



2023

**THE FIRST QUARTER
ACCOUNTS
INVESTOR INTRODUCTION**

HIGHLIGHTS

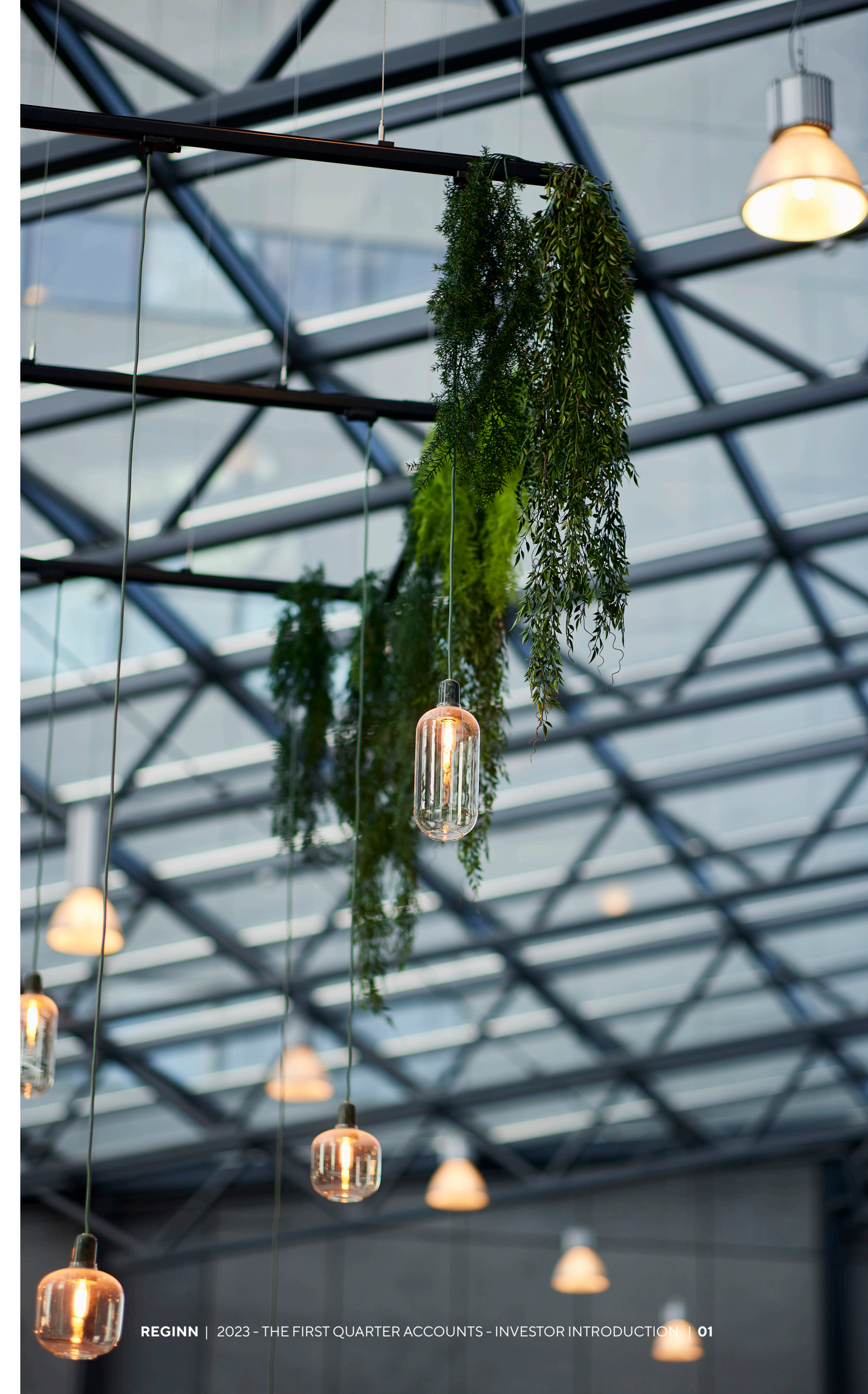
Robust income and profits increase in concert with projections.

Leasing is doing well and the usage ratio of the company is very high.

Investment in key areas and increased quality of key properties has yielded a strong increase in income.

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

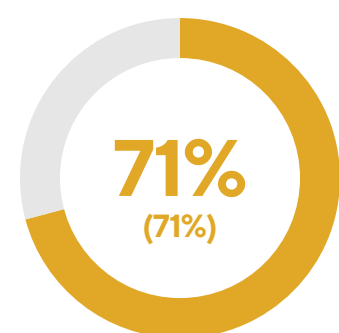
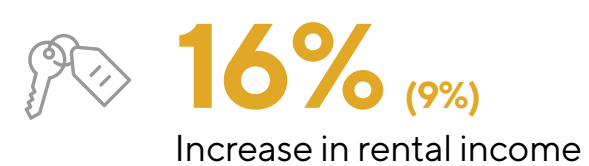
Halldór Benjamín Þorbergsson succeeds Helgi S. Gunnarsson as managing director on May 11.



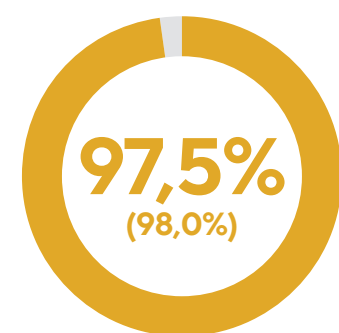
KEY FIGURES: ROBUST INCOME GROWTH

COMPARISON WITH 2022

Operations

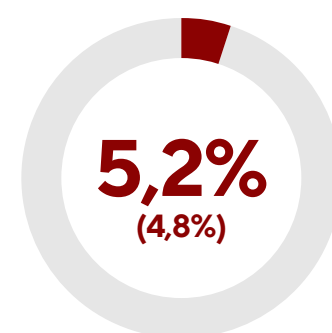
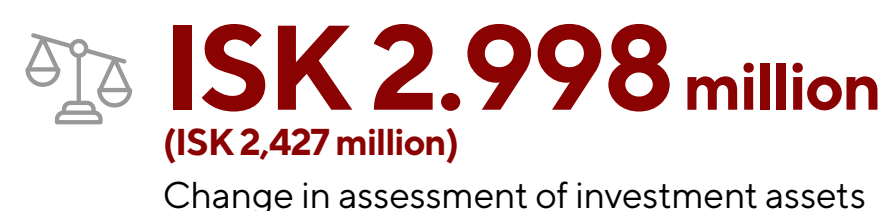
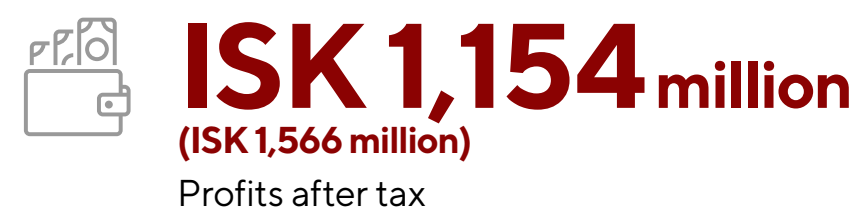


EBITDA share of rental income

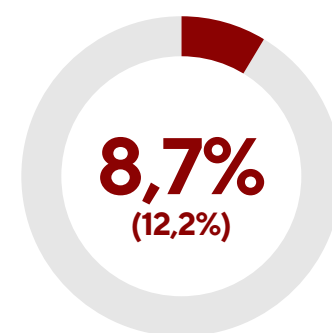


Rental ratio

Profits

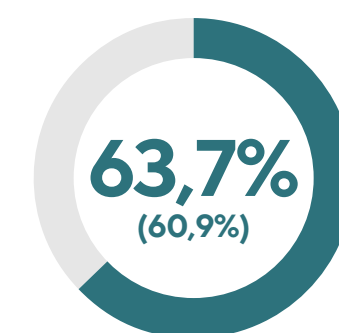
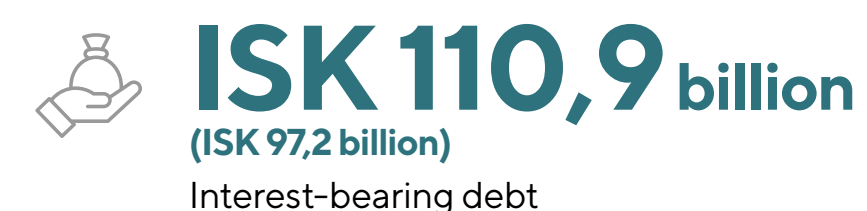
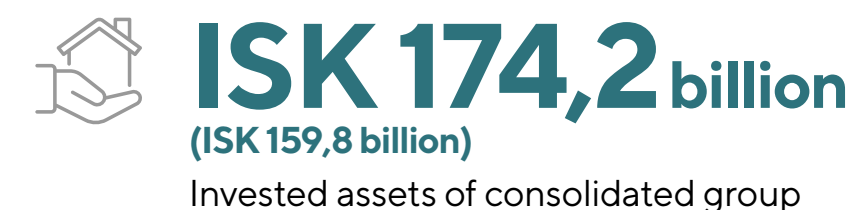


Yield of invested assets

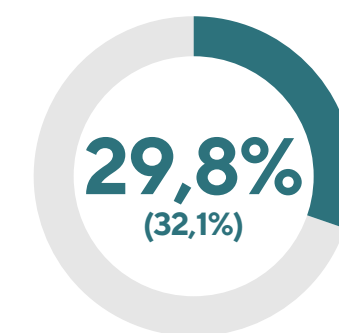


Yield on equity in real terms

Assets

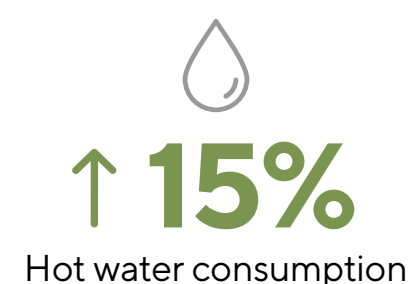
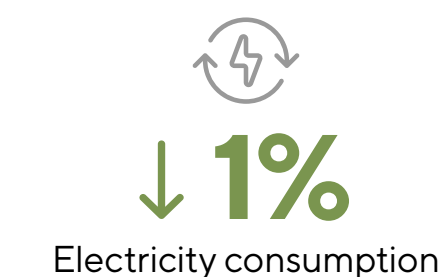
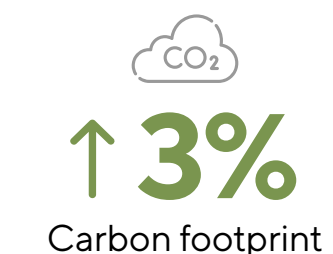
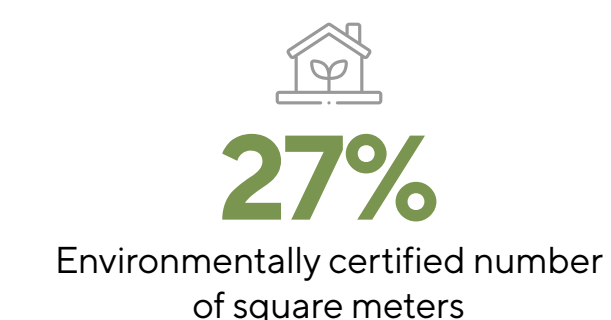


Debt ratio



Equity ratio

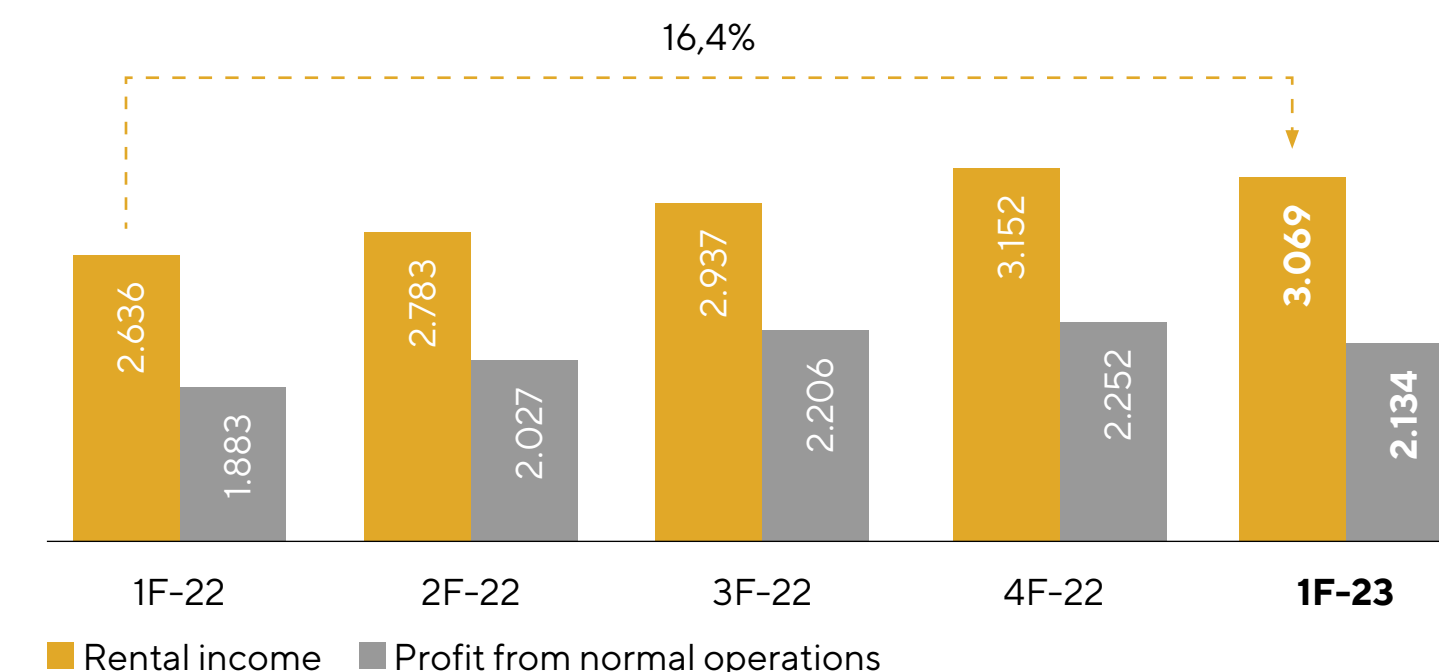
Sustainability



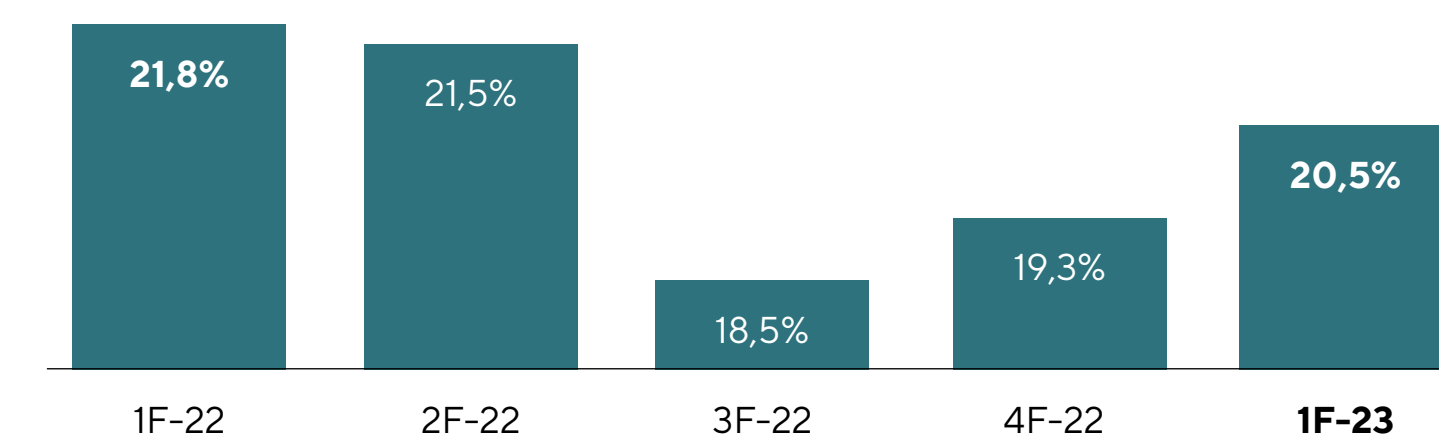
*Adjusted for the one-time cost of the change in managing directors

FIRST QUARTER OF 2023 INCOME STATEMENT

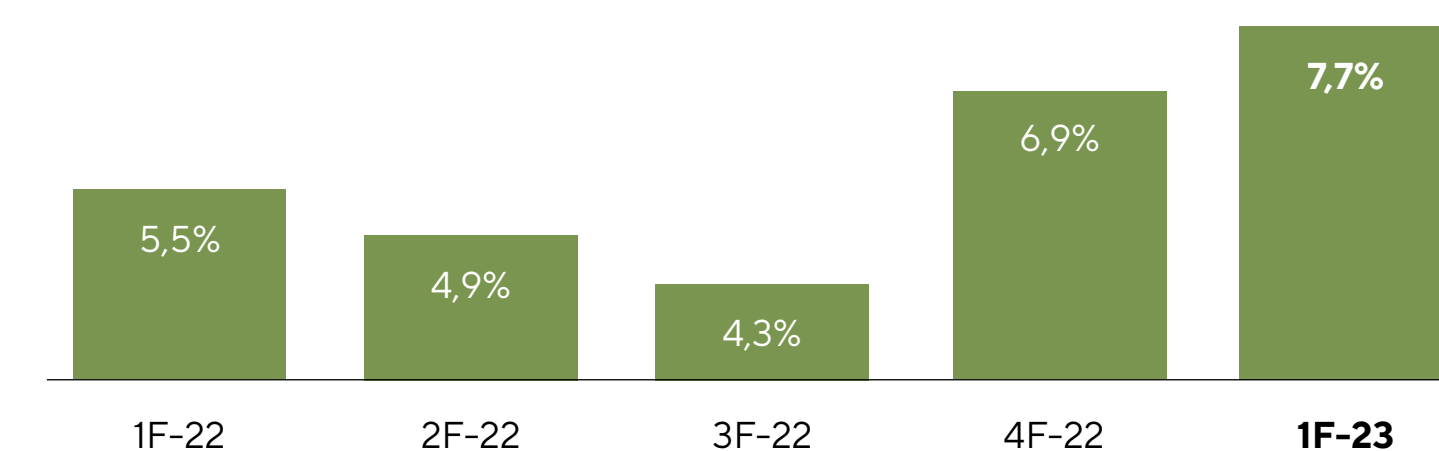
	1F 2023	1F 2022	%
Rental income	3.069	2.636	16%
Income from property operations	181	166	9%
Income from operation	3.250	2.802	16%
Cost of operating invested assets	-629	-574	10%
Cost of operating properties	-250	-199	26%
Cost of operating invested assets	-879	-773	14%
Management costs	-237	-146	62%
Profit before assessment changes	2.134	1.883	13%
Profit against rental income	70%	71%	
Change in assessment of invested assets, sales profit, and depreciation	2.986	2.476	
Profit from operations	5.119	4.359	
Net cost of debt service	-3.676	-2.402	53%
Profit before income tax	1.443	1.957	-26%
Income tax	-289	-391	
Total profit for the period	1.154	1.566	-26%



Cost of operating invested assets



Management costs



FINANCING

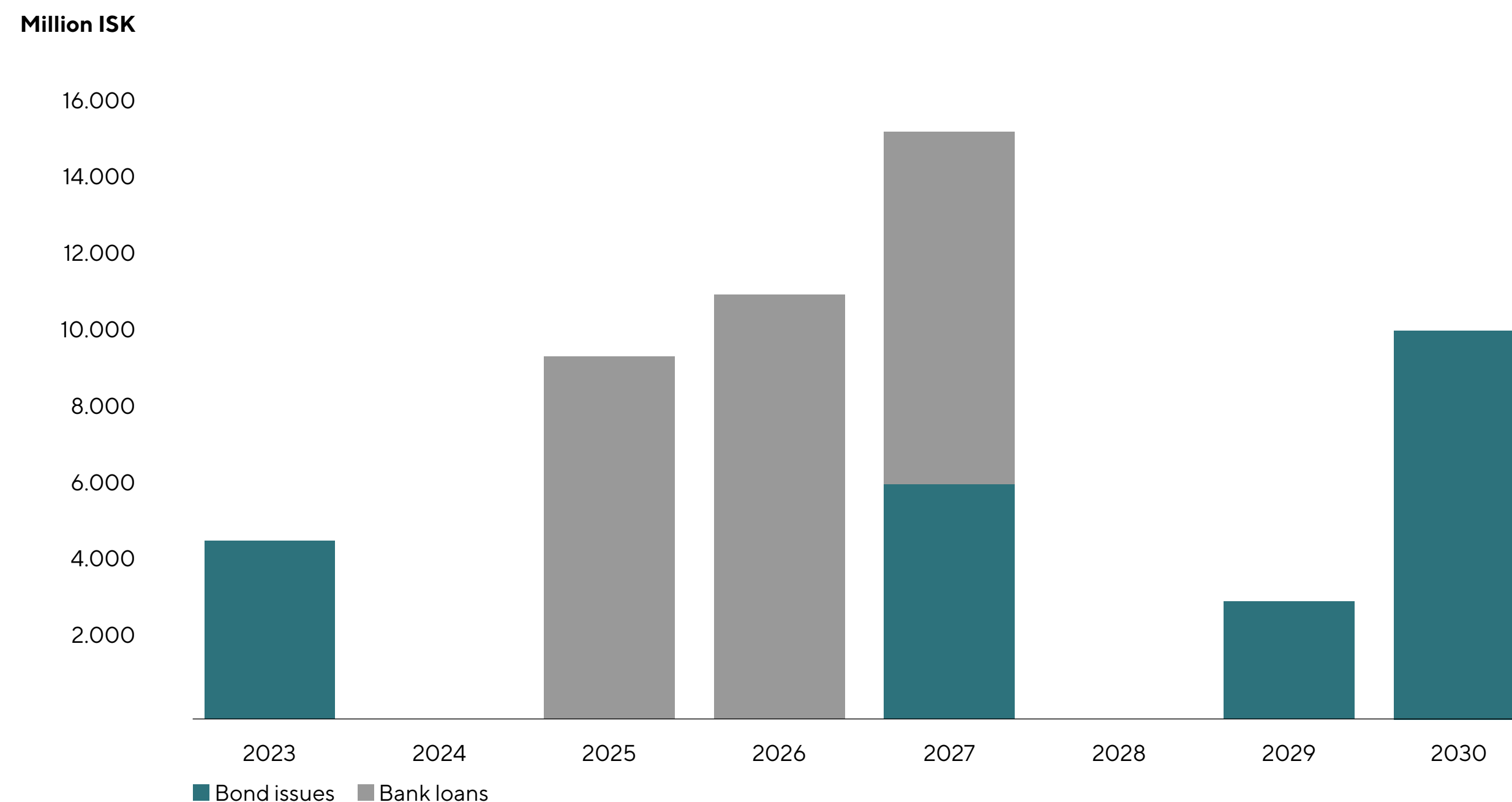
FAVORABLE INTEREST ENVIRONMENT WAS USED FOR REFINANCING

The need for refinancing

The total need for refinancing in 2023 amounted to ISK 4,380 million. REGINN23 GB, which comes under the frame of green financing, is due on June 30, 2023. Bridge financing has been arranged.

No loans are due in 2024. As of and including 2024, Reginn can retire a debt issue due 2047 and as of 2028 Reginn has the authority to retire a debt issue due in 2048. Conditions in the financial markets will dictate when these issues will be refinanced.

About 30% of interest-bearing debt consists of bank loans due in 5-7 years. Refinancing in 2025-2027 is mostly related to bank financing.



FINANCING

FAVORABLE INTEREST ENVIRONMENT WAS USED FOR REFINANCING

Average interest rates

Average interest rates on indexed loans were 2.76% on March 31, 2023, compared to 2.80% at the end of 2022.

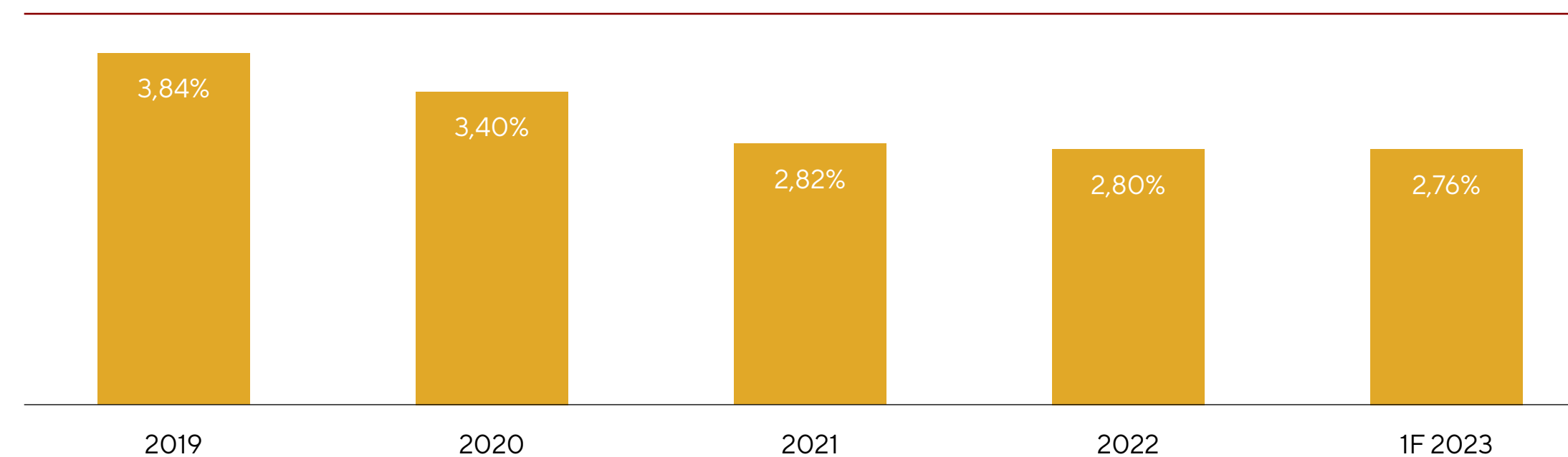
Average interest rates on non-indexed loans were 7.36% on March 31, 2023, compared to 6.33% and the end of 2022. The policy rate of the Central Bank rose from 6.00% to /.50% in the first quarter of 2023.

Indexed loans and fixed interest rates

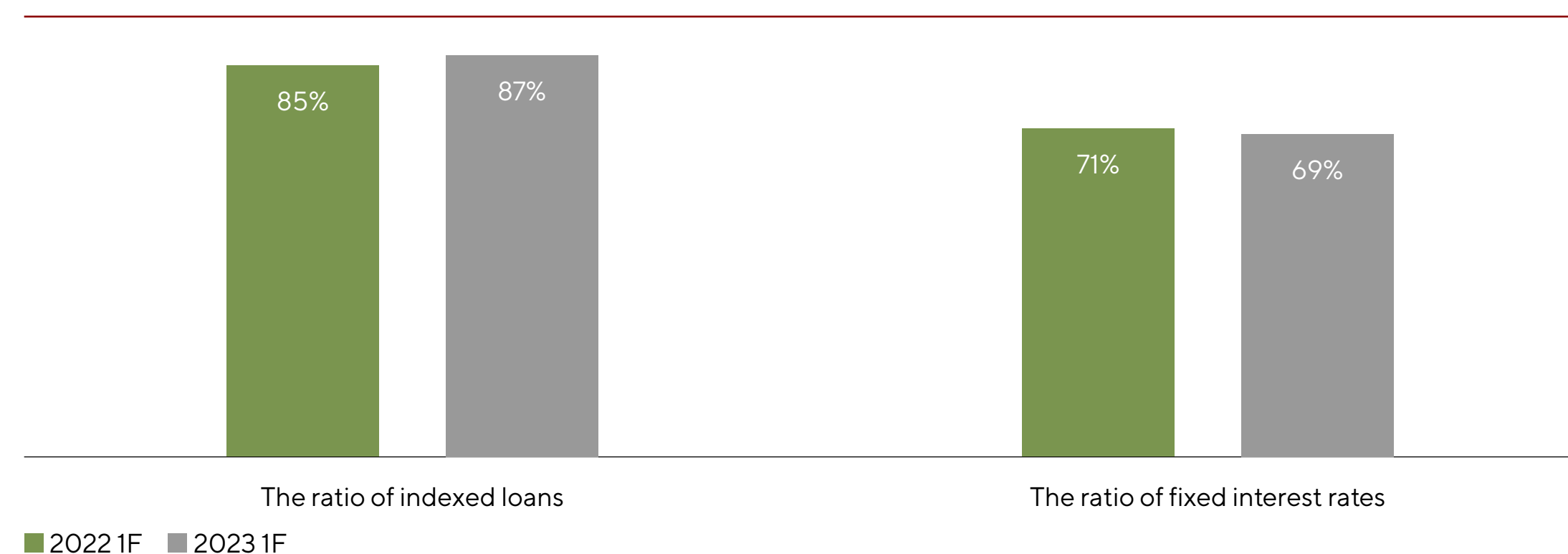
The share of indexed loans of the company remains stable.

The ratio of fixed interest rates changes in part due to bank financing last year due to the purchase of properties.

Indexed average interest rates



Indexed loans and fixed interest rates



LEASING

GOOD UTILIZATION, INCREASING QUALITY AND STRONG DEMAND

Leasing was strong in the first quarter; 32 leases were signed for a total of about 8,700 m², about the same space as in the first quarter of 2022.

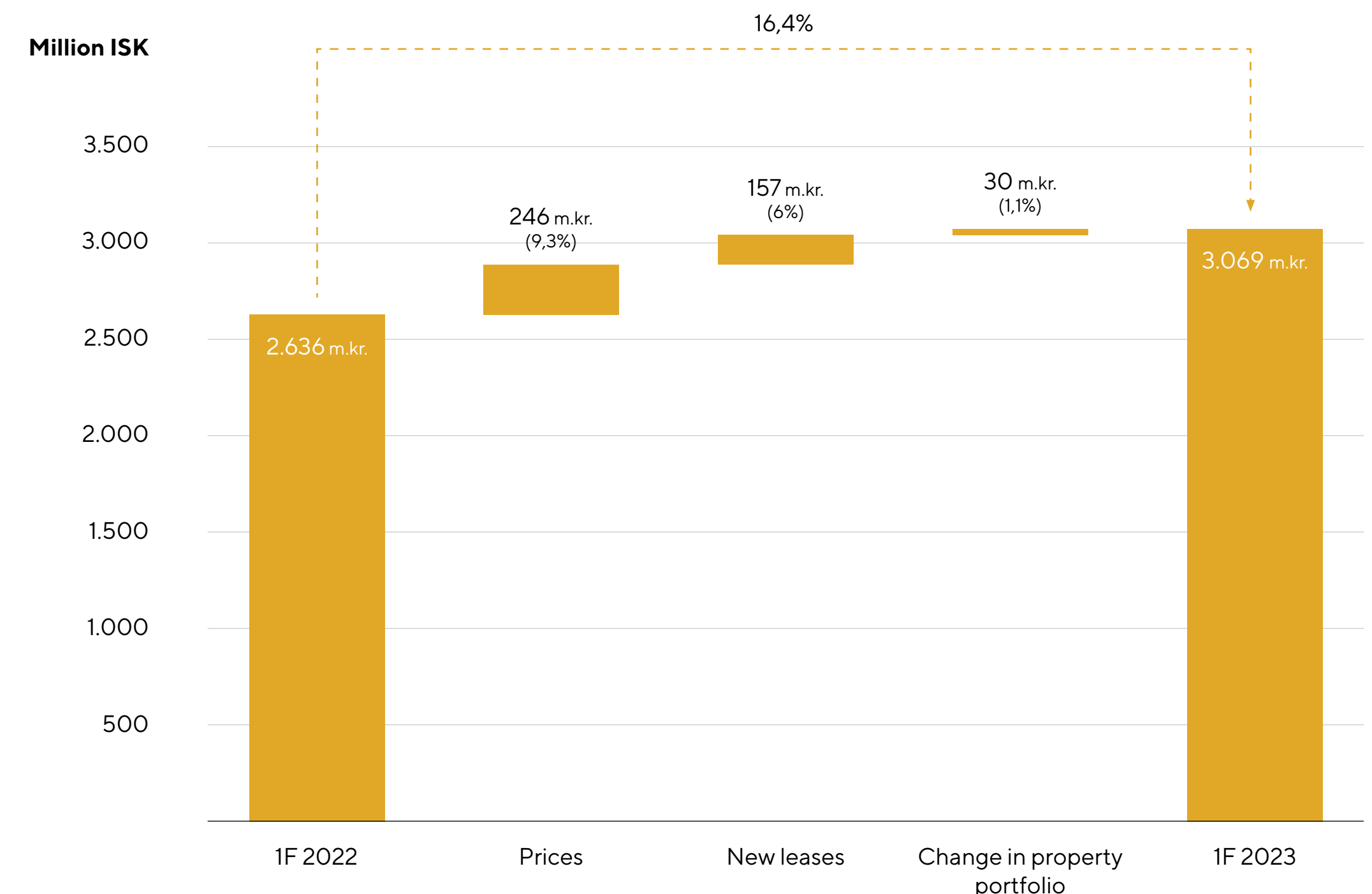
A lease was signed with Centerhotels for 1,450 m² at Þingholtsstræti 2-4. A lease was renewed with Íslandsbanki for 1,350 m² at Suðurlandsbraut 14, Arctica Finance renewed its lease for 825 m² at Katrínartún 2 along with a number of leases in Smáralind. The first lease in a new commercial and service center in Silfursmári in Kópavogur was also signed.

Strong demand continues for leasing space as is evidenced by a 7% income growth between years (in excess of inflation) indicating that rents have increased. There are continuing opportunities for growth in the property portfolio of the company.

With new properties and reorganizations in the property portfolio of the company, new spaces in the key property areas of Reginn will be created and will produce income in part of this year.

It is clearly evident that the market is increasingly demanding quality, especially in office space. The company has responded by renewing properties.

Development of rental income



KATRÍNARTÚN 2

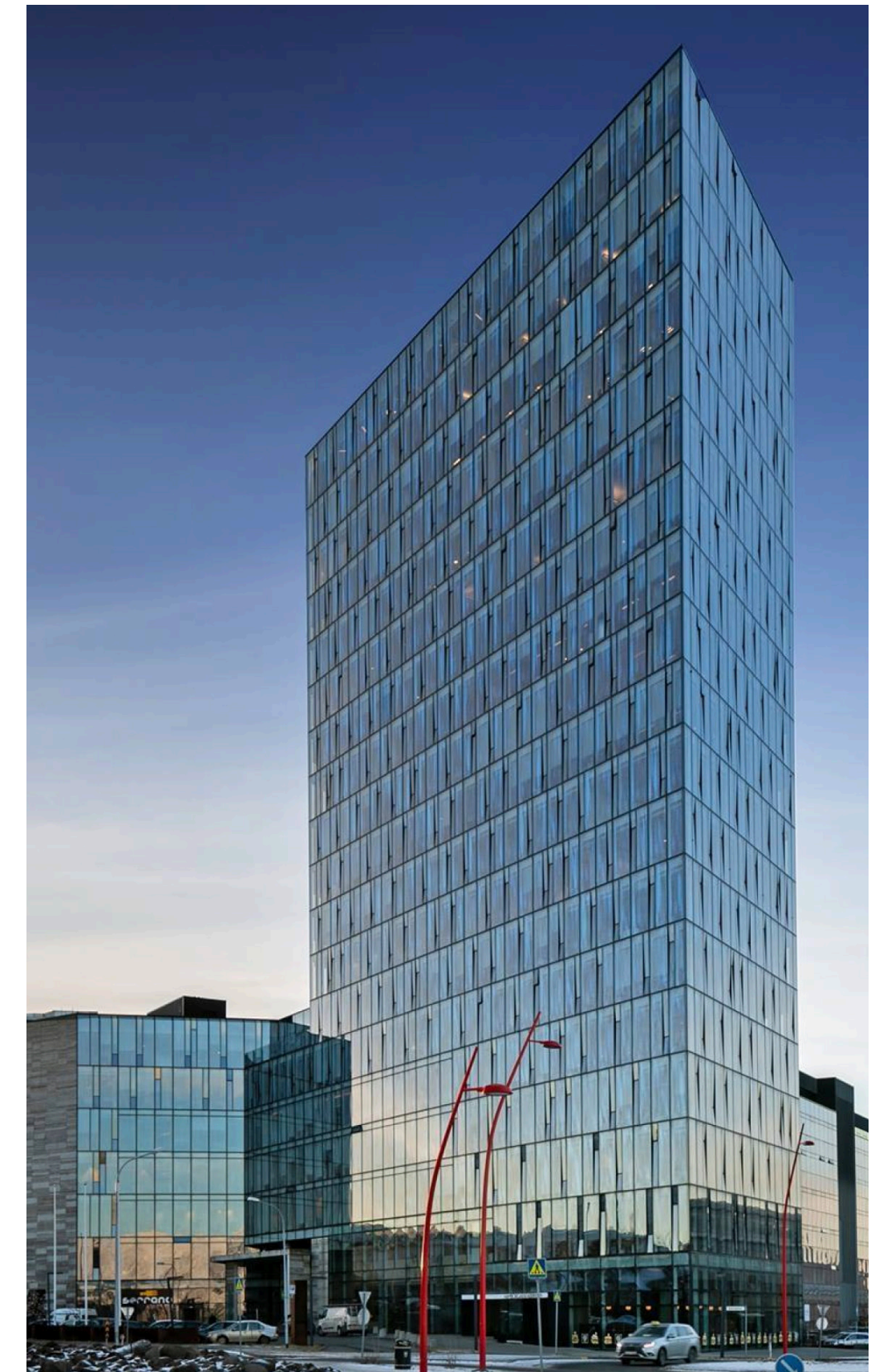
SUCCESSFUL RENEWAL OF QUALITY PROPERTY

Katrínartún 2 (Höfðatorg) is a good example of a property in a key area of Reginn where the effort continues to upgrade quality and service to clients since Reginn acquired the property in 2018. As an example, income has increased by 22% in the first quarter compared to 2022, and further opportunities for income growth are still at hand.

The upgrading and reorganization have consisted of a renewal of systems, environmental certification, and the composition of the support services offered to clients, such as a new high-quality restaurant service on the ground floor, an upgraded bicycle space and changing rooms, a new rubbish sorting system, etc.

Emphasis has been placed on a good composition of tenants, focusing on companies demanding high-quality office space. Leasing large floors in the building has proved successful through the emphasis on high quality.

Landsvirkjun recently signed a lease for nearly 4,500 m² and the space will be delivered in phases this year.



THE DEVELOPMENT OF THE SMÁRALIND AREA

MORE THAN 5,000 m² OF NEW LEASING SPACE

The Smáralind area is gradually becoming the center of the capital.

The development of the Smáralind residential area will be completed in 2024

A new area with 2,100 residents will change the view and tenor of the area and create demand for nearby services.

Strong demand from clients for leasing space in the area for offices, shops, leisure activity, and restaurants.

Construction is underway for 5,000 m² of new leasing space in the area:

This space will be operational in the next 12-18 months; some 40% has already been leased.

The strengthening of the area will yield better business for Smáralind:

The rental ratio for Smáralind is 99%.

The turnover of businesses in Smáralind has increased by 43% from the first quarter of 2019.



THE DEVELOPMENT OF THE SMÁRALIND AREA

MORE THAN 5,000 m² OF NEW LEASING SPACE



Silfursmári – shopping

On the ground floor of the Silfursmári area with 2,000 residents.

Close to 2,000 m² of new commercial and service space.

8-10 spaces for lease with modern window view and high ceilings.

Good access and view from Smáralind.

First spaces delivered to tenants in the autumn of 2023.

Strong demand for commercial space in and around Smáralind.



Third floor of Smáralind – Offices

Work has begun on 3,000 m² of office space on the third floor of Smáralind of which 1,000 m² will be new space for leasing.

Emphasis is on better use of the floor with modern organization and better flow, such as with a new entrance from the parking area.

Designed with regard to increased demand for high-quality offices with emphasis on sound proofing, lighting, smart solutions, sustainability, and choice of materials.

Construction is expected to be completed before the end of the year.

Strong demand for office space at Smáralind.



Vetrargarður (Winter garden) Restaurants and leisure

The restaurant and leisure space are being renewed and redesigned with the aim of increasing turnover by 50%.

The goal is to reach out to new customers such as the Smárabyggð residents and office personnel in the area.

A soccer land will open this week with a 900 m² entertainment space for 20 soccer tests for all age groups.

A lease has been signed for the expansion of the Smárabíó cinema.

The goal is to open new restaurant spaces and the expanded Smárabíó in the first half of 2024.

ENVIRONMENT CERTIFICATION OF PROPERTIES BREEAM IN-USE ENVIRONMENT CERTIFICATION

One of the goals of Reginn in sustainability is to have its properties environmentally certified.

The goal is to have 50% of the property portfolio of the company environmentally certified by 2026.

Reginn believes that the environmental certification of its properties plays a large role in reducing the adverse effects of the company's properties.

Breeam In-use certification helps in analyzing the risks each building creates, identifying possible improvements and obtaining confirmation from a third party that the operator complies with the best standards and requirements for property operation.

The certification requires recertification every three years and keeps the company on "its toes," encouraging environmentally friendly real estate improvements and solutions for its properties.



27% of Reginn's properties are BREEAM In-use certified:

- Smáralind
- Katrínartún 2
- Borgartún 8-16.

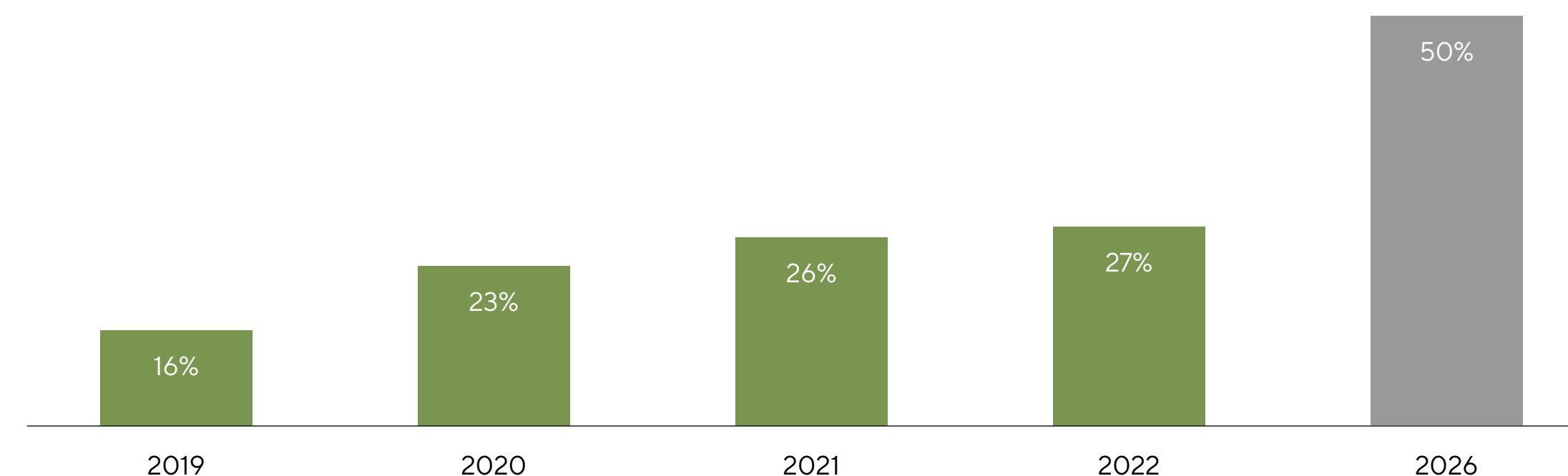
Updates on BREEAM In-use certifications:

Data has been submitted for Egilshöll and certification is on track to be delivered in the first part of summer.

Work has begun on the certification of Áslandskóli in Hafnarfjörður.

Work is currently underway to recertify Katrínartun 2.

The share of environmentally certified properties in m²



ENVIRONMENTAL ACCOUNTING

MAIN CONCLUSIONS

The environmental accounting of Reginn covers all the six properties for which the company is responsible in daily operations. They correspond to 33% of the total property portfolio of the company.

The main conclusions for the first quarter of 2023 compared with the corresponding quarter in 2022:

Overall greenhouse gas emissions have increased by 3%.

Electricity consumption has declined by 1% per square meter.

The use of hot water has increased by 15% per square meter.

The principal reason for increased greenhouse gas emissions is the use of hot water due to unusual cold weather in January and March.



27%

Environmental certification
in m² of the total portfolio



↑ 3%

Carbon footprint



↓ 1%

Electricity consumption



↑ 15%

Use of hot water

20 largest shareholders on May 4, 2023

No.	Name	Shares Held	%
1	State Employee's Pension Fund	202,500,000	11,19%
2	Tradesman's Pension Fund	193,251,119	10,68%
3	Brú Pension Fund	191,699,046	10,59%
4	Birta Pension Fund	161,287,253	8,91%
5	Gildi Pension Fund	142,088,488	7,85%
6	Festa - Pension Fund	82,753,020	4,57%
7	Stapi Pension Fund	80,464,900	4,45%
8	The Frjálsi Pension Fund	71,364,596	3,94%
9	Brimgarðar ehf.	68,769,349	3,80%
10	Sigla ehf.	61,700,759	3,41%
11	Stefnir hf.	53,218,152	2,94%
12	Söfnunarsjóður Pension Rights	50,367,779	2,78%
13	Arion banki hf.	48,047,278	2,66%
14	Lífsvirk Pension Fund	45,467,650	2,51%
15	Íslandssjóðir hf.	35,725,428	1,97%
16	FM eignir 1 ehf.	25,771,241	1,42%
17	FM eignir 2 ehf.	25,771,240	1,42%
18	Landsbréf hf.	21,724,954	1,20%
19	The Íslenski Pension Fund	21,630,650	1,20%
20	The Almenni Pension Fund	16,981,802	0,94%
		1,600,584,704	88,45%

A strong group of investors stands behind the company. The largest group of investors are pension funds with 72% of total share capital.

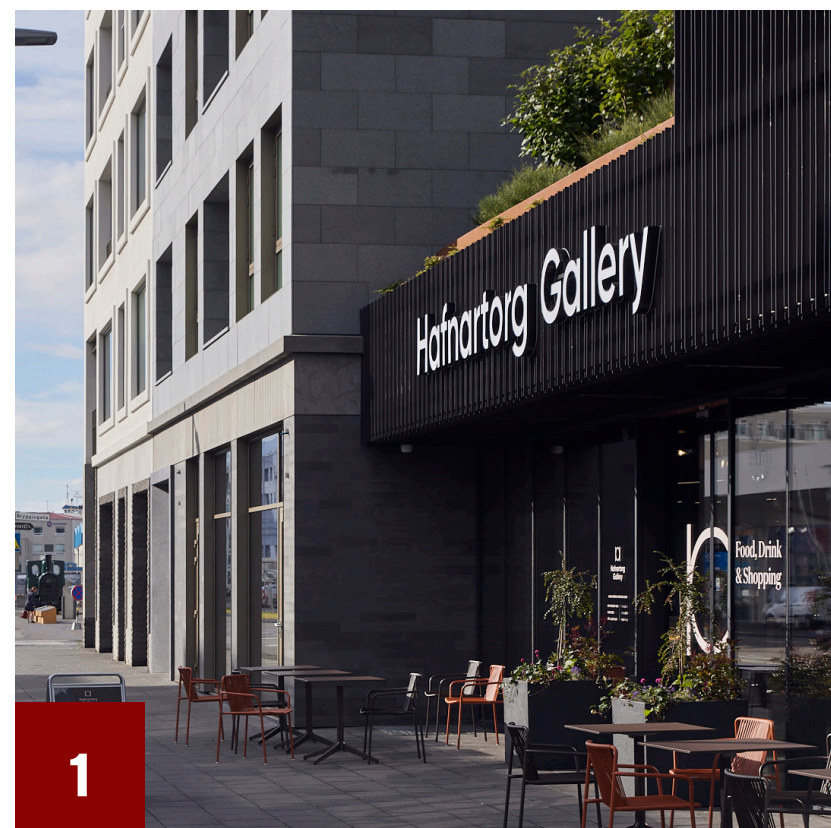
Banks and investment funds hold 11% of the share capital in the company, and insurance companies, private limited companies, individuals, and foreign investors hold 17%.

Financial calendar



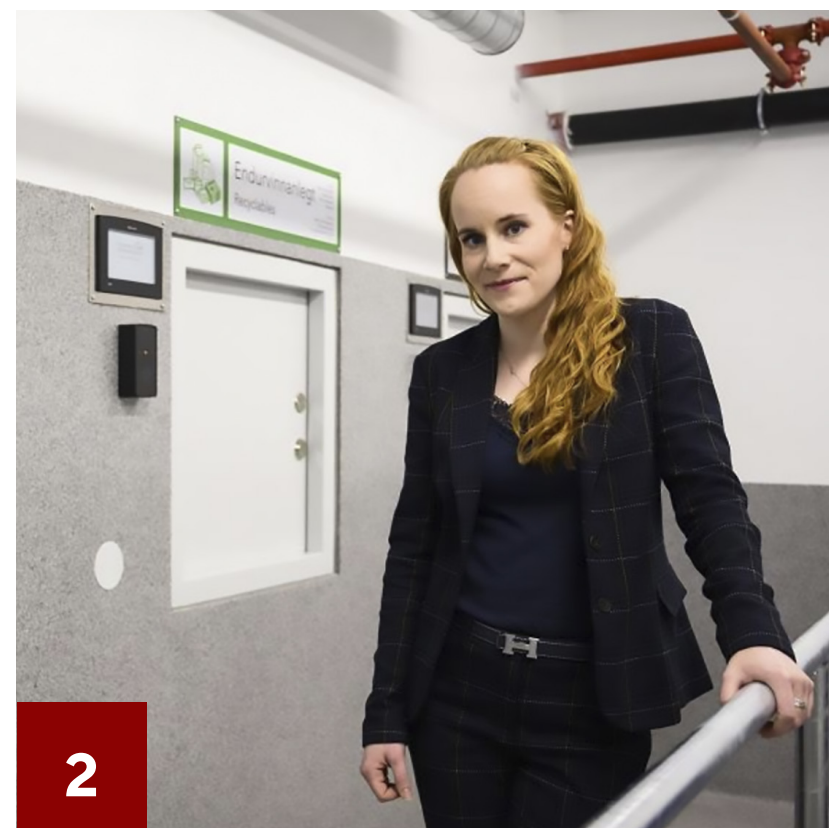
THE FUTURE OF REGINN

The clear policy formulation of Reginn has turned out to be successful. Reginn is determined to be a leader in the operation of properties and contribute to the quality of life in the community and the environment of residents.



1

Good results have been obtained in strengthening the property portfolio inside **CORE** areas with an attractive environment and a sought-after mixture of business, services, residences, and leisure activities where people can live, play, and work.



2

The company has met with good success in pursuing its goals of sustainability. **THE SUSTAINABILITY POLICY** of Reginn is a key element in this endeavor, and Reginn is set apart amongst domestic property companies in this area.



3

The specialization of our staff across business sectors has yielded intimate knowledge of the needs and expectations of our clients which ensures that **THE CLIENT COMES FIRST**.



4

DIGITALIZATION Reginn supports a sustainability policy and an emphasis on its clients. Detailed information on energy use, smart rubbish disposal et al. is currently available to Reginn clients. Such developments are continuing.



5

Reginn is a progressive and leading property company that makes informed decisions on future investments. **THE DEVELOPMENT OF THE PROPERTIES** of the company receives increased weight through its one-third ownership in the Klasi ehf. property development company.

Reginn
FASTEIGNAFÉLAG