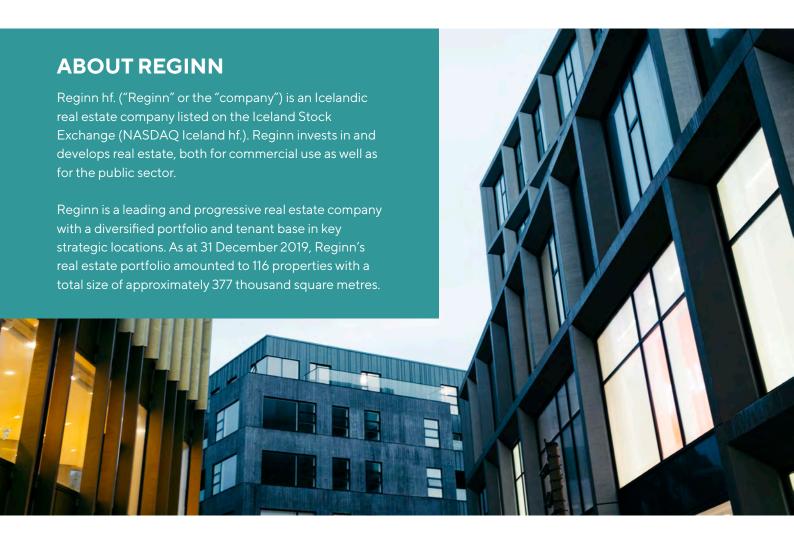


INTRODUCTION



REGINN AND SUSTAINABILITY

UN forecasts estimate that two-thirds of global population will live in cities by 2050, driving the need for further housing and infrastructure. As these urbanisation trends continue globally, sustainability is becoming an increasingly important factor in all aspects of urban planning and real estate development.

Sustainability is a key component of Reginn's business strategy. We are committed to the development and management of real estate in a sustainable fashion, advancing the well-being of our community, improving both quality of life and environment for our tenants.

We at Reginn believe that investments and property management are long term projects and we believe that sustainability is key to reducing risk and creating profitability and value in the long run.

At Reginn, we are aware that managing and developing

real estate has a significant effect on the environment and the quality of life for our tenants. Tens of thousands of people spend time in our real estate buildings daily, both for work and leisure. With strategic actions in real estate management, investment and development, and by collaborating with our tenants, Reginn aims to play a large part in shaping people's environments to make their daily lives better, safer and more enjoyable. In 2019 we established our formal sustainability policies with clear goals for environmental, social and economic sustainability. With constant improvements as our guideline, we have set clear company-wide goals for sustainability. Results are systematically measured, and staff, customers and investors are regularly informed of the goals and the milestones achieved.

We have integrated the UN Sustainable Development Goals into the operations of our company, emphasising the six key SDG's that are most closely tied to our daily operations, those being UN Goals no. 3, 7, 9, 11, 12 and 13.

We have clear policies and goals regarding human rights, our working environment, welfare and health, gender equality and ethical guidelines and we enforce them throughout the company.

Since we began our environmental sustainability efforts, we have seen significantly reduced environmental impact in our real estate portfolio, with reduction in

CO₂ emission, electricity and water usage as well an increased efficiency in our waste management and recycling. Key milestones have been reached along the way as we proudly received the first BREEAM In-Use certification for an Icelandic real estate.

Our sustainability efforts impact our entire value chain and we collaborate on sustainability issues with other key stakeholders such as authorities, municipalities, consultants, contractors and suppliers. Since 2018 we have been involved in the C40 Cities Climate Leadership Project with the City of Reykjavik.

Going forward, we are going to further reduce greenhouse gas emissions resulting from development and real estate management to encourage environmental sustainability. Our key targets include:

- a. BREEAM certifying 50% of our portfolio by 2025
- b. Reducing CO₂ emissions by 20% by 2030

This Green Financing Framework is a natural step for us in our sustainability efforts as we believe that our funding should reflect increasing efforts towards sustainability.

Kópavogur, 31. March 2020





THE GREEN FINANCING FRAMEWORK

Reginn has developed this Green Financing
Framework (the "Framework") in order to issue
Green Financing Instruments ("Green Financing
Instruments") such as Green Bonds, Green
Commercial Papers, Green Loans and other types of
debt instruments where the use of proceeds will be
exclusively applied to fully or partly finance or refinance
eligible Green Assets. The legal documentation for
each individual Green Financing Instrument shall
provide a reference to this Framework under the Use
of Proceeds section. The Green Financing Instruments
can be unsecured or secured with Green and/or nonGreen Assets. As a result, Green Assets can provide
security to both Green and/or non-Green Financing
Instruments.

The Framework is consistent with the Green Bond Principles 2018 (GBPs). The four core components of these principles are:

- i. the Use of Proceeds,
- ii. the Process for Project Evaluation and Selection,
- iii. the Management of Proceeds and
- iv. Reporting.

As such, the Framework may be updated from time to time to reflect current market practices and potential updates in the GBPs.

Furthermore, the Framework is reviewed by an external impartial firm, CICERO Shades of Green, that has provided a second opinion to confirm the alignment of the Framework with the GBPs.

WEBSITE FOR GREEN FINANCING

Reginn has a dedicated webpage for Green Financing at its website, https://www.reginn.is/en/investors/green-financing, where investors, lenders and other interested parties can find information regarding Reginn's Green Financing including the Framework, CICERO Shades of Green second opinion and Annual Impact Report (see section 4).



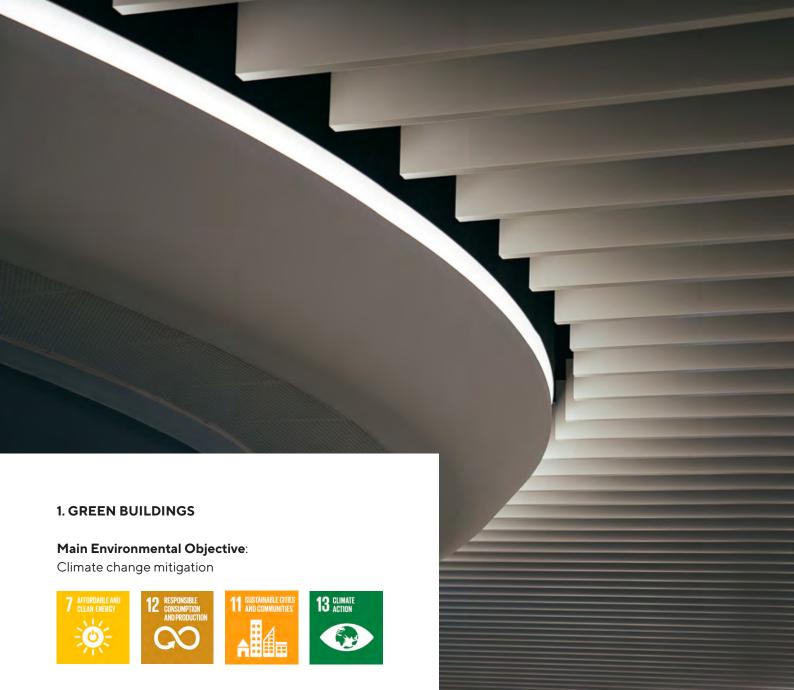


1. USE OF PROCEEDS – ELIGIBLE GREEN ASSETS

The net proceeds from Green Financing Instruments will exclusively be applied by Reginn to fully or partly finance or refinance investments, expenditures and assets that promote the transition to low carbon, climate resilient and sustainable economies.

All eligible green assets ("Green Assets") must contribute substantially to at least one of the following environmental objectives (i) climate change mitigation, (ii) climate change adaptation, (iii) sustainable use and protection of water and marine resources, (iv) transition to a circular economy, waste prevention and recycling; (v) pollution prevention and control and (vi) protection of healthy ecosystems.

Furthermore, the Green Assets must comply with the categories and criteria below as well as Reginn's sustainability policy.



Financing or refinancing of development, major renovations or existing properties that fulfil the following criteria:

- i. use electricity and space heating from 100% renewable energy sources;
- ii. have or will receive (a) a design stage certification or (b) a postconstruction certification or (c) an in-use certification of "BREEAM Very Good" or better, "LEED gold" or better, Nordic Swan Ecolabel or other certification of similar ambitions;
- iii. have documented flood risk assessment undertaken by relevant organisation/authority or a competent individual;
- iv. solutions for a car-free living and electric charging stations fuelled with 100% renewable energy sources.

2. RENEWABLE ENERGY

Main Environmental Objective:

Climate change mitigation





Financing of renewable energy production, such as onsite solar power installations as well as related infrastructure investments.

3. ENERGY EFFICIENCY

Main Environmental Objective:

Climate change mitigation









Financing of investments in the existing portfolio of buildings that target a lower overall energy use and an improved environmental footprint with a minimum 30% energy savings compared to pre-investment level. This could include, for instance, the installation of energy efficient lighting, low-flow water fixtures and toilets or an upgraded ventilation system.

4. POLLUTION PREVENTION AND CONTROL

Main Environmental Objective:

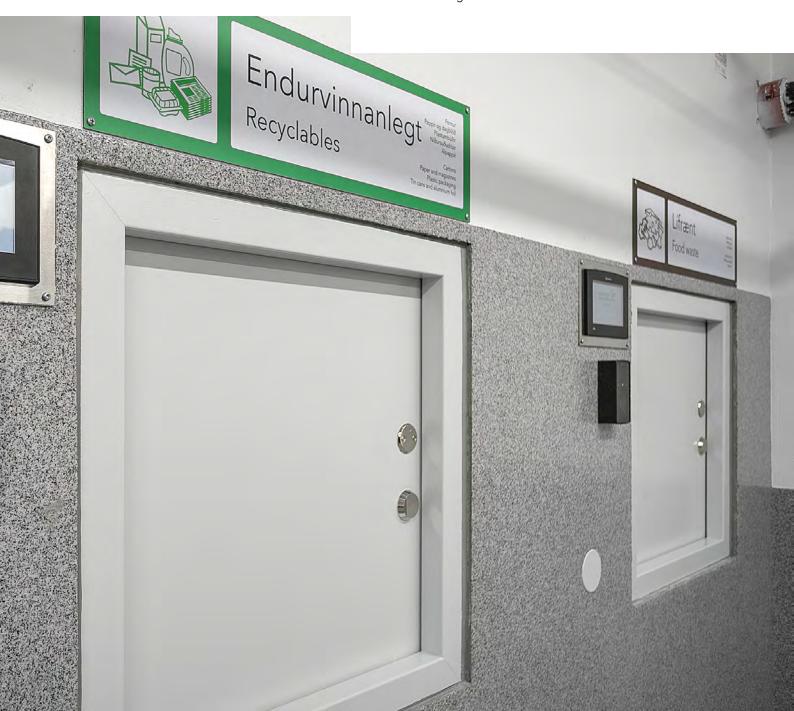
Transition to a circular economy, waste prevention and recycling

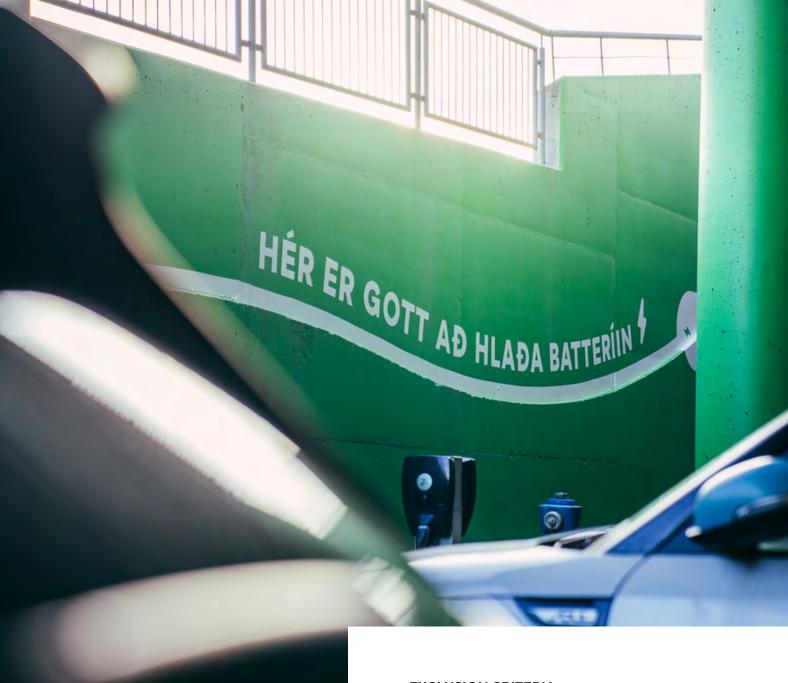






Financing of investments in waste management, such as prevention, reduction or recycling of waste as well as enabling infrastructure and facilities.





Green Financing Framework

5. CLEAN TRANSPORTATION

Main Environmental Objective:

Climate change mitigation







Financing of supportive infrastructure such as charging stations for all types of electric vehicles, bicycle garages, pedestrian walkways, bicycle lanes or other investments that support and emphasize the use of clean transportation solutions.

EXCLUSION CRITERIA

The net proceeds will not be allocated to or invested in fossil-based activities, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

Collectively, the Green Assets in the above categories will constitute the Green Asset Pool. Eligible Green Assets under "Green Buildings", are based on the value of such assets reported on the balance sheet. Eligible Green Assets under "Renewable Energy", "Energy Efficiency", "Pollution Prevention and Control" and "Clean Transportation" correspond to the relevant invested amount.



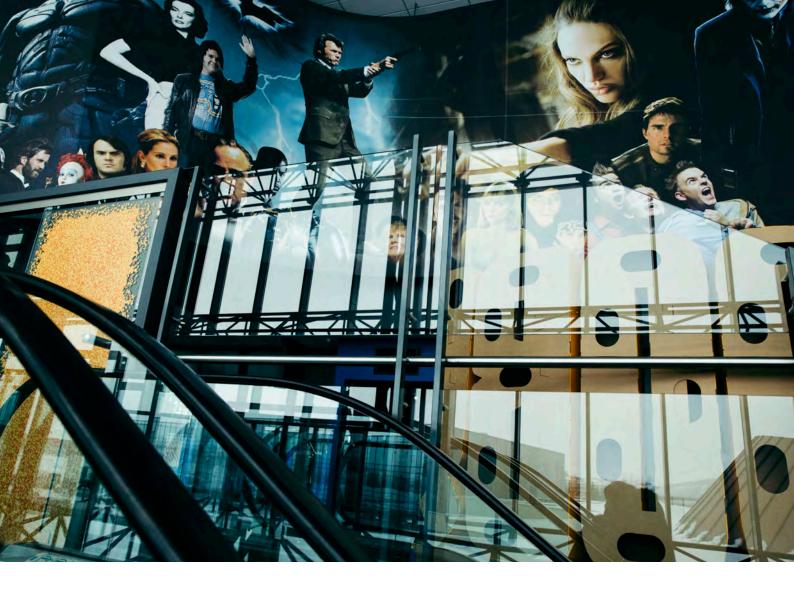
2. PROCESS FOR PROJECT EVALUATION AND SELECTION

The selection of Eligible Green Assets is handled by Reginn's Green Financing Committee. The Green Financing Committee consists of representatives from the finance department, business development and the sustainability team. Decisions made by the committee are documented and, in each case, subject to veto by the representative from the sustainability team.

The Green Financing Committee screens Reginn's investments and existing assets based on the criteria set forth in this Framework, obtaining input and formal opinions from external sustainability experts as required. Only assets that truly are aligned with the Framework and fulfill the Eligible Green Asset criteria are categorized as Green Assets and added to the Green Asset Pool.

A list of Green Assets in the Green Asset Pool is kept by Reginn's finance department. The list will be used as a tool to determine whether sufficient headroom exists for issuing a Green Financing Instrument. Any such issuance will require an existing capacity to utilise the net proceeds in accordance with the Green Financing Framework.





3. MANAGEMENT OF PROCEEDS

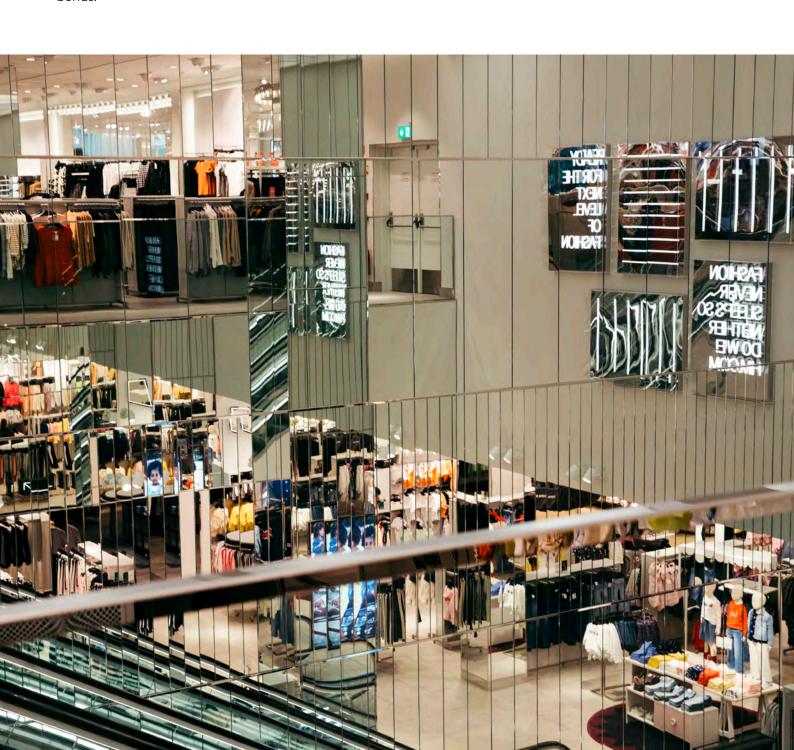
Reginn's treasury department will manage the net proceeds from Green Financing Instruments on a portfolio basis. This means that a Green Financing Instrument will not be linked or allocated directly to one (or more) pre-determined Eligible Green Asset. Reginn will track and ensure there are sufficient Eligible Green Assets in the Green Asset Pool, i.e. the total amount of Eligible Green Assets exceeds the amount of outstanding Green Financing Instruments. Eligible Green Assets can, whenever needed, be removed or added to/from the Eligible Green Asset Pool.

Should the amount of Green Financing Instruments outstanding at any time exceed the value of the Green Asset Pool (e.g. as the result of changes in the value of Eligible Green Assets or composition of the Green Asset Pool) the unallocated proceeds from Green Financing Instruments are credited to a special account or accounts ("the Green Account").

If the value of the Green Asset Pool exceeds the amount of Green Financing Instruments outstanding, a transfer is allowed from the Green Account. If, in connection with the issuance of new Green Financing Instruments, the Green Asset Pool exceeds the total amount of new and outstanding Green Financing Instruments, the Green Account balance will be zero.

Reginn will document any transfers to and from the Green Account, to ensure tracking and simplify review.

Any portion of the net proceeds of a Green Financing Instrument that have not been allocated to the Green Asset Pool will be invested in line with Reginn's financial policy, such as in deposits, money market deposits, bank notes, UCITS funds and government bonds.





4. REPORTING AND TRANSPARENCY

ANNUAL IMPACT REPORT

To ensure full transparency, Reginn will publish an Annual Impact Report as long as it has Green Financing Instruments outstanding. The first such Annual Impact Report under this Framework is expected to be published in February 2021 and will be available in English on Reginn's website for Green Financing.

The Annual Impact Report will include the total amount of outstanding Green Financing Instruments as well as the Green Asset Pool broken down to the eligible project categories.

For the Green Buildings category, a full list of Green Assets will be published and, to the extent the data is available, the following performance indicators for each building:

- share of renewable energy used for electricity and space heating;
- type and level of certification;
- energy performance (kwh/sqm);
- estimated CO₂ emission (Scope 1 and 2, kg/sqm);
 and
- water intensity (m³/sqm).

For other Green Asset categories, to the extent data is available, relevant impact indicators will be published such as (i) annual renewable energy generation, (ii) annual energy savings, (iii) annual greenhouse gas emissions avoided from cars and (iv) amount of waste that is separated and/or collected and treated.

Furthermore, the Annual Impact Report will include selected Green Asset examples, an estimate of the share of financing versus re-financing of Green Assets, information on the net proceeds not allocated to the Green Asset Pool and the available green borrowing capacity.

SEMI-ANNUAL UPDATES

In addition to the Annual Impact Report, Reginn will publish semi-annual updates on Green Financing including information on the total amount of Green Financing Instruments outstanding and the total value of the Green Asset Pool. The semi-annual Green Financing updates will be published in Reginn's interim financial statements for the first six months of each year.





5. EXTERNAL REVIEW

ANNUAL REVIEW

The external auditor of Reginn, or a similar party appointed by Reginn, with the relevant expertise and experience, will review and report whether the Green Asset Pool exceeds the total amount of outstanding Green Financing Instruments as communicated in the Annual Impact Report. The conclusions will be provided in a signed statement, which will be published on Reginn's website for green financing.



