3rd EEMI BAUHAUS EVENT
February 22, 2021
## History

<table>
<thead>
<tr>
<th>Start</th>
<th>Licencing</th>
<th>1st Funding</th>
<th>Beta pilot</th>
<th>Verder Hypotheken (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment</td>
<td>AFM (regulator)</td>
<td>Funding</td>
<td>Horizontal split</td>
<td>• IT investments in</td>
</tr>
<tr>
<td>Jungo B.V.</td>
<td>Mortgage licences:</td>
<td>Agreement with Institutional</td>
<td>mortgage in</td>
<td>processing and CX/UX</td>
</tr>
<tr>
<td></td>
<td>• 2:60 Wft</td>
<td>investor</td>
<td>combination with</td>
<td>• Simple products</td>
</tr>
<tr>
<td></td>
<td>• 2:80 Wft</td>
<td></td>
<td>crowdfunding</td>
<td>• Focus on distribution</td>
</tr>
</tbody>
</table>

*) Verder Hypotheken is a brand name of Jungo B.V.
Ambition climate agreement NL market

**Dutch government**

- 2030: Improved sustainability for 1.5 million houses
- 2050: All houses are “gasless”
- Less than 25% of registered labels is A

**Energy labels per 1-1-2020**

Distribution energy labels among houses:

- A: 23%
- B: 17%
- C: 28%
- D: 15%
- E: 8%
- F: 5%
- G: 4%

Sources, Dutch government
Consumers response

Buyers are willing to pay a premium on houses

- Average investment in a Dutch home to improve the Energy label is more or less the same as the average premium in value.
- Average cost to improve from G to A is EUR 22,000.
- Average premium G to A is EUR 17,000.
- Discounted Energy savings G to A is EUR 21,000.
- Energy usage from G to A is -65%.

Note:
Before 2015 premium was practically zero.

Source, Dutch Central Bank, Economisch Instituut voor de bouw
Response Dutch mortgage market

Mortgage providers

✓ Nothing; or
✓ Offer discount on A-label: and/or
✓ Additional borrowing capacity (>100% LTV) based on limited list of energy saving measures (by law)

Main focus on rewarding homes which are already green

Verder Mortgages

✓ Energy label based pricing
✓ Verder Green loan part at low costs, for all improvements
✓ Facilitating the improvements with a consultancy firm as partner

Main focus on improving
Partnering with consultancy firm

<table>
<thead>
<tr>
<th>Oplossing</th>
<th>Verbetering comfort</th>
<th>Jaarlijkse besparing</th>
<th>Uitstoot vermindering</th>
<th>Investering</th>
<th>Terugverdientijd</th>
<th>Rendement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zonnepanelen</td>
<td>n.v.t.</td>
<td>€ 756</td>
<td>1.921 kg CO₂</td>
<td>€ 4.458,69</td>
<td>5,9 jaar</td>
<td>6,1%</td>
</tr>
<tr>
<td>Vloerisolatie</td>
<td>n.v.t.</td>
<td>€ 206</td>
<td>451 kg CO₂</td>
<td>€ 2.182,34</td>
<td>10,6 jaar</td>
<td>4,3%</td>
</tr>
<tr>
<td>Isolatieglas</td>
<td>n.v.t.</td>
<td>€ 508</td>
<td>1.112 kg CO₂</td>
<td>€ 5.611,34</td>
<td>9,7 jaar</td>
<td>4,1%</td>
</tr>
</tbody>
</table>
Partnering with consultancy firm

- **Jaarlijkse besparing**: € 756
- **Jaarlijkse opwek**: 3.358 kWh
- **Vermindering uitstoot**: 1.921 kg CO₂

*Bijbehorende offertes*

**PV10245 Geadviseerd**

11 TrinaSolar panelen van 325 wattpiek inclusief SolarEdge omvormer, optimizers en installatie

- €4.458,69
- €756 / jaar
- 5,9 jaar
Partnering with consultancy firm...
### Incentives to **improve** sustainability

<table>
<thead>
<tr>
<th>Energy label based pricing</th>
<th>Verder Green loan part</th>
<th>One stop shop</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ The better the energy label, the lower the interest rate</td>
<td>✓ No profit for Verder: interest at or below cost price</td>
<td>✓ Energy savings advice</td>
</tr>
<tr>
<td>✓ Better energy label, increases the value of the property</td>
<td>✓ Low interest is 10 year fixed</td>
<td>✓ Offerings for realisation</td>
</tr>
<tr>
<td>✓ Improving sustainability decreases monthly costs</td>
<td>✓ Savings on monthly energy costs is demonstrable bigger than extra monthly cost on interest and redemption.</td>
<td>✓ Financing the investments</td>
</tr>
<tr>
<td></td>
<td>✓ Realising the improvements</td>
<td>✓ Realising the improvements</td>
</tr>
<tr>
<td></td>
<td>✓ Registration of new energy label</td>
<td></td>
</tr>
</tbody>
</table>
Our view on sustainability

✔ Focus on **improving** the sustainability

*(with 80% of building stock built before 2000, E. Piantoni, 2$^{nd}$ Bauhaus Event)*

However:

✔ Funders who embrace sustainability should incentivise the improvement
  ✔ Exposure at default is less due to higher value of the property
  ✔ Default risk is lower due to lower monthly costs

✔ Governments who embrace sustainability should incentivise the funders and the home owners
  ✔ Energy label based capital charges for mortgage providers
  ✔ Tax incentives for home owners
Questions
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