

Stichting Certificaathouders Triodos Bank
Attn: Mr F. van der Velden,
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Cc:

- Stichting Administratiekantoor Aandelen Triodos Bank - saat@saatfoundation.com
- Lemstra van der Korst N.V. | Martijn van Dam - m.vandam@lvdv.com

Driebergen, 13 January 2023

Re: your letter dated 29 December 2022

Dear Mr Van der Velden, Dear Fons,

Thank you for your letter dated 29 December 2022, in which you ask a number of questions about the press release issued by Triodos Bank on 21 December 2022 concerning the estimated value of depository receipts for tax purposes.

While we believe that the press release of 21 December provided all the relevant information for depository receipt holders and other stakeholders – in response to which we have received few questions - I will of course answer your questions as best I can.

As also outlined in the press release, Triodos Bank is required by law to report the fair market value of its depository receipts to the Dutch tax authorities on an annual basis. This is the 'obligation to report'. Since there is currently no trade in depository receipts, it was necessary to estimate their value for this purpose. Triodos Bank based this estimate on its own analysis and valuation advice from an international accounting and consulting agency. The advice of this external agency was sought specifically in the context of the obligation to report. In this context, we would like to emphasise that the estimated value is not an indication of a trading price at which depository receipts will in due course be traded on the MTF.

I will now address your specific questions.

1. As stated in the press release, Triodos Bank sought the advice of valuation experts from an international accounting and advisory agency. It is not unusual for such advisers to advise on the basis of confidentiality, as is the case here.

2. The estimating of the value for the purposes of the obligation to report included the application of valuation methods commonly used in the financial sector. These are internationally accepted valuation methods. At its core, the process involves determining the estimated value using current and future earnings expectations based on a Dividend Discount Model. This includes scenarios for Triodos Bank's future profits and distribution of intended dividends. The different scenarios represent higher or lower profits. An analysis was also carried out to determine whether financial markets also attach financial value to the fact that some banks distinguish themselves positively in terms of corporate responsibility (ESG, Environment, Social & Governance). This looked at a number of ESG value drivers, as well as the derivable cost of equity (required return) and risk premiums/discounts. The different approaches result in valuation ranges. These valuation ranges have been translated into ranges of Price to Book ratios by dividing the values by the assets held in Triodos Bank. These Price-to-Book ratios were compared both to Price-to-Book ratios of a group of comparable banks and to a smaller group of comparable banks that also have a sustainability profile. Although the individual methods always have some degree of uncertainty, the combination of the methods gives a good picture. Current and future marketability were also taken into account in the assessment. During the process, a specific knowledge of and about Triodos Bank was combined with the broad experience and expertise of the external experts.
The information used in determining the estimated value is time-determined and business confidential in nature. This information is therefore not public.
3. The words 'the current situation regarding Triodos Bank's depository receipts' refer to the situation in which trading is still suspended. In addition, future developments and uncertainties, including the proceedings in the Enterprise Chamber, the outcome of which is currently unknown, should also be taken into account when determining the value. The words 'current situation regarding Triodos Bank's depository receipts' refer to those uncertainties.
4. Determining the fair market value of a depository receipt is an independent obligation for Triodos Bank in the Netherlands as part of the obligation to report which Triodos Bank must comply with. Triodos had no choice in this regard.
5. There is no prior consultation with the Dutch tax authorities on how Triodos Bank meets its obligation to report. Triodos Bank obviously has regular contact with the tax authorities. Should the Dutch Tax and Customs Administration need additional clarification on our fair value estimate, we will provide it upon request.
6. As there is currently no trade and the prospectus is no longer valid, the NAV is no longer published monthly on our website. The last published NAV refers to the NAV as at 30.6.2022 and was 88 euros. When we publish our 2022 annual results on 16 March 2023, we will be able to announce the NAV as at 31.12.2022. In all our communications, we emphasise that this fair market value of a depository receipt estimated by Triodos Bank is not an indication of the future trading price, nor the NAV as at 31.12.2022.

With the listing of the depository receipts on an MTF, the method currently used to determine the economic value of the depository receipts will no longer be necessary. We expect to realise this listing in the second quarter of this year. The trading price for MTF participants will then be determined based on supply and demand.

Finally, we would like to reiterate that the estimate for the purpose of the obligation to report is not indicative of the trading price that will materialise when listed on the MTF.

I hope that this has answered your questions to your satisfaction.

Kind regards,

Jacco Minnaar