

GREEN FINANCING FRAMEWORK

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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.

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.reginn.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 49,1 bn as of June 30th 2022 and is comprised of Green Asset Category 1: Green buildings. Total outstanding Green Financing Instruments amounted to ISK 32,7 bn and

thus the Green borrowing capacity amounted to ISK 16,4 bn at the period end. All proceeds from Green Financing Instruments were used for refinancing and all the proceeds have been allocated to the Green Asset Pool.

Green Asset Pool

Category 1: Green buildings	ISK	49,1 bn
Total Green Asset pool	ISK	49,1 bn

Outstanding Green Financing Instruments

Reginn 50 GB ISIN: IS00000032019	ISK	13,3 bn
Reginn 23 GB ISIN: IS00000032415	ISK	4,4 bn
REGINN 27 GB ISIN: IS000000033140	ISK	6,7 bn
Green Loan 505 200885	ISK	1,5 bn
Green Loan 505 201004	ISK	6,8 bn
Total outstanding Green Financing Instruments	ISK	32,7 bn
Green Borrowing Capacity	ISK	16,4 bn

Green Buildings

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	203	2,14	3,23
Katrínartún 2	2009	Office	23.473	100%	BREEAM In-Use Very Good	228	2,26	4,4
Borgartún 8-16	2007	Office	14.074	100%	BREEAM In-Use Very Good	122	1,21	1,85



Smáralind Shopping Center

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 14.400 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.

**The referred Smáralind and Katrínartún 2 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 2021 (in Icelandic). <https://www.regin.is/2021/sjalfbaerni/>*