

Quarterly accounts of Reginn for the first three months of 2023

### **Robust income growth in the beginning of the year**

The quarterly accounts of Reginn hf. for the period of 1 January to 31 March 2023 was approved by the Board on 10 May 2023.

- Income from operations amounted to ISK 3,250 million.
- Leasing income rose by 16% from a year ago.
- Operating profits before assessment changes and depreciation amounted to ISK 2,134 million and rose by 13% from a year earlier.
- Net profits after taxes amounted to ISK 1,154 million compared to ISK 1,566 million for the corresponding period last year.
- The book value of investment assets amounted to ISK 177,650 million at the end of the period. The change in assessments for the period was ISK 2,998 million.
- Cash from operations during the period amounted to ISK 1,359 million and stood at ISK 1,143 million at the end of the period.
- Interest-bearing debt amounted to ISK 110,940 million at the end of the period, compared to ISK 109,088 million at the end of 2022.
- The equity ratio stood at 30% at the end of the period.
- Profits per share amounted to 0.64 for the period, compared to 0.86 for the same period a year ago.
- The carbon footprint is 3% higher per square meter in the first three months of 2023 than in the corresponding period a year earlier due to increased use of hot water at the beginning of the year.

The company is listed on the NASDAQ Iceland Stock Exchange. Shareholders were 542 in number on 31 March of this year.

### **Operations and profits**

The operations of the company are doing well and in concert with the plans of the company for the first three months of the year. Demand for commercial premises is strong, late payments are at a minimum, and there are clear signs of expansion in the travel sector.

Operating income amounted to ISK 3,250 million, of which ISK 3,069 million was income from leases, increasing by 16% over last year. There were some changes in the asset portfolio between years that have had an effect on lease income. The number of income-yielding square meters has shrunk between years as well as assets. Profits from operations before sales profits, assessment changes, and depreciation/EBITDA amounted to ISK 2,134 million, corresponding to a 13% increase over the period a year earlier.

### **The asset portfolio and equity**

The invested assets of the company, net of leased assets, are valued at ISK 174,243 million. The portfolio consists of 100 properties with a total of 373 thousand square meters. The leased ratio is 97.5% compared to income if all 100% were leased. The total change in assessment for the year was ISK 2,998 million. The asset portfolio of the company has declined, both the number of properties as well as the number of square meters, by just over 2% at the same time as lease income has increased by 16%.

The financial state of the company is robust, and its financial condition is within the limits of its credit terms; the equity ratio is 30% (the terms are 25%,) and cash at hand at the end of the period was ISK 1,143 million, and in addition the company has access to undrawn credit lines of ISK 4,700 million at the end of the period.

The management of the company is optimistic about the prospects ahead.

New leases have been signed for 8,700 m<sup>2</sup> in the first three months of this year, almost the same space in square meters as in the same period a year ago.

A number of property improvements were completed in 2022 that currently are fully yielding increased lease income, such as the expansion of the leasing space for Kvika banki in Höfðatorg, a lease agreement for Barnavernd Reykjavíkur (The Reykjavík Child Protection Agency,) a new pre-school in Ármúli 4-6, new premises in Hafnartorg, and a large number of other projects.

Following the signature of a lease for a new community health clinic in Akureyri for the Northern Healthcare Center (Heilbrigðisstofnun Norðurlands) in the summer of 2022, construction began on changes and expansion of Sunnuhlíð 12. This project will be ongoing to the end of this year when a new community health clinic will be delivered to the tenant. Work is under way in finishing leasing space at Katrínartún 2, and a modern rubbish system has recently been installed in the building.

At the beginning of 2022, the company purchased the lot of Dvergshöfði 4. Following a successful design competition, work has been ongoing in the redesign of the building. The results of an international design competition were announced in April which Klasi ehf. managed and relates to the development of Krossamýrartorg that is the first part of a new development area in Borgarhöfði.

Work on the redesign of the third floor of Smáralind has begun where more than 1000 m<sup>2</sup> of modern office space will be added.

Hafnartorg is showing strength in the new year with good attendance in the area and an increase in turnover between years. Attendance in Smáralind is good and continues to increase between years, irrespective of the type of store or type of entertainment.

### **Sustainability and green emphasis**

Smáralind received a BREEAM In-use recertification last February and Egilshöll is undergoing a BREEAM In-use certification process.

In accordance with the company's sustainability policy, an environmental report for the quarter is available. The carbon footprint is 3% larger per square meter in the first three months of 2023 compared to the corresponding period in 2022. The main reason for the increase is the increased use of hot water due to the cold in the first months of the year.

The environmental report for the quarter and a comparison with earlier periods is available on the company's website, [www.reginn.is](http://www.reginn.is).

### **New managing director of Reginn hf.**

In mid-February Helgi S. Gunnarsson announced that he would step down as managing director after having managed the company from its establishment 14 years ago. Helgi will formally step down on 11 May.

At the end of March, Halldór Benjamín Þorbergsson was appointed managing director of Reginn hf. Halldór has, in recent years, been the managing director of the Confederation of Icelandic Employers and before that he was the manager of business development for Icelandair Group hf. Halldór Benjamín has a wide variety of experience in business. He was the chief economist and, later on, the managing director of the Iceland Chamber of Commerce. Halldór has an economics degree from the University of Iceland and an MBA degree from Oxford University.

### **Highlights of the company**

Along with the release of the accounts, Reginn will host an electronic meeting to introduce the company on Thursday 11 May at 8.30 a.m.

The managers Baldur Már Helgason, Páll V. Bjarnason, Rósa Guðmundsdóttir, and Sunna Hrönn Sigmarsdóttir will introduce the accounts and respond to questions following the introduction. Registration for the meeting will take place at [fjarfestatengsl@reginn.is](mailto:fjarfestatengsl@reginn.is).

The meeting will be broadcast on the internet at:

<https://vimeo.com/event/3348757/embed/7c0731a394>

The quarterly accounts for the first three months and introductory material can be accessed at [www.reginn.is/fjarfestavefur/](http://www.reginn.is/fjarfestavefur/)

**Further information will be provided by:**

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