

Reginn

FASTEIGNAFÉLAG

ANNUAL
IMPACT REPORT





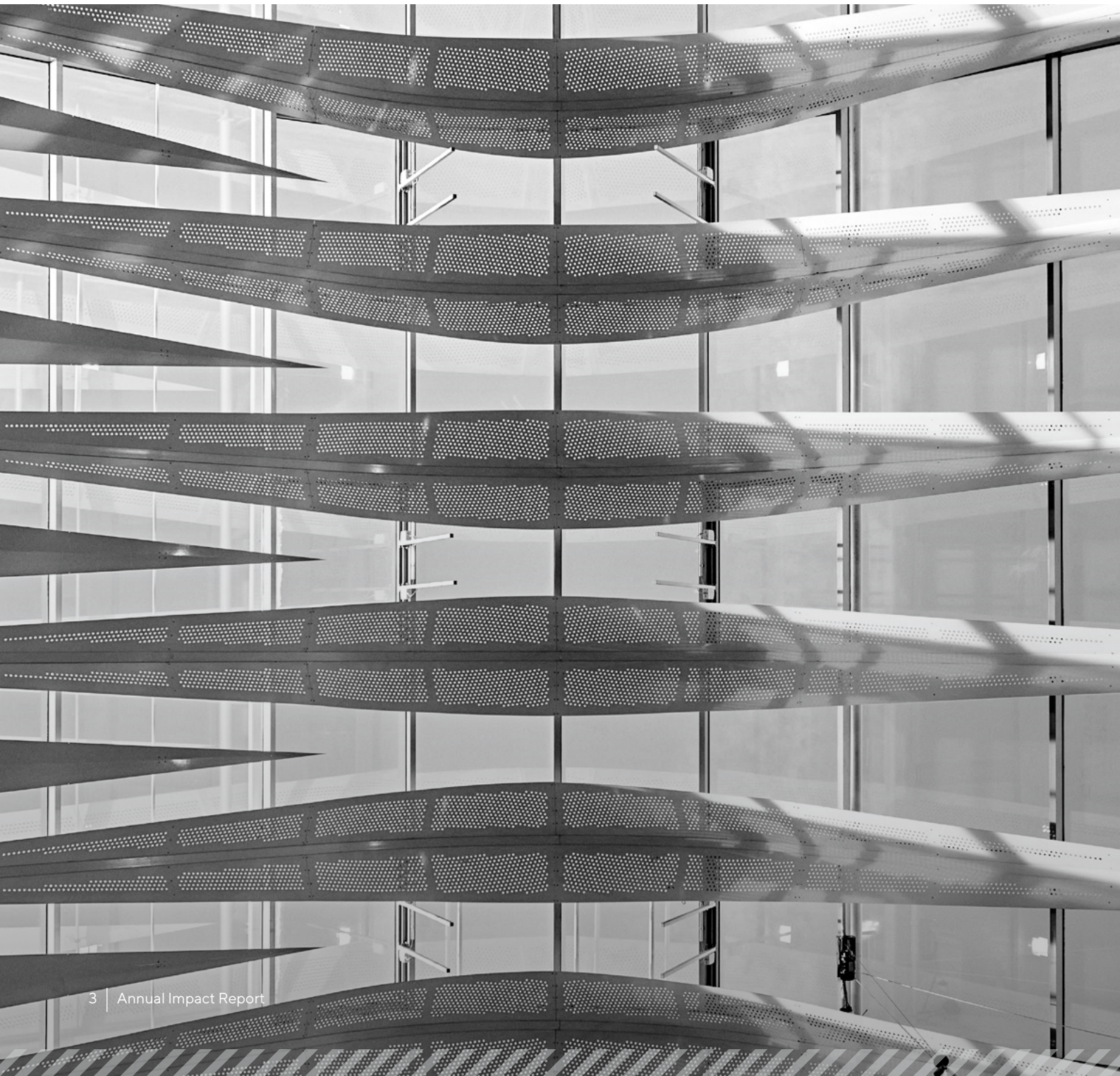
Introduction

On March 31st 2020 Reginn published its first green financing framework. Reginn developed the 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 framework was updated in March 2023, where goals regarding i.a. the release of greenhouse emission was updated in line with the good results of the previous years.

To ensure full transparency, Reginn publishes an annual and semi-annual Impact Report as long as it has Green Financing Instruments outstanding, in English, on Reginn’s website for Green Financing, <https://www.reginns.is/en/investors/green-financing>

Reginn and Green Financing

Real estate is responsible for about a third of global greenhouse gas emission, including emissions generated from the operation of the properties. As a real estate company that also manages about a third of its property portfolio, the company is in a unique position to reduce the negative environmental impact of its properties. A major factor in meeting these negative consequences is the environmental certification of properties. In March 2020, the company registered a Green Financing Framework with the aim of financing environmentally certified properties and environmentally friendly investments. The Green financing framework is based on Green Bond Principles (GBP) with the independent opinion of CICERO, the International Centre for Climate and Environmental Research.



Green Assets, Green financing and allocations

Reginn's Green Asset Pool amounted to ISK 62.1bn as of December 31st 2023 and is comprised of Green Asset Category 1: Green buildings. Total outstanding Green Financing Instruments amounted to ISK 46bn and thus the Green borrowing capacity amounted to

ISK 16.1bn at year end. Proceeds from Green Financing Instruments were used for refinancing and investments and all the proceeds have been allocated to the Green Asset Pool.

Green Asset Pool

Category 1: Green Buildings*	ISK	62.3bn
Total Green Asset pool	ISK	62.3bn

Outstanding Green Financing Instruments

Reginn25 GB ISIN: IS0000035194	ISK	1.2bn
REGINN27 GB ISIN: IS00000033140	ISK	7.1bn
REGINN181037 GB ISIN: IS0000034544	ISK	8.2bn
REGINN100740 ISIN: IS0000035202	ISK	6.5bn
REGINN50GB ISIN:	ISK	14.4bn
Green Loan 505 200885	ISK	1.5bn
Green Loan 505 201004	ISK	7.1bn
Total outstanding Green Financing Instruments	ISK	46bn
Green Borrowing Capacity	ISK	16.3bn

*The BREEAM In-use certification for Katrínartún 2 was up for renewal (process done every three years) on December 18th 2023. Increased demand for certification led to greatly extended valuation time of certificates at BRE Group Ltd. which issues the certificates. As of today, the renewal for Katrínartún 2 certificate is still pending.

Full list of buildings under Green Buildings Category

Property*	Built	Function	Size (sqm)	Sustainable Energy %	Certification category	Energy usage (kwh/m ²)	Carbon footprint (kg/m ²)	Water usage (m ³ /m ²)
Smáralind	2001	Retail	62,077	100%	BREEAM In-Use Very Good	392	4.04	6.29
Katrínartún 2	2009	Office	23,473	100%	BREEAM In-Use Very Good	471	4.56	8.65
Borgartún 8-16	2007	Office	14,074	100%	BREEAM In-Use Very Good	294	2.85	4.09
Egilshöll	2003	Recreation and sports center	33,305	100%	BREEAM In-Use Very Good	178.5	1.71	2.57



Smáralind

Smáralind is Reginn's largest property, in total about 62 100 m² and was also the first building to obtain the BREEAM In - Use certification in Iceland, in January 2020. Extensive emphasis has been placed on environmental matters and sustainability in Smáralind's operations including comprehensive waste sorting, installations of charging stations, roofed bicycle parking for guests and employees with bicycle stands and new

building management systems. With new building management systems better control is achieved such as for ventilation, floor heating systems, lighting, smoke extraction and snow melting systems. Renovation of these systems increases both energy savings and work optimisation. Installation of smart waste in Smáralind has been finalized with the aim to increase percentage of sorted waste in the building.



Katrínartún 2 - Höfðatorg

Katrínartún 2, better known as Höfðatorg, is one of the most elaborate office buildings in the country and located in Reykjavík's main business zone. The building is on 19 levels, stands out admirably and offers a unique view. Internal access is to the basement with 1,300 parking spaces, charging stations and a washing station. Spacious bicycle storage is in the basement as well as changing facilities, with all services nearby and

public transport within walking distance. Emphasis has been placed on environmentally friendly aspects and sustainability in the building operations, where a house management system monitors e.g. energy consumption, ventilation and cooling systems. In progress is also work to commence smart waste in the building with the aim of increasing environmental awareness and waste sorting as well as reducing costs.

Borgartún 8-16 - Höfðatorg

Borgartún 8-16 is 7-floor office building that shares the site with Katrínartún 2. It is one of the largest Reginn's properties of about 14 000 m². The asset offers good access to various services and public transportation. There are numerous environmentally friendly solutions in the building: water and energy saving equipment as well as house management system in the asset controls ventilation, heating and cooling thus increasing

building's users comfort and saving energy. Energy and water meters are connected to a monitoring system that helps to reduce operational costs of the building. Air quality is monitored in part of the asset by measuring CO₂ levels. There are numerous solutions that support alternative modes of transport, like charging stations for electric vehicles, bicycle storage and facilities for cyclists.



Egilshöll

Egilshöll is the biggest recreation and sports center in Iceland and one of Reginn's largest properties, in total about 33 300 m². The building is equipped with a leak detection system which alerts facility management team in case of high water use, potentially reducing water consumption as well as preventing significant damage from water leaks. There are also

various environmentally friendly facilities around the asset for alternative transportation methods, like charging stations for electric cars and bicycle storage. Moreover, smart waste system is planned to be installed in the building to increase waste sorting and reduce operational costs.

** The referred Smáralind, Katrínartún 2, Borgartún 8-16 and Egilshöll energy consumption, carbon footprint and water usage include all energy consumption, waste, and water usage in the property and on site including the usage and carbon footprint of the tenants in the property from these elements. Further information regarding the methodology can be found in the Sustainability Report for the year 2023 (in Icelandic). <https://www.reginn.is/media/5265/reginn-sjalffaerniskyrsla-2023.pdf>*



Independent Auditor's Assurance Report

To the Management and the stakeholders of Reginn hf.

We have been engaged by Reginn hf. to provide limited assurance whether Reginn's Green Asset Pool exceeds the total amount of outstanding Green Financing Instruments in accordance with the criteria of Reginn's Green Financing Framework issued in March 2020 and updated in March 2023, as shown in the 2023 Annual Impact Report (page 4).

We express a conclusion providing limited assurance. Our assurance does not extend to any other information in the Annual Impact Report.

Management's responsibility

The Management of Reginn is responsible for collecting, analysing, aggregating, and presenting the information in the report, ensuring that the information is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (IESBA Code), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Deloitte ehf. is subject to International Standard on Quality Management (ISQM) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on whether Reginn's Green Asset Pool exceeds the total amount of outstanding Green Financing Instruments in accordance with the criteria of Reginn's Green Financing Framework issued in March 2020 and updated in March 2023, as shown in the 2023 Annual Impact Report. We have conducted our work in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, to obtain limited assurance about our conclusion. In accordance with the standard, we have planned and performed our work to obtain limited assurance about whether information aggregated about whether the Green Assets Pool exceeds the total amount of Green Financing Instruments according to the criteria of the Green Financing Framework is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Considering the risk of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

We performed reviews of data, reviews of the underlying data processes as well as interviews with those responsible for producing the data. Our work has included interviews with personnel at key functions at Reginn, inquiries regarding procedures and methods to ensure that information disclosed meet the eligible criteria of the Green Financing framework. We have assessed processes and controls for

gathering, consolidating, and aggregating the data at Reginn, and tested data prepared against underlying documentation.

Emphasis of Matter

We draw attention to information in the Annual Impact Report at page 4 (bottom) which informs that one of the building (Katrínartún 2) which is categorised as a Green Building is in a renewal process for BREEAM-In use certification. The current certification was valid until 18th of December 2023 and not yet been renewed due to delays on behalf of the certicator.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Reginn's Annual Impact Report in respects to whether the Green Asset Pool exceeds the total amount of outstanding Green Financing Instruments, is not prepared, in all material respects, in accordance with the Green Financing framework.

Kópavogi, 20 March 2024

Deloitte ehf.



Ingvi Björn Bergmann

State-Authorised Public Accountant