29 760
Number of borrowers:	30 836
Average loan size:	SEK 934 000
Loan-to-value (indexed):	57,5 %
Over-collateralisation:	20,3 %
Floating rate (0-3 months):	84,7 %
Fixed rate (>3 months):	15,3 %
Weighted average seasoning:	3,6 years
Pool type:	Dynamic
Rating:	Aaa by Moody's

5. Funding & liquidity

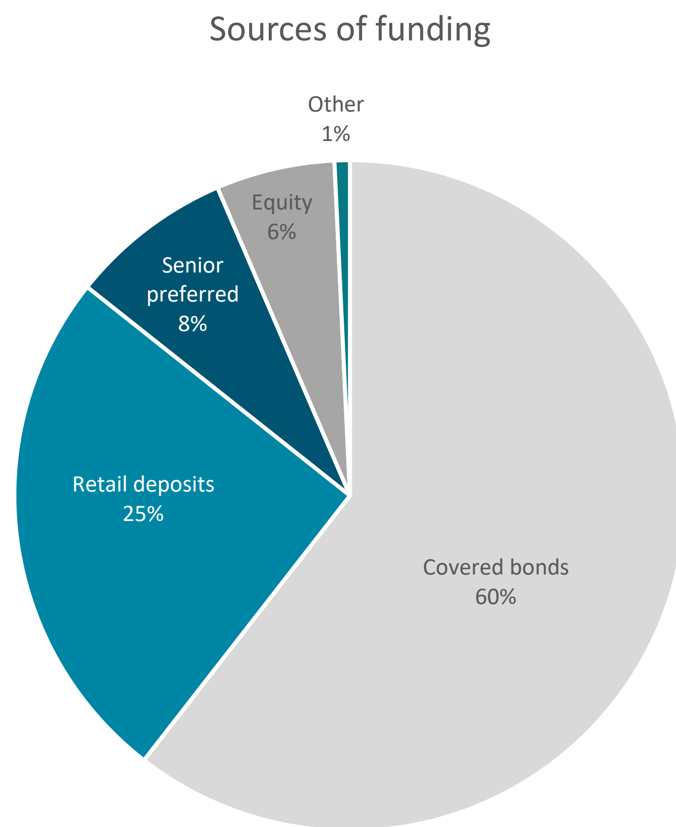
SAFEGUARDING OUR LIQUIDITY

- Buffer of liquid assets to cover regulatory demands and business needs
- Portfolio of high-quality liquid assets (HQLA), eligible as collateral at Riksbanken or with the ECB
- LCR: 1005%
- NSFR: 109%
- All cashflows in Stibor3m to match liabilities



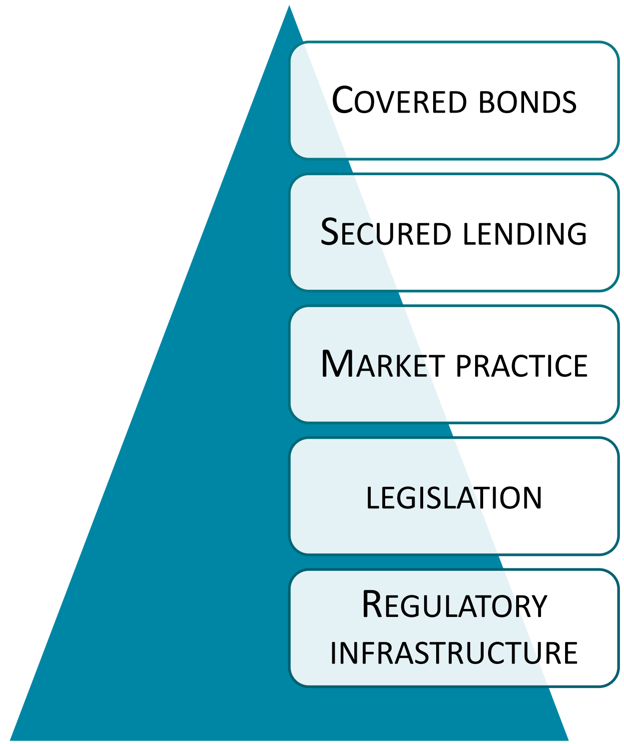
Funding strategy

- Covered Bonds
  - The cornerstone of our funding strategy
  - Cost-efficient and reliable funding source
- Retail Deposits
  - Stable and granular funding base, enhancing resilience during periods of market stress
  - Strengthens funding diversification
- Senior Preferred
  - Senior preferred instruments offer flexibility and supports our credit rating via the LGF-metric
- Equity
  - A robust equity base underpins our creditworthiness and ensures compliance with regulatory capital requirements
- Other Funding
  - Reflects the nature of our business and includes received collateral, customer receivables, and tax-related assets



THE SWEDISH MORTGAGE MARKET

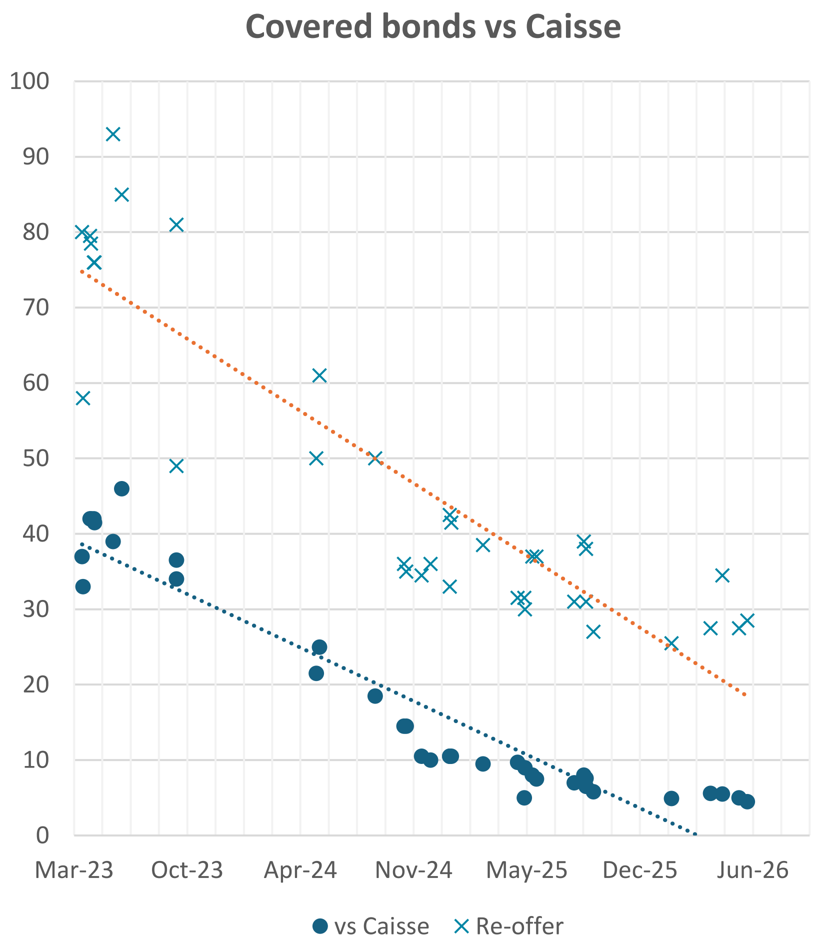
- Robust Infrastructure
  - Sweden offers a well-established regulatory and legal framework for residential mortgage lending and funding, providing legal certainty and strong investor protection
- Comprehensive Legislation
  - Clear and transparent legislation governs the entire value chain, from mortgage origination to covered bond funding
- Established Market Practice
  - A mature market supported by strong institutions, regulatory oversight, and well-established industry standards
- Low Credit Risk Environment
  - Strong macroeconomic fundamentals, prudent fiscal policies, and conservative underwriting standards support a resilient mortgage market with historically low credit losses

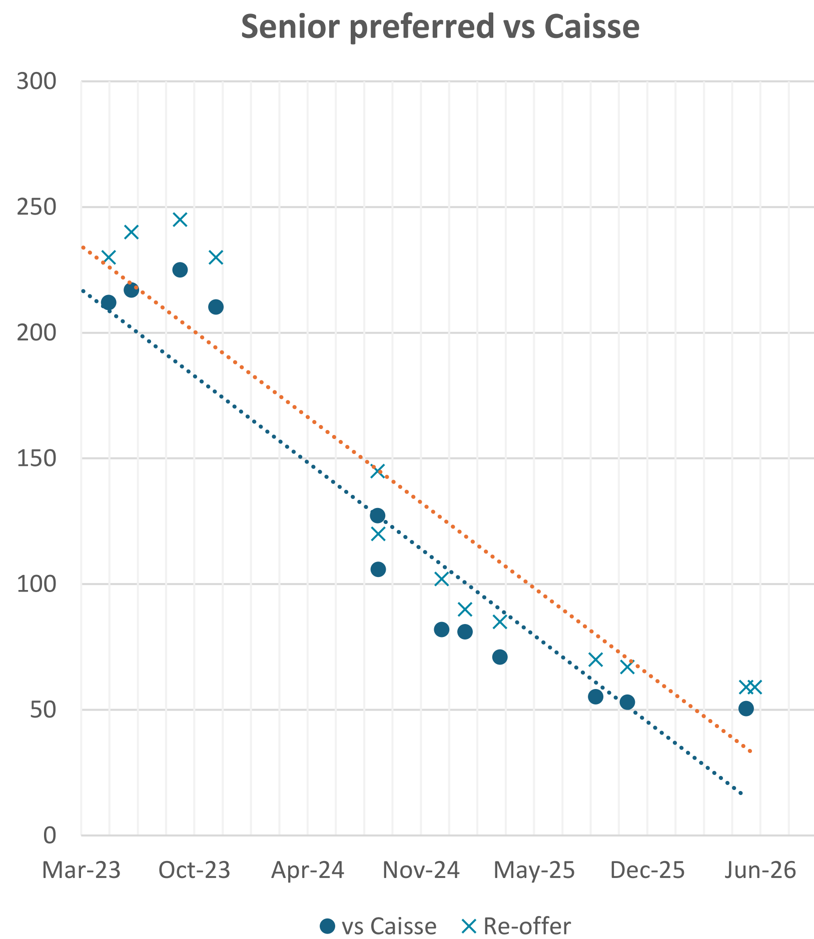


Debt management framework

- Focus on reducing long-term funding costs
  - Continuously optimizing our funding structure with the goal of lowering the cost of funding. Including proactive market engagement and maintaining a strong credit profile
- Covered bonds as the main source of funding
  - Covered bonds remain our primary source of funding due to their efficiency, investor appeal, and alignment with our asset structure
- Commitment to transparency
  - We strive to maintain a high level of transparency in all aspects of our funding strategy. Regular updates, clear communication, and accessible information are central to fostering trust with our counterparties
- Recurring issuer
  - By maintaining a predictable and transparent issuer pattern, we aim to build long-term relationships with investors and strengthen our market reputation
- Long-term strategic commitment
  - Supporting sustainable growth while maintaining a prudent funding and liquidity profile

New Issuance at Lower Spreads

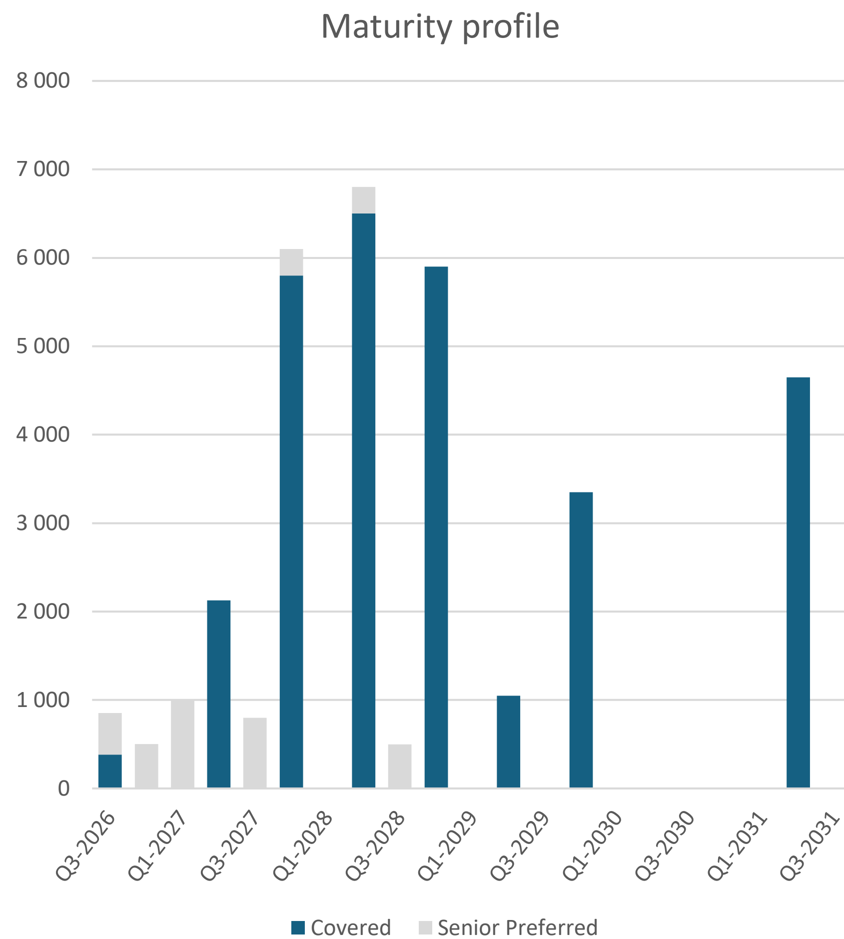




Funding plan

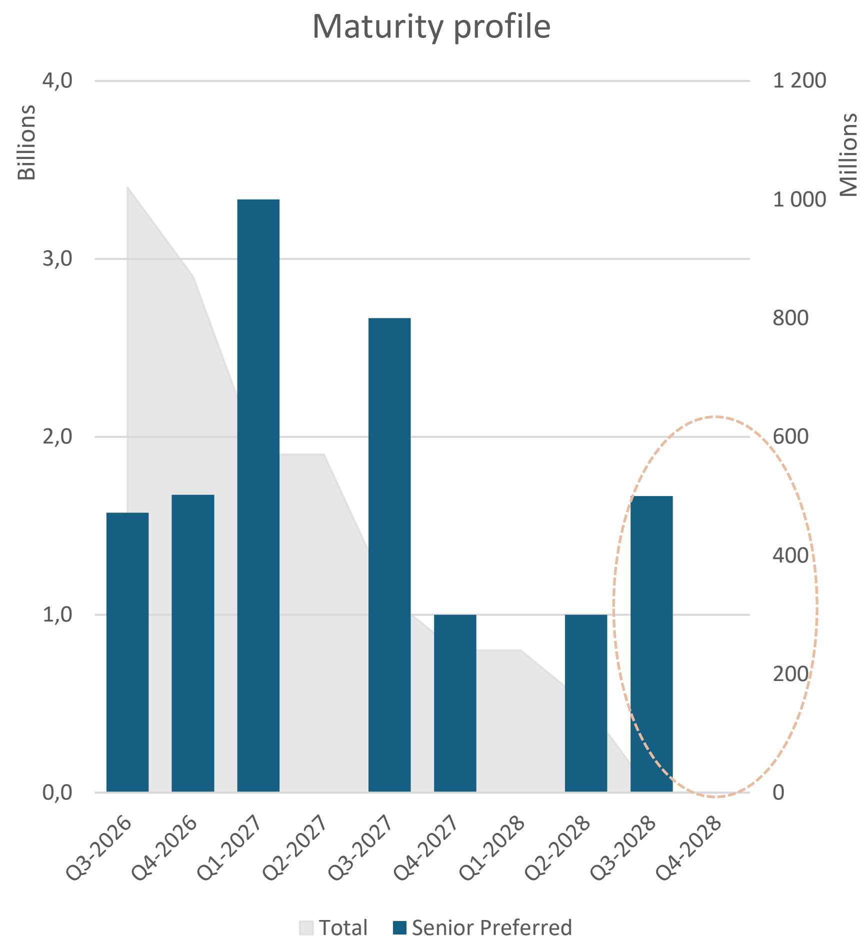
- In 2026, the focus will be on financing the company's organic growth and managing upcoming debt redemptions
- Covered bond issuance will be skewed toward shorter maturities
- The volume of unsecured funding will be guided by rating agency requirements and the development of retail deposit inflows
- Bonds outstanding:

Senior preferred	~4 bn
Covered bonds	~30 bn
Total	**~34 bn**



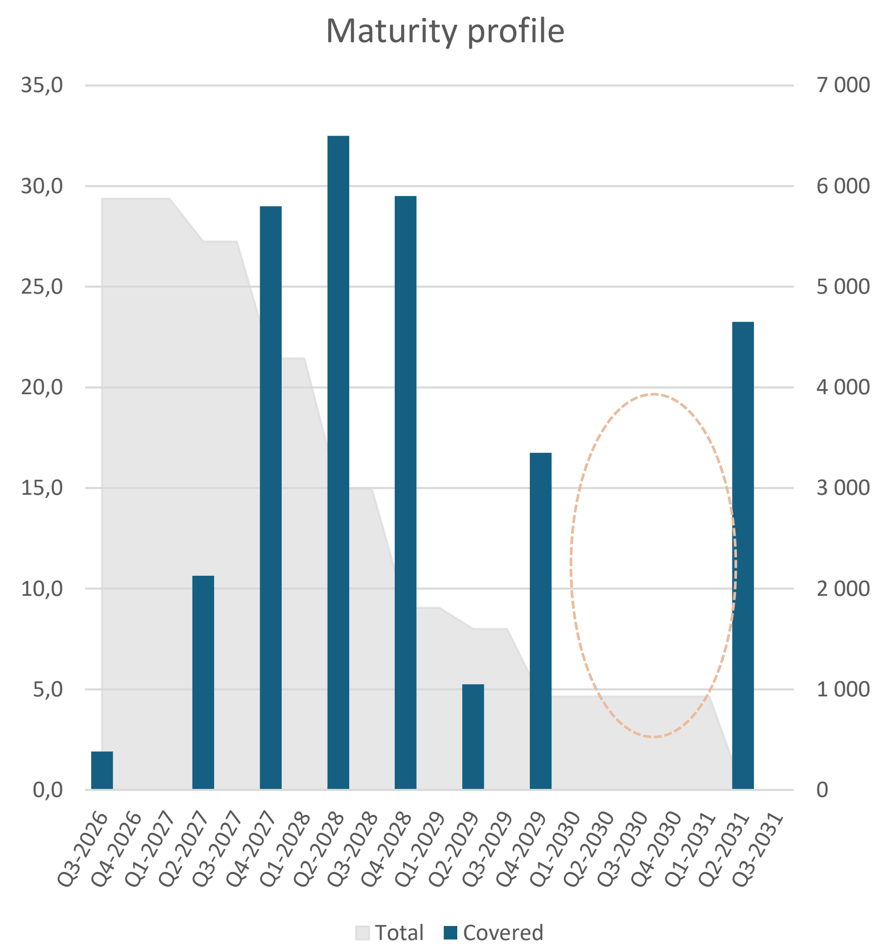
Senior preferred

- Senior debt to strengthen Moody's Loss Given Default (LGF) metric
- Preferred tenor 2-3 years
- FRN or Fixed
- Preferred size SEK 250-750m
- Smaller redemptions help reduce the impact when the bond is due
- Currently SEK ~4 bn outstanding
- Estimated need for 2026: SEK ~1 bn



Covered bonds

- The main source of funding together with retail deposits
- Aaa Covered bonds rating by Moody's
- Preferred tenor 3-5 years, FRN or Fixed
- Preferred tap size SEK 250-750m
- Private placements or syndicated trades when suitable, focused on Lvl 2 or Lvl 1
- Currently ~30 bn outstanding
- Estimated need for 2026: SEK 6-10 bn



Green Funding Framework

- Green Funding Framework established in August 2026
  - Aligned with the ICMA Green Bond Principles 2025
  - Framework applicable to Borgo's Medium Term Note Program
  - Proceeds allocated to financing and refinancing of eligible green residential mortgages
  - Annual allocation and impact reporting with external verification
  - Independent Second Party Opinion provided by Moody's
- Strategic benefits
  - Broadens the investor base
  - Supports sustainable funding diversification
  - Enhances transparency towards investors
  - Aligns funding strategy with sustainability ambitions
- Eligible green assets - Green Buildings
  - New residential buildings
    - Primary Energy Demand at least 10% below national NZEB requirements
  - Existing residential buildings
    - EPC A, or Within the top 15% most energy-efficient residential buildings in Sweden
  - Major renovations
    - At least 30% reduction in energy consumption, or Compliance with national energy efficiency requirements for major renovations
- Sustainability ambitions
  - Board-approved climate roadmap
  - Target to reduce mortgage portfolio emissions intensity by 40% by 2030 (base year 2022)
  - Climate risk analysis aligned with TCFD
  - Double materiality assessment performed in accordance with ESRS

<u>Green Funding Framework</u> <u>Second Party Opinion</u>

6. CONTACTS

TEAM BORGO

Pehr Olofsson, CEO

Karl Aigéus, CFO

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karl.aigeus@borgohypotek.se

ir@borgohypotek.se

Appendix

RATING

Credit strengths

- Very strong asset quality, with lending consisting of Swedish mortgages
- Demonstrated investor backing and access to capital

Credit challenges

- Limited financial track record and governance risks stemming from outsourcing of key services
- Loss making, given the rising funding costs and fast balance sheet growth
- Monoline business model, with limited revenue diversification

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

FINANCIAL CALENDAR

Report	Date
Year-end report 2025	25 February 2026
Annual report 2025	22 April 2026
Q1 report 2026	28 May 2026
Q2 report 2026	27 August 2026
Q3 report 2026	26 November 2026

BOARD OF DIRECTORS

External

Lennart Francke, Chair of the Board
Board Member Qliro & Affärsvärlden. Previous senior advisor Swedbank, EVP at Handelsbanken

Johanna Cerwall
Chair of the Board Blomsterfonden, Board member Skandia Investment Management, Svensk Bostads Partner, Bosam, EP Bank. Previous CEO at Skandiabanken

Ragnar Gustavii
Board member TEG AB and Gotlands Bilfrakt AB (chair) Previous positions at Swedbank and EY

Industrial investors

Gunnar Olsson
ICA Banken
(CEO)

Anna Wanby
Ikano Bank
(CLO)

Johan Sandberg
Sparbanken Syd
(Deputy CEO)

Gustaf Rentzhog
Söderberg & Partners
(CEO)

Jan-Gunnar Eurell
Ålandsbanken
(CFO & deputy CEO)

Financial

Caj Tigerstedt
Proventus
(CIO)

Johan Karlsson
CEO Neptunia Invest AB (publ)
CEO Slättö Förvaltning

EXECUTIVE MANAGEMENT

Executive management

Pehr Olofsson, CEO
Previous experience CFO at Avida Finans, Bankgirot, Swedbank Baltic Banking, Entercard and acting CFO at Klarna

Peter Walldour, CGO and deputy CEO
Previous experience: Head of Private Banking & Pro at Avanza (implementation of the mortgage offering). Other positions at Collector and Nordea

Karl Aigéus, CFO
Previous experience: Head of Treasury at Borgo and Head of Funding at Skandiabanken. Previous positions within Treasury, Funding and Capital Markets at Kommuninvest and Kammarkollegiet.

Rebecca Granlund, Chief Credit Officer
Previous experience: Senior Credit Risk Analyst at Borgo. Previous positions at UC and Santander Consumer Bank

Emma di Nicola, CRO
Previous experience: Head of CRO Office at Länsförsäkringar Bank. Various positions at the Swedish FSA and EY