# APPENDIX 4E

# RESULTS FOR ANNOUNCEMENT TO THE MARKET

Full Year Report

For the year ended 30 June 2025

**Name of entity:** Region Group (RGN)

Region Group comprises the stapled securities in two trusts, being Region Management Trust (ARSN 160 612 626) and its controlled entities and Region Retail Trust (ARSN 160 612 788) (collectively the Trusts). Region RE Limited (ABN 47 158 809 851; AFSL 426603) is the Responsible Entity for the Trusts.

| For the year ended | 30 June 2025 $m | 30 June 2024 $m | Variance % |
|---|---|---|---|
| Revenue from ordinary activities | 382.6 | 380.4 | 0.6% |
| Net profit from ordinary activities after tax attributable to members | 212.5 | 17.3 | 1,128.3% |
| Net profit for the year attributable to members | 212.5 | 17.3 | 1,128.3% |
| Funds from Operations (FFO)[1] | 179.9 | 178.4 | 0.8% |

| For the year ended | 30 June 2025 cents per security | 30 June 2024 cents per security | Variance % |
|---|---|---|---|
| Basic earnings per security | 18.3 | 1.5 | 1,120.0% |
| Weighted average FFO per security[1] | 15.5 | 15.4 | 0.6% |

| Distributions | Record date | Amount cents per security | Franked amount cents per security |
|---|---|---|---|
| Final distribution | 30 June 2025 | 7.00 | 0.00 |
| Interim distribution | 31 December 2024 | 6.70 | 0.00 |
| The total distribution per stapled security is 13.70 cents. The final distribution of 7.00 cents was declared on 17 June 2025 and will be paid on or about 29 August 2025. The interim distribution of 6.70 cents was declared on 10 December 2024 and paid on 30 January 2025. | | | |

| Net tangible assets | 30 June 2025 $ per security | 30 June 2024 $ per security | Variance % |
|---|---|---|---|
| Net tangible assets per security | 2.47 | 2.42 | 2.1% |

*[1] Region Group reports net profit/(loss) attributable to security holders in accordance with International Financial Reporting Standards (IFRS). The Responsible Entity considers the Property Council of Australia's definition of Funds from Operations (FFO) to be a measure that reflects the underlying performance for the year.*

**Details of entities over which control has been gained or lost during the year:**

None.

**Details of any associates and joint venture entities required to be disclosed:**

Region Group has a 20.0% interest in the SCA Metro Convenience Shopping Centre Fund (Metro Fund 1) and Matrix Trust (Metro Fund 2). Refer to the Consolidated Financial Statements, Note B2, within the attached Annual Report.

**Audit**

The accounts have been audited with unqualified audit opinion. Refer to the Independent Auditor's Report within the attached Annual Report.

**Distribution Reinvestment Plan (DRP)**

The Group has a Distribution Reinvestment Plan (DRP) under which security holders may elect to have all or part of their distribution entitlements satisfied by the issue of new securities rather than being paid in cash. The DRP was suspended for both distributions declared on 10 December 2024 (paid on 30 January 2025) and declared on 17 June 2025 (to be paid on 29 August 2025).

**Other significant information and commentary on results**

See attached ASX announcement and materials referred to below.

**For all other information required by Appendix 4E including a results commentary, please refer to the following attached documents:**

- Annual Report comprised of the Directors' Report including the Remuneration Report and Consolidated Financial Statements
- Results presentation

Erica Rees
Company Secretary
18 August 2025

# FY25
# Annual Report




Supporting better communities
through life's essentials.

Miami One Shopping Centre, QLD



# Contents



### Meeting of Security Holders

This year's AGM will start at 2pm (AEDT) on Tuesday 21 October 2025. For further information, visit www.regiongroup.au/agm/

### Corporate Calendar

| | |
|---|---|
| 21 October 2025 | Meeting of security holders |
| December 2025 | Estimated interim distribution announcement and securities trade ex-distribution |
| January 2026 | Interim distribution payment |
| February 2026 | Interim results announcement |
| June 2026 | Estimated final distribution announcement and securities trade ex-distribution |
| August 2026 | Full year results announcement |
| August 2026 | Final distribution payment |
| August 2026 | Annual tax statement |

### Security Holders Register Details

You can view your holdings, access information and make changes by visiting au.investorcentre.mpms.mufg.com/login

### Responsible Entity

Region RE Limited (ABN 47 158 809 851, AFSL 426603) Region Group comprises Region Management Trust (ARSN 160 612 626) and Region Retail Trust (ARSN 160 612 788), together, Region Group or RGN.

### Sustainability

Our Sustainability Report is located on our website regiongroup.au/sustainability

# About Us

## We are passionate about making life's essentials easy and inspiring, enabling communities to thrive and grow.

Region Group is an internally managed real estate investment trust (REIT) with 87 convenience-based retail properties, valued at $4,374 million.

We remain the largest owner of convenience-based retail centres with 7% share of the market, which is dominated by private owners. This asset class has proven to be resilient due to its exposure to non-discretionary retail categories, including long leases with grocery-based anchor tenants. Woolworths Group Limited (Woolworths) and Coles Group Limited (Coles) are our anchor retail partners at more than 97% of our properties.

Region (originally SCA Property Group ASX: SCP) was created out of Woolworths in late 2012, when ownership in a number of retail properties was transferred. Since November 2022, we have been operating under our new name, Region Group (ASX: RGN).

## OUR PURPOSE

Our purpose is supporting better communities through life's essentials. Our centres, directly and indirectly, provide employment for thousands of people and help support the economic resilience of their local communities.

Our customers are at the heart of our strategy. This means the places we create will deliver both a practical and positive experience, as we work to be the first choice for essentials at a place nearby.

Our positioning means we are resilient as a business, capable of delivering growth to our security holders, people, customers and the communities we serve.

Our Region people are experts in their field, and place great value in trust, collaboration, innovation and leadership.

## OUR VALUES

### ACHIEVEMENT

**Innovation**
We embrace doing things differently to get people what they need, when and how they want it.

**Leadership**
We stand for what people need and show the way forward.

### ONE TEAM

**Trust**
Our word is our bond.

**Collaboration**
We achieve and grow together as one team.


1. Region RE Limited is the Responsible Entity of Region Management Trust and Region Retail Trust
2. Region RE Limited as Responsible Entity of Region Retail Trust owns 20% of SCA Metro Convenience Shopping Centre Fund and Matrix Trust (collectively, Metro Fund)

Kallo Town Centre, VIC

# Our FY25 Performance Highlights



| FUNDS FROM OPERATIONS | ADJUSTED FUNDS FROM OPERATIONS | DISTRIBUTION |
|---|---|---|
| 15.5¢ per security | 13.7¢ per security | 13.7¢ per security |

Kallo Town Centre, VIC

## FINANCIAL PERFORMANCE

**STATUTORY NET PROFIT AFTER TAX**
$212.5m

**ASSETS UNDER MANAGEMENT**
$5.2bn

## OPERATIONAL PERFORMANCE

**COMPARABLE MAT GROWTH**
3.1%

**AVERAGE ANNUAL SPECIALTY FIXED RENT REVIEWS**
4.3%

**AVERAGE SPECIALTY LEASING SPREADS**
3.7%

**COMPARABLE NOI GROWTH**
3.2%

## CAPITAL MANAGEMENT

**PORTFOLIO WEIGHTED AVERAGE CAP RATE**
5.97%

**ON-MARKET SECURITY BUY-BACK**
2.2m
securities purchased at an average price of $2.30

**NTA PER SECURITY**
$2.47

**WACD**
4.3% pa
with 97% hedged/fixed debt

# Message from our Chair and CEO


Steven Crane (left) and Anthony Mellowes (right)



On behalf of our fellow Directors, we are pleased to deliver our FY25 Annual Report. We are committed to delivering on our strategy to ensure defensive, resilient cash flows to support secure and growing long-term distributions to our security holders.

## Operational performance

Our convenience-based retail centres continue to benefit from a mix of high quality supermarket anchor retail partners and focus on non-discretionary specialty tenants. As at 30 June 2025, our portfolio comparable Moving Annual Turnover (MAT) sales growth of 3.1% was driven by 3.3% growth in supermarkets and 3.7% growth in non-discretionary specialty tenants.

Our portfolio is 97.5% occupied with a strong weighted average lease expiry of 4.9 years and over 88% of gross rent generated from non-discretionary tenants. During the year we retained 81% of tenants and achieved average leasing spreads of 3.7% across 372 specialty leasing deals.

Our team continues to deliver on increased annual fixed rent reviews which have improved from 4.1% in FY24 to 4.3% in FY25 and are applied across 94% of specialty and mini major tenants. As a result, the average specialty rent has increased to $919 per sqm which equates to an annualised growth rate of 5.0% since FY22.

## Financial performance

In FY25 we achieved a $212.5 million statutory profit after tax following positive investment property revaluations. We also returned to modest earnings growth in Funds from Operations (FFO) of 15.5 cps and Adjusted Funds from Operations (AFFO) of 13.7 cps. These increased by 0.6% and 0.7%, respectively. Our FY25 distribution is in line with 100% of AFFO and FY24.

During the year, we achieved comparable NOI growth of 3.2% and continued to recycle capital into accretive transactions.

Our balance sheet is strong with more than $5.2 billion Assets Under Management (AUM), an increase of 8.7% over the year which is largely attributable to an increase in Funds Under Management (FUM).

We remain proactive with our approach to capital management. Gearing of 32.5% is at the lower end of our 30-40% target range and our weighted average cost of debt (WACD) remained consistent year on year at 4.3%. Almost 97% of debt was hedged or fixed during FY25.

During the year we also announced an on-market securities buy-back for up to $100.0 million of the Group's securities on issue. As at 30 June 2025, 2.2 million securities have been bought-back and cancelled at an average price of $2.30, for a total consideration of $5.0 million.



The balance sheet provides a secure platform for growth with $313.3 million of available liquidity and an average debt maturity of 4.3 years. There are no debt expiries until FY27.

## Value creation opportunities

We continue to actively manage our portfolio composition in line with our investment criteria. During the year, we acquired Kallo Town Centre for $64.5 million, a neighbourhood centre anchored by Woolworths and strategically located in a growth corridor 30km north of Melbourne's CBD.

Including the assets held for sale at 30 June 2024, we also divested six non-core neighbourhood centres and one Bunnings for $227.5 million.

We are pleased to note that the Delacombe Town Centre Stage 2 development reached practical completion and is now 88% leased by GLA. During the year we also invested $29.0 million into centre repositioning projects which enhance the customer experience and therefore drive rental growth.

Finally, our FUM more than doubled during the year to $711.5m following the addition of another Metro Fund with our global institutional partner in November 2024. After the financial year end, the Metro Fund exchanged on the acquisition of Dalyellup Shopping Centre in WA for $35.8 million which will contribute to future funds management growth.

## The next 12 months

The retail shopping centre supply and demand fundamentals remain strong in Australia. There continues to be interest in the defensive, non-discretionary sector with 50 neighbourhood and sub-regional centres that have transacted for a total of ~$3.2 billion over the past year.

Retail sentiment continues to improve and valuations in the sector have troughed.

We remain concentrated on delivering defensive, resilient cash flows to support secure and long-term distributions to our security holders. To achieve this, our focus for FY26 will continue to be on:

- Improving our comparable NOI through strong leasing, increased fixed rent reviews and proactive expense management
- Curating our portfolio through selective acquisitions and disposals
- Reinvesting in our centres to drive value
- Growing our funds under management
- Maintaining a proactive approach to capital management including an on-market security buy-back, asset recycling and interest rate hedging

Assuming no significant change in market conditions, our FY26 earnings guidance is at least:

- FFO of 15.9 cps
- AFFO of 14.0 cps

Target distribution per security payout ratio:

- ~90% of FFO
- ~100% of AFFO

Supporting better communities through life's essentials is the foundation to our strategy. Our balance sheet remains strong and positions us for growth, our strategy is sound, and our properties remain resilient.

On behalf of our team, we thank you for your continued support and confidence in Region.

**Steven Crane**
Chair

A. Mellowes

**Anthony Mellowes**
Chief Executive Officer

# Our Property Portfolio

**AT 30 JUNE 2025**

## We are the largest owner of convenience-based retail properties within Australia.

Our portfolio comprises of 13 sub-regional and 74 neighbourhood retail properties located in all states and territories across Australia.

We also manage an additional 13 neighbourhood retail properties located across five states on behalf of the Metro Fund, bringing our total portfolio to 100 retail properties under management.


**Key**

- Sub-regional
- Neighbourhood
- Metro Fund

Our portfolio list is available at regiongroup.au/investor-centre/reports-presentations/

Our Property Portfolio continued

## PORTFOLIO OVERVIEW

88% of gross rent is generated from non-discretionary tenants.

**87**
owned retail properties

**2,079**
number of specialty tenants

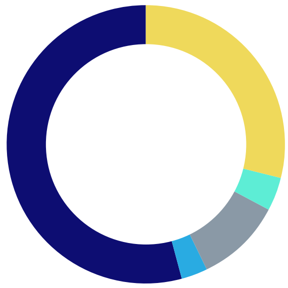
**$4,374 million**
total owned portfolio value

**773,473 sqm**
gross lettable area

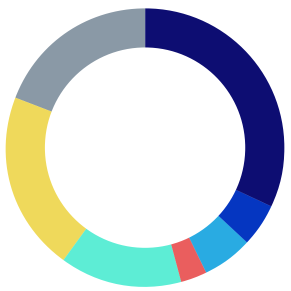
**2,409,882 sqm**
land

**4.9 years**
weighted average lease expiry[1]

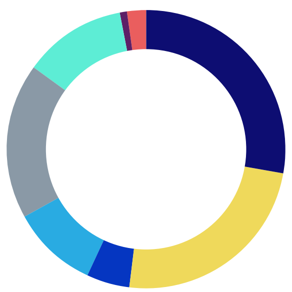
### Tenants by category (by gross rent)




### Specialty / Mini major tenants (by gross rent)




### Geographic diversification (by value)




1. Weighted average lease expiry (WALE) years by gross rent
2. Pharmacy & Healthcare includes pharmacies, medical centres/doctors, dentists, optometrists, audiologists and other healthcare service tenancies
3. Services includes hairdressing, dry cleaners, gyms/fitness centres, banks, post office and other services tenancies
4. Other retail includes jewellery, leisure, homewares, gifts/florists/newsagents, communications, travel and other retail tenancies


Kallo Town Centre, VIC


Lane Cove Market Square, NSW

# Our Strategy

Our commitment to ***supporting better communities through life's essentials*** is fundamental to the successful delivery of our strategy.

At the heart of our strategy are our customers. We know that through customer value we deliver security holder value. In our pursuit of delivering our strategic pillars we aim to ensure defensive, resilient cash flows to support secure and growing long-term distributions to security holders.

**Focus on convenience-based retail centres**

**Weighted to non-discretionary retail segments**

**Long leases to quality anchor tenants**

**Optimise value through targeted reinvestment in the portfolio**

**Grow through deploying capital into accretive opportunities**

# Our Performance

## OPERATIONAL PERFORMANCE

### Portfolio sales performance

In FY25, comparable MAT sales grew by 3.1%, supported by improved performance across supermarkets, discount department stores and specialty retail tenants.

**Total portfolio comparable MAT growth by category**

| | 30 JUN 2025 | 30 JUN 2024[1] |
|---|---|---|
| Supermarkets | 3.3% | 3.0% |
| Discount Department Stores | 3.4% | 1.1% |
| Mini Majors | 1.8% | 2.9% |
| Total Specialties | 3.0%[2] | 1.4% |
| **Total** | **3.1%[2]** | **2.5%** |

1. Figures adjusted to 52 weeks as FY24 was a 53-week reporting period, whereas total MAT was 4.0% for the full period based on sales submitted
2. Figures adjusted to exclude the impact of tobacco tenancy sales

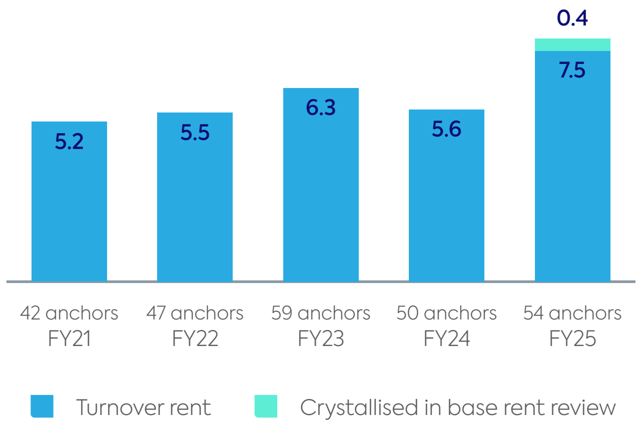
Morisset Shopping Centre, NSW

### Partnering with our anchor tenants to drive sales

We continued to strengthen our partnerships with anchor retailers through targeted investment in e-commerce facilities aimed at supporting sales growth and turnover rent generation. In FY25, six facilities were completed, with an additional eight currently underway. All anchor tenant lease expiries scheduled for FY25 were successfully extended through the exercise of their options.

Turnover rent was generated by 54 anchors during the year and increased to $7.5 million with $0.4 million crystallised into base rent for future periods. A further 13 anchor tenants are within 10% of their turnover rent threshold.

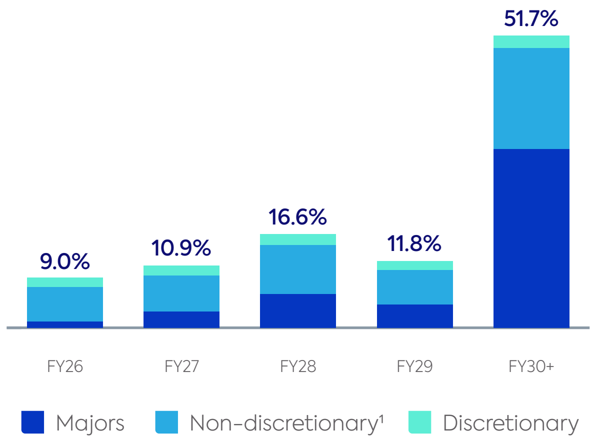
**Anchor turnover rent ($m)**




### Rental income security

Our portfolio comprises of convenience-based retail properties with a strong weighting to non-discretionary retail categories. Anchor retail partners represent 46% of gross rent, with the remaining 54% of gross rent coming from specialty and mini major retail partners. The portfolio benefits from long-term lease security, with over half of all leases extending beyond FY30. Anchor tenant WALE is 6.5 years (by gross rent) with most having the option to extend upon expiry.

**Overall lease expiry (% of gross rent)**




1. Non-Discretionary includes ATM's, offices and other non-retail tenancies

### Specialty leasing activity

Occupancy and tenant retention remain high at 97.5% and 81%, respectively. We remain committed to refining the tenant mix by favouring essential retail categories. Total average specialty leasing spreads during the period were strong at 3.7%.

Average annual fixed rent reviews across the portfolio have increased from 4.1% to 4.3%, demonstrating continued growth in rental performance. This consistent upward trend resulted in an increase in specialty rent to $919 per sqm, equating to a compound annual growth rate of 5.0% since FY22.

Ocean Grove Marketplace, TAS

**Specialty tenant key leasing metrics**

| RENEWALS | 30 JUN 2025 | 30 JUN 2024 |
|---|---|---|
| Number | 247 | 303 |
| GLA (sqm) | 24,563 | 34,447 |
| Average spread (%) | 2.6% | 5.2% |
| Incentive (months) | 0.5 | 0.4 |
| **NEW LEASES** | **30 JUN 2025** | **30 JUN 2024** |
| Number | 125 | 149 |
| GLA (sqm) | 13,010 | 14,792 |
| Average spread (%) | 6.1% | 1.6% |
| Incentive (months) | 11.2 | 9.6 |

## SUSTAINABILITY

The FY25 Sustainability Report encompasses all owned retail centres. Our convenience-based retail centres are in urban and regional neighbourhoods across all states and territories and are visited by millions of people every year. Our purpose is supporting better communities through life's essentials. To achieve this, we believe in owning retail centres that are economically and environmentally sustainable. Our centres, directly and indirectly, provide employment for thousands of people and help support the economic resilience of their local communities. Across every retail centre, our teams strive to ensure Region Group retail centres serve an essential role in their communities: working together with local people on local issues, supporting community initiatives and volunteering in community projects.

Additional details can be found in the FY25 Sustainability Report.

Marketplace Warner, QLD

### FY25 sustainability highlights

**$9.7M**
investment in solar PV generation, representing 5.6MW of new solar PV capacity

**21.7MW**
of solar PV across 33 sites installed and operational by the end of FY25

**6**
retail centre climate change impact assessments completed

**40:40:20**
gender balance maintained (directors and total employees)

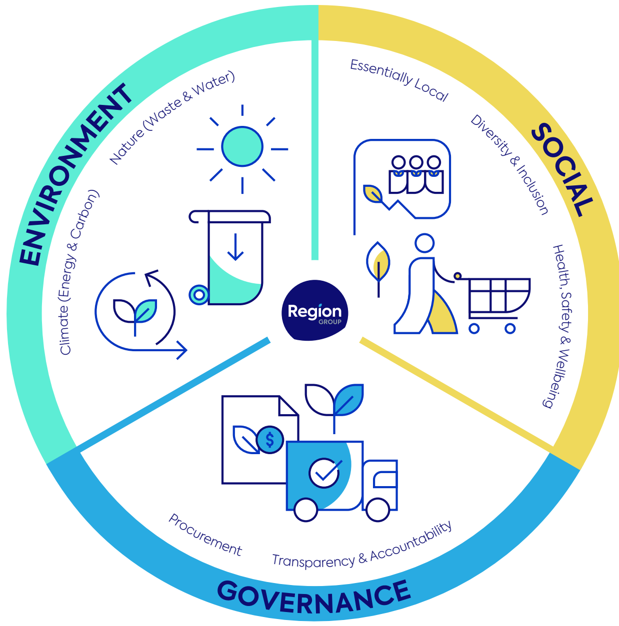
**ASRS**
working towards reporting under ASRS by the FY27 mandatory deadline

**196**
students supported through our partnership with The Smith Family

**943**
Stronger Communities events or initiatives held

### Our sustainability strategy and approach

The following three pillars underpin our sustainability strategy and approach, demonstrating Region Group's values and commitment to delivering positive change in the wider environment and local communities we serve:




**Environment**

We continue to progress towards our sustainability targets with further investment in solar PV generation made in FY25.

We have a target of 25MW of solar PV installed, under construction or in design by FY26, and we are currently on track to meet the target.

At the same time, we are rolling out embedded networks at a number of sites, thereby improving data availability for our Scope 3 GHG emissions reporting and providing access for retail partners to green energy.

**Social**

We are also proud of the impact we have made in partnership with The Smith Family to improve the lives of young Australians. Over the last five years, 128 students have received sponsorship annually as part of the *Learning for Life* program, with support extending to many other students through mentoring programs, birthday cards and the donation of Christmas gifts, laptops and other fundraising events. For child protection purposes and to ensure the privacy of the students we support, in FY25, we also undertook digital student profile checking. Additionally, in FY25, we invited all staff to join the Dream Run —The Smith Family's month-long fitness and fundraising event.

**Governance**

We have made significant progress on our ASRS implementation, including the development of a Climate Risks and Opportunities Register and the commencement of our climate scenario analysis. Our Management Sustainability Steering Committee continues to lead the strategic direction and implementation efforts, with oversight provided by the Audit and Risk Management Compliance Committee (ARMCC) to ensure accountability and transparency.

The Smith Family
Learn today, change tomorrow.

# Pathway to Net Zero

Reaching Net Zero Scope 1 and Scope 2 GHG emissions by FY30 is a major target which requires planning and commitment, and includes being more energy efficient and increasing onsite renewable energy generation.

These targets below are the next steps in our carbon reduction journey, which started in FY16. The timeline below details our biggest positive actions so far, and the major steps we are taking as part of our Sustainability Strategy to reach Net Zero Scope 1 and Scope 2 GHG emissions by FY30.

### FY16 – FY20

- First Region Group Sustainability Strategy launched with 3 pillars
- First solar PV project commenced at Griffin Plaza
- 2.4MW solar PV added through acquisitions
- Commenced our first energy-efficient Building Management Systems (BMS) project

### FY21

- 0.2MW solar PV added to the portfolio
- Launched our Sustainability Strategy with 6 pillars
- Committed to Net Zero Scope 1 and Scope 2 GHG emissions by FY30
- LED lighting project commenced

### FY22

- 6.2MW solar PV generation capacity installed
- 100% LED lighting installed in all centres

### FY23

- 5.3MW solar PV generation installed
- 0.8MW solar PV added through acquisitions
- Commenced new embedded network roll-outs
- Investigated the feasibility of large-scale onsite electricity storage

### FY24

- 1.2MW solar PV generation installed
- Continued embedded network roll-outs where solar PV is installed
- Install LED lighting to new property acquisitions
- Completed energy efficiency audit at Auburn Central
- Reduced our consumption by 20% compared to FY19 on a like for like basis

### FY25

21.7MW across 33 sites installed and operational by the end of FY25

- 5.6MW solar PV generation installed
- Continued embedded network roll-outs where solar PV is installed
- Performed a review at our highest gas usage centres

### FY26

- 25MW total onsite solar PV generation installed, in design or construction commenced
- Continue replacing HVAC and other systems to eliminate ozone-depleting R22 refrigerant at the end of useful life

### FY27 – FY28

- Continue to assess gas usage to determine most commercial way to reduce Scope 1 GHG emissions

### FY30

- Reduction of gas through electrification
- Net Zero Scope 1 and Scope 2 GHG emissions

### FY30 – FY40

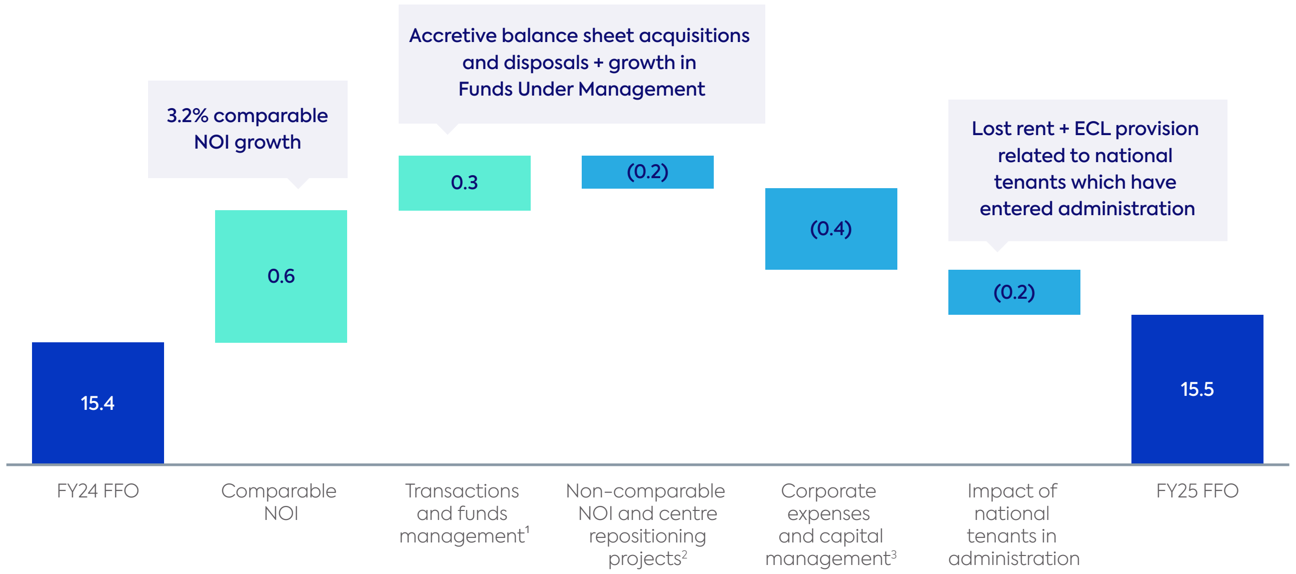
- Eliminate all gas usage by FY40 by replacing plant at end-of-life with electric alternatives

## FINANCIAL PERFORMANCE

### FFO per security

Our underlying FFO per security increased by 0.6% from FY24 to FY25. Comparable NOI growth was strong during the year at 3.2% and we continued to recycle capital into accretive transactions. These benefits were slightly offset by lost rent during various centre repositioning projects, the normalisation of corporate expenses and the impact of national tenants who entered administration during the year.

Lilydale Marketplace, VIC




1. Acquisitions and divestments (net of interest), funds management income (net of tax), and fund through development income
2. Insurance income, rent guarantees and short-term impact of lost rent during centre repositioning projects
3. Corporate expenses in line with long run average and an increase in average debt balance and line fees

## Financial results

For the year ended 30 June 2025, Region will pay a distribution of 13.7cps which represents a 100% payout of AFFO. Following positive investment property revaluations, the statutory profit after tax was $212.5 million.

| $m | 30 JUN 25 | 30 JUN 24 | % change |
|---|---|---|---|
| Property income | 390.6 | 383.5 | 1.9% |
| Property expenses | (136.8) | (132.3) | 3.4% |
| **Net operating income** | **253.8** | **251.2** | **1.0%[1]** |
| Insurance income | 0.6 | 0.4 | 50.0% |
| Other operating income[2] | 5.8 | 3.4 | 70.6% |
| Corporate expenses | (15.2) | (13.6) | 11.8% |
| Net interest expense | (64.7) | (62.8) | 3.0% |
| Tax expense | (0.4) | (0.2) | 100.0% |
| **Funds From Operations (FFO)** | **179.9** | **178.4** | **0.8%** |
| Maintenance capital expenditure | (9.0) | (8.6) | 4.7% |
| Leasing incentives and costs | (11.9) | (12.1) | (1.7%) |
| **Adjusted Funds From Operations (AFFO)** | **159.0** | **157.7** | **0.8%** |
| **Statutory profit after tax** | **212.5** | **17.3** | **nm** |
| | | | |
| **FFO per security (cents)** | **15.5** | **15.4** | **0.6%** |
| **AFFO per security (cents)** | **13.7** | **13.6** | **0.7%** |
| Distribution per security (cents) | 13.7 | 13.7 | - |
| Distribution payout ratio (% of FFO) | 88.4% | 89.2% | (0.8%) |
| Distribution payout ratio (% of AFFO) | 100.1% | 101.0% | (0.9%) |

1. Non comparable movement for the period is impacted by acquisitions, disposals, developments, ECL and rent guarantees
2. Includes management and investment income from funds management and fund through development income

## Balance sheet

AUM have grown from $4.8 billion at 30 June 2024 to $5.2 billion at 30 June 2025. The increase of 8.7% is primarily due to investment property valuation growth and an increase in FUM.

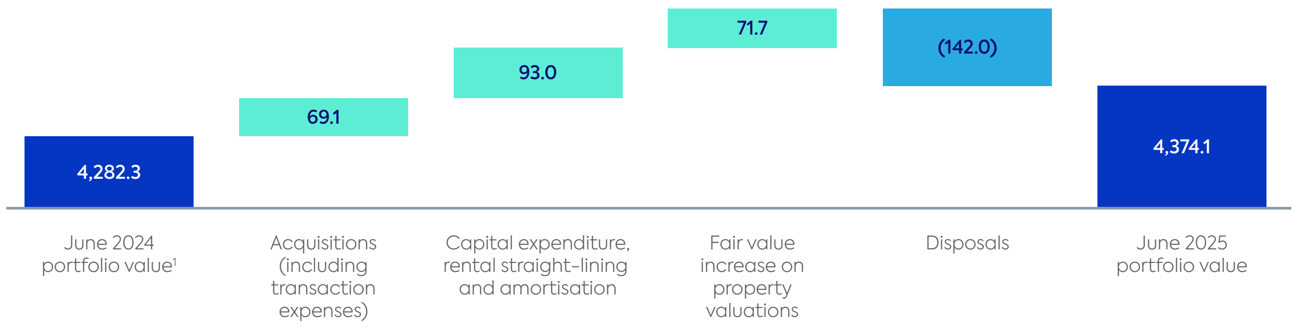
Our gearing of 32.5% remains at the lower end of our 30-40% target range and our Management Expense Ratio (MER) remains unchanged at 0.34% with cost efficiencies of an internally managed model.

| $m | 30 JUN 25 | 30 JUN 24 | % change |
|---|---|---|---|
| Cash and cash equivalents | 8.5 | 19.4 | (56.2%) |
| Investment properties | 4,374.1 | 4,282.3 | 2.1% |
| Investment properties held for sale | – | 85.5 | nm |
| Investment in associates | 62.6 | 24.7 | 153.4% |
| Other assets | 145.7 | 140.0 | 4.1% |
| **Total assets** | **4,590.9** | **4,551.9** | **0.9%** |
| Interest bearing liabilities | 1,559.9 | 1,565.4 | (0.4%) |
| Distribution payable | 81.2 | 81.4 | (0.2%) |
| Other liabilities | 85.1 | 90.6 | (6.1%) |
| **Total liabilities** | **1,726.2** | **1,737.4** | **(0.6%)** |
| **Net tangible assets (NTA)** | **2,864.7** | **2,814.5** | **1.8%** |
| Securities on issue (m) | 1,160.7 | 1,161.8 | (0.1%) |
| **NTA per security ($)** | **2.47** | **2.42** | **2.1%** |
| **Assets Under Management (including Metro Fund)** | **5,239.8** | **4,821.8** | **8.7%** |

## Property valuations

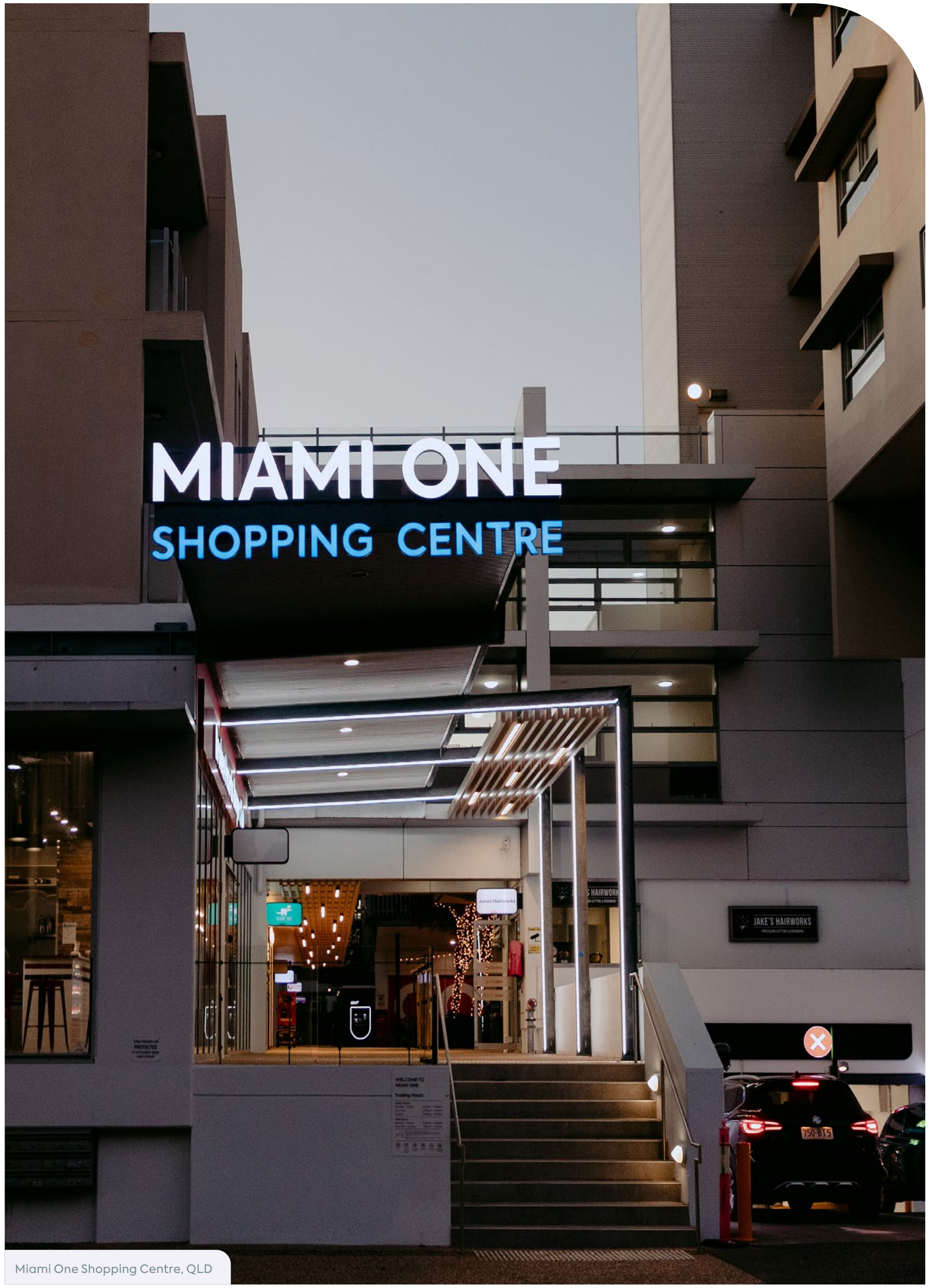
Cap rates in the retail sector have been expanding since December 2022 but reached an inflection point during the year, where our weighted average portfolio cap rate compressed 10bps to 5.97% as at 30 June 2025. During the year we recorded a 3.8% fair value increase including capital expenditure.

**Portfolio value ($m)**




1. Excluding investment properties held for sale at 30 June 2024


Kwinana Marketplace, WA

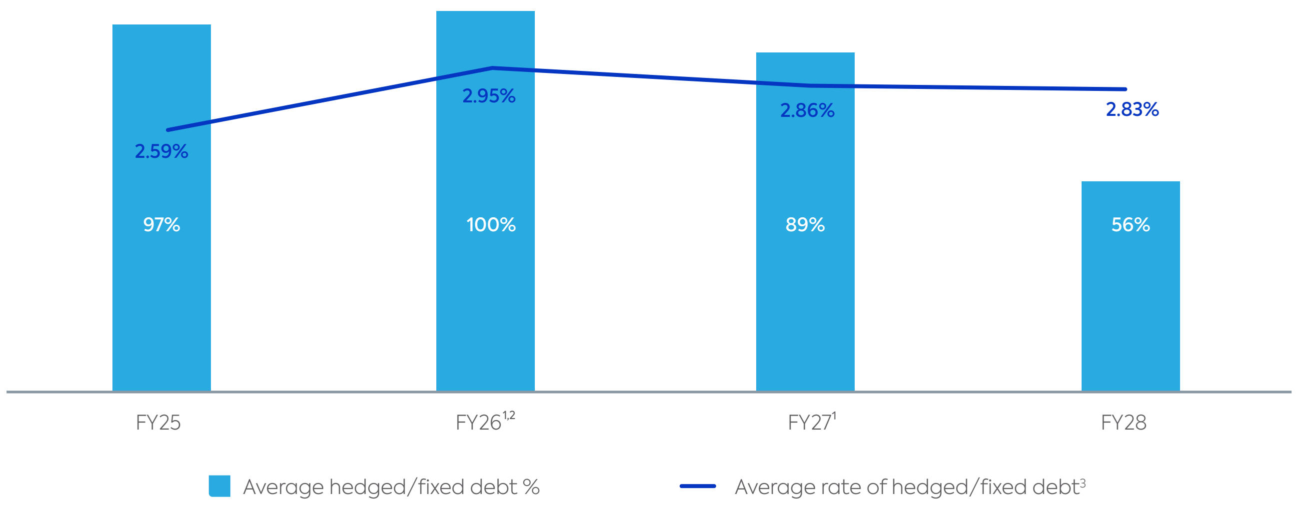



Miami One Shopping Centre, QLD

## Capital management

We continue to be proactive with capital management. Our weighted average cost of debt was consistent with the prior year at 4.3% and 97% of debt was hedged or fixed. As we look into the future, we continue to have high levels of hedging at favourable rates.

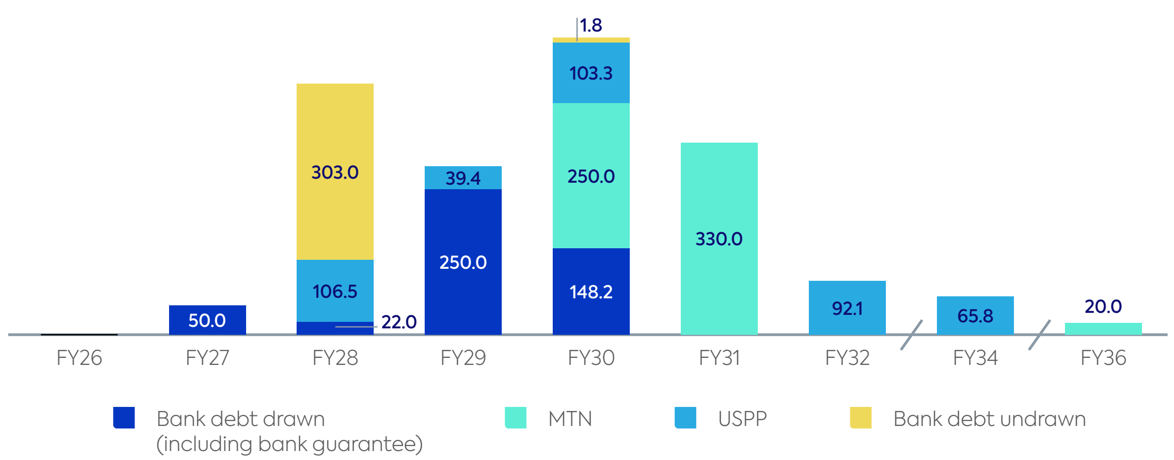
### Estimated hedge expiry profile based on debt drawn ($m)




1. Reflects hedging undertaken post balance sheet date
2. FY26 forecast hedging of 100% assumes Region will manage any temporary over-hedged position having regard to capital deployment
3. Average rate of hedged/fixed debt includes derivatives (including interest rate swaps and callable swaps) and fixed rate AU$ MTNs before margin

Our balance sheet provides a secure platform for growth with $313.3 million of available liquidity and an average debt maturity of 4.3 years. There are no debt expiries until FY27 and we maintained a Moody's Baa1 credit rating during the year.

### Debt facilities expiry profile ($m)



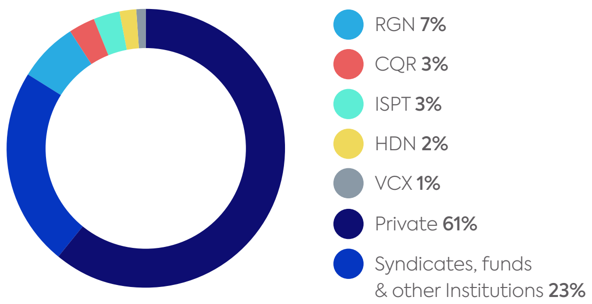
# VALUE CREATION OPPORTUNITIES

## Active portfolio management

We continued to curate the portfolio during the year with the acquisition of Kallo Town Centre offset by several non-core retail property divestments.

We remain the largest owner of convenience-based centres with 7% of the market which is dominated by private owners.

Ownership of convenience-based centres




## Capital deployment program

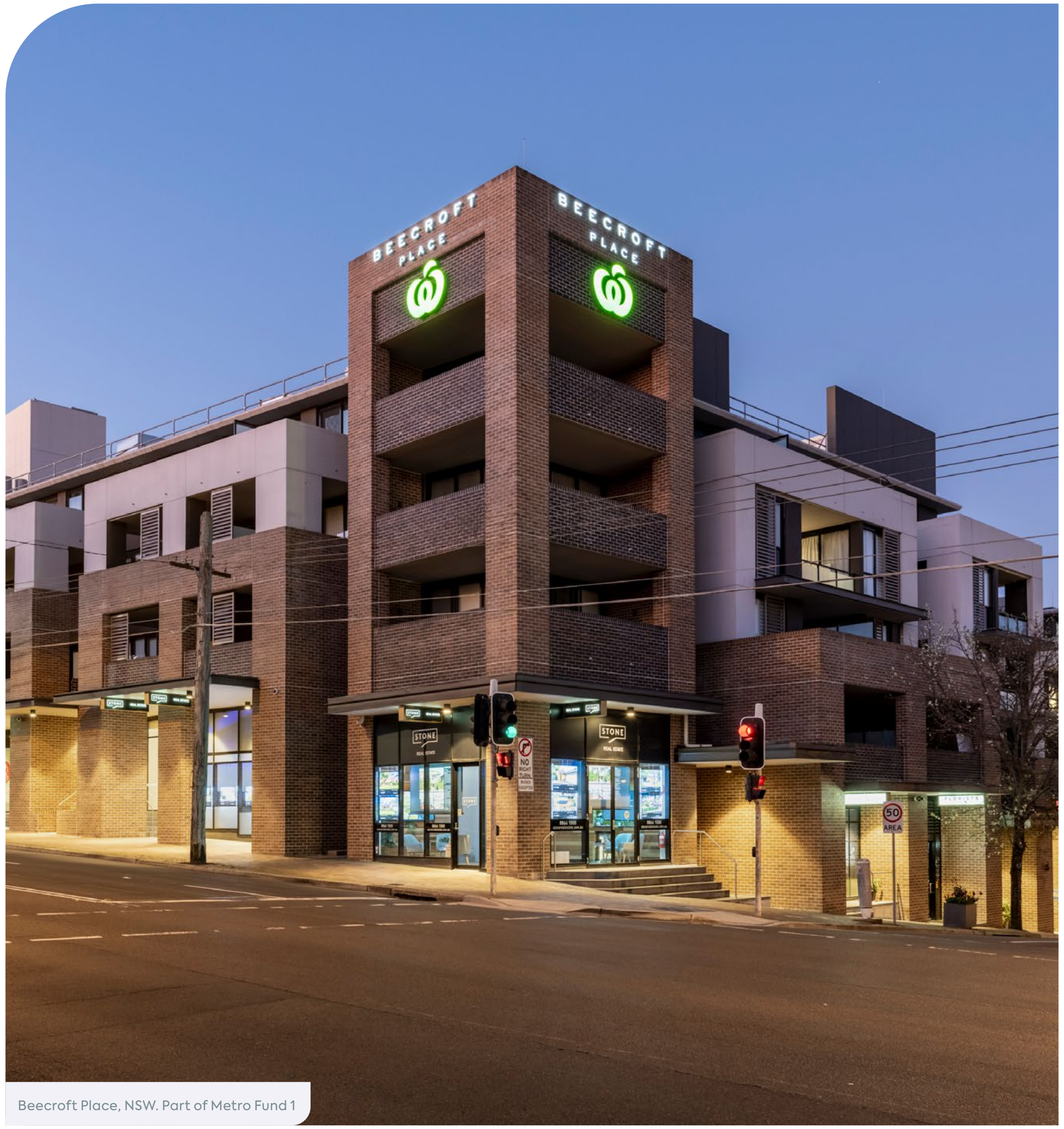
During the year, we deployed $75 million of value-add capital expenditure across developments, centre repositioning, sustainability and investing with our anchor tenants with a further $50 million estimated to be spent in FY26.

| | | FY25 actual spend | FY26 indicative spend |
|---|---|---|---|
| Development | • Practical completion of the Delacombe Town Centre Stage 2 fund-through development in FY25 with 88% currently leased (by GLA)<br>• Planning and other early costs for future potential developments in FY26 | $21m | ~$5m |
| Centre repositioning | • Enhancing the customer experience through tenant remixing, category curation, minor refurbishments and ambience upgrades<br>• Detailed internal and external design and reconfiguration<br>• Investment in Miami One Shopping Centre, Lavington Square and Pakenham Marketplace in FY25 with forecast spend across various other centre repositioning projects in FY26 | $29m | ~$25m |
| Sustainability | • Progress towards Net Zero through investments in solar PV and embedded networks<br>• 25MW of solar PV completed or currently in design and construction | $14m | ~$10m |
| Investing with our anchor tenants | • Investing with anchor tenants on e-commerce facilities to drive sales and turnover rent<br>• Major plant and equipment upgrades | $11m | ~$10m |
| **Total** | | **$75m** | **~$50m** |

## Funds management

The Metro Fund, a partnership with a global institutional investor, provides a platform for growth in the near to medium term.

During the year, our FUM platform increased to $711.5 million across 13 centres following the establishment of Metro Fund 2 in late November 2024. After the year end, the Metro Fund exchanged on the acquisition of Dalyellup Shopping Centre for $35.8 million which will contribute to growth in FY26.




Beecroft Place, NSW. Part of Metro Fund 1

# Directors' Report


Kwinana Marketplace, WA



**Directors' Report**
For the year ended 30 June 2025

Region Group (the Group) comprises the stapled securities of two trusts, being Region Management Trust (Management Trust) and its controlled entities and Region Retail Trust (Retail Trust) (collectively the Trusts).

Region RE Limited (Responsible Entity) is the Responsible Entity for the Trusts, which presents its report together with the Trusts' Financial Statements for the year ended 30 June 2025 and the auditor's report thereon.

The Directors' Report is a combined Directors' Report that covers the Trusts. The financial information for the Group is taken from the Consolidated Financial Statements and notes.

## 1. Directors

The Directors of the Responsible Entity at any time during or since the end of the financial year are:

### Mr Steven Crane

Non-Executive Director and Chair (appointed 13 December 2018; Chair from 1 December 2022)

| | |
|---|---|
| **Independent:** | Yes. |
| **Other listed Directorships held in last 3 years:** | Non-Executive Director of APA Group (comprising Australian Pipeline Trust and APT Investment Trust) (January 2011 to September 2022). |
| **Special responsibilities and other positions held:** | Chair of Nomination Committee.<br>Other positions currently held unrelated to the Group include Chair of Global Valve Technology Limited and Non-Executive Director of Elanora Country Club Ltd. |
| **Other experience:** | Mr Crane has held a number of other positions unrelated to the Group including Chair and Non-Executive Director of nib holdings limited (Non-Executive Director from September 2010 and Chair from October 2011 to July 2021), Chair of the Taronga Conservation Society (2010-2021), Non-Executive Director of Bank of Queensland (2008-2015), Non-Executive Director of Transfield Services (2008-2015), Non-Executive Director of APA Ethane Limited (2008-2011), Trustee of Australian Reward Investment Alliance (2007-2009), Chair of Adelaide Managed Funds Limited (2006-2008), Chair of Investa Property Group (2006-2007), Non-Executive Director of Adelaide Bank (2005-2007).<br>Mr Crane brings specific skills in the following areas:<br>• Real estate<br>• Funds management<br>• Investment banking including M&A and capital markets<br>• Corporate finance, treasury and accounting (including audit)<br>• Corporate governance<br>• Risk management, compliance and workplace health and safety<br>• Environmental and social responsibility and sustainability initiatives<br>• Remuneration<br>• Stakeholder engagement |
| **Qualifications:** | BComm, FAICD. |

### Mr Michael Herring

Non-Executive Director (appointed 18 August 2022)

| | |
|---|---|
| **Independent:** | Yes. |
| **Other listed Directorships held in last 3 years:** | None. |
| **Special responsibilities and other positions held:** | Member of Audit, Risk Management and Compliance Committee, Nomination Committee and Investment Committee.<br>Other positions currently held unrelated to the Group include Non-Executive Director of the Taronga Conservation Society. |

| | |
|---|---|
| Other experience: | Mr Herring has over 30 years of experience in the legal and financial services industries. Mr Herring was previously the General Counsel of Macquarie Group and the Head of the Financial Institutions Group at Macquarie Capital. Prior to joining Macquarie Group, Mr Herring was Managing Partner of Mallesons Stephen Jaques. Mr Herring was also previously Chair of The Skin Hospital and a Director of Osteoporosis Australia.<br><br>Mr Herring brings specific skills in the following areas:<br>• M&A and capital markets<br>• Audit, risk management and compliance<br>• Corporate governance<br>• Asset management and funds management<br>• Remuneration<br>• Workplace health and safety<br>• Stakeholder engagement |
| Qualifications: | BComm, LLB and Master of Laws. |

### Mr Angus James

Non-Executive Director (appointed 9 December 2021)

| | |
|---|---|
| Independent: | Yes. |
| Other listed Directorships held in last 3 years: | None. |
| Special responsibilities and other positions held: | Chair of Remuneration Committee, and Member of Audit, Risk Management and Compliance Committee, Nomination Committee and Investment Committee.<br><br>Other positions currently held unrelated to the Group include Executive Director of Aquasia Pty Limited and Non-Executive Director of Stile Education Pty Limited. |
| Other experience: | Mr James has over 30 years of finance experience and is currently CEO of Aquasia Pty Limited, an independent corporate advisory and funds management business based in Sydney. Prior to establishing Aquasia in 2009, Mr James was the Chief Executive of ABN AMRO Australia and New Zealand and a member of its Asian management team which oversaw all of ABN AMRO's retail, wholesale, investment banking and asset management businesses in 17 countries throughout Asia Pacific. Mr James was also previously the Chair of Australian Schools Plus, a Director of the Business Council of Australia, the Australian Curriculum, Assessment and Reporting Authority and Deputy Chair of the Australian Chamber Orchestra.<br><br>Mr James brings specific skills in the following areas:<br>• Investment banking, M&A, capital markets, strategy and corporate finance<br>• Capital management, including debt, derivatives and equity raising<br>• Funds management<br>• Stakeholder engagement |
| Qualifications: | BEcon. |

### Ms Beth Laughton

Non-Executive Director (appointed 13 December 2018)

| | |
|---|---|
| Independent: | Yes. |
| Other listed Directorships held in last 3 years: | Director of JB Hi-Fi Limited (May 2011 to current)*. |
| Special responsibilities and other positions held: | Chair of Audit, Risk Management and Compliance Committee and Member of Remuneration Committee and Nomination Committee. |
| Other experience: | Ms Laughton began her career with Peat, Marwick, Mitchell (now KPMG) in audit and then spent 25 years advising companies in mergers and acquisitions, valuations and equity capital markets. She has worked at senior levels with Ord Minnett Corporate Finance (now JP Morgan), TMT Partners and Wilson HTM, advising companies in a range of industries including, property, retail and the information, communication and media sectors. She has held a number of other positions unrelated to the Group including a Member of Defence SA's Advisory Board (2007-2016), Non-Executive Director of the Co-operative Research Centre for Contamination, Assessment, Remediation of the Environment (2012-2014), Non-Executive Director of Australand Property Group (2012-2014), Director of Sydney Ferries (2004-2010), and Non-Executive Director of GPT Funds Management Limited (2015 – 2023). |



**Directors' Report**
For the year ended 30 June 2025

| | |
|---|---|
| | Ms Laughton brings specific skills in the following areas:<br>• Property investment and funds management<br>• M&A and equity capital markets<br>• Finance and accounting/audit<br>• Corporate governance<br>• Retail<br>• Remuneration<br>• Risk management and sustainability |
| Qualifications: | B.Ec, FCA and FAICD. |

** The Board notes that the Group has ownership of shopping centres where a lease to JB HI-FI may be entered into. The Board is of the opinion that Ms Laughton is an independent director on the basis that at the relevant time individual leasing arrangements with the Group are determined at a managerial level rather than Board level. In addition, the Group's internal protocols provide that Ms Laughton would be excused for any discussion or decision making where any conflict of interest arose between her role as director of the Group and of JB Hi-Fi Limited.*

### Ms Rhonda Jane ('Jane') Lloyd

Non-Executive Director (appointed 12 November 2024)

| | |
|---|---|
| Independent: | Yes. |
| Other listed directorships held in last 3 years: | Non-Executive Director of SHAPE Australia Corporation Limited (November 2021 to current). |
| Special responsibilities and other positions held: | Member of Nomination Committee and Investment Committee (from November 2024).<br><br>Other positions currently held unrelated to the Group include Non-Executive Director of Cromwell Funds Management, a Board member of the Sydney Olympic Park Authority. She is also a Global Trustee of the Urban Land Institute and a Board advisor to Habilis Housing Limited. |
| Other experience: | Ms Lloyd has more than 30 years' experience in Australia and international property markets across the commercial, retail, industrial and residential sectors. During her executive career, she held the positions of General manager of Development and Design, Commercial Property at Stockland, and numerous positions during her tenure at Dexus culminating in the position of Managing Director of US Investments.<br><br>Ms Lloyd brings specific skills in the following areas:<br>• Real estate<br>• Funds management<br>• Corporate governance<br>• Risk management, compliance and workplace health and safety<br>• Environmental and social responsibility and sustainability initiatives<br>• Stakeholder engagement |
| Qualifications: | Bachelor of Town Planning (Hons), Masters of Business Administration and Masters of Public Administration. |

### Ms Antoinette Milis

Non-Executive Director (appointed 8 December 2022)

| | |
|---|---|
| Independent: | Yes. |
| Other listed Directorships held in last 3 years: | None. |
| Special responsibilities and other positions held: | Member of Nomination Committee, Investment Committee, and Remuneration Committee (from March 2025).<br><br>Other positions currently held unrelated to the Group include Non-Executive Director of Levande Pty Ltd. |
| Other experience: | Ms Milis is an experienced property industry executive having worked with Lendlease Group for more than 30 years. Most recently as Executive – Build to Rent and Affordable Housing in Australia, Ms Milis led the development of these alternative real estate classes. In a previous role as Head of Lendlease Communities Australia, Ms Milis was responsible for the development of over 25 large scale master planned communities, which included the critical delivery of neighbourhood and town centres to provide a range of retail, business, entertainment, and community uses. |

| | |
|---|---|
| | Ms Milis brings specific skills in the following areas:<br>• Real estate, in particular mixed-use assets including retail and residential and spanning all aspects of real estate including property and development management, portfolio and investment management, facilities management, asset management and funds management<br>• M&A<br>• Risk management<br>• Corporate governance<br>• International experience<br>• Stakeholder engagement<br>• Government advisory |
| Qualifications: | BComm. |

### Ms Belinda Robson

Non-Executive Director (appointed 27 September 2012)

| | |
|---|---|
| Independent: | Yes. |
| Other listed directorships held in last 3 years: | Director of Goodman Limited and Goodman Funds Management Limited (March 2023 to current). |
| Special responsibilities and other positions held: | Chair of Investment Committee, Member of Nomination Committee and Remuneration Committee.<br><br>Other positions currently held unrelated to the Group include Non-Executive Director of GPT Funds Management Limited. |
| Other experience: | Ms Robson is an experienced real estate executive and people leader, having previously worked with Lendlease Group for nearly 30 years in a range of roles including as Fund Manager of Australian Prime Property Retail Fund (APPF Retail) (APPF Retail is managed by the Lendlease Group) and more recently as Non-Executive Director of several Lendlease's Asian Retail Investment Funds.<br><br>Ms Robson brings specific skills in the following areas:<br>• Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management, asset management and funds management<br>• Retail industry, investor and consumer sentiment experience and the way in which retail formats should and can evolve to capitalise on sector opportunities<br>• Corporate governance<br>• Remuneration<br>• International experience |
| Qualifications: | BComm (Honours). |

### Mr Anthony Mellowes

Executive Director and Chief Executive Officer (CEO) (appointed Executive Director 2 October 2012)

| | |
|---|---|
| Independent: | No. |
| Other listed directorships held in last 3 years: | None. |
| Special responsibilities and other positions held: | In addition to be being an Executive Director and Chief Executive Officer (CEO), Mr Mellowes is a Member of the Group's Investment Committee and the Investment Committee for the two Region managed Metro Funds.<br><br>Other positions currently held unrelated to the Group include Chair of Shopping Centre Council of Australia and Director of Property Council of Australia. |
| Other experience: | Mr Mellowes is an experienced property executive. Prior to joining Region Group as an Executive Director, Mr Mellowes worked at Woolworths Limited from 2002 to 2012 and held a number of senior property related roles including Head of Asset Management and Group Property Operations Manager. Prior to Woolworths Limited, Mr Mellowes worked for Lendlease Group and Westfield Limited.<br><br>Mr Mellowes was appointed Chief Executive Officer of Region Group on 16 May 2013 after previously acting as interim Chief Executive Officer. Mr Mellowes was a key member of the Woolworths Limited team which created Region Group.<br><br>Mr Mellowes brings specific skills in the following areas:<br>• Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management and funds management |



**Directors' Report**
For the year ended 30 June 2025

| | |
|---|---|
| | • Retail experience spanning all retail asset classes<br>• M&A and capital markets<br>• Equity placements |
| Qualifications: | Bachelor of Financial Administration and Macquarie Graduate School of Management's Strategic Management Program. |

## Company secretary

### Ms Erica Rees

Chief Operating Officer (appointed 17 May 2025) and Company Secretary (appointed 5 February 2020)

| | |
|---|---|
| Experience: | Ms Rees brings more than 15 years of experience in the real estate sector, with deep expertise across property operations, corporate law, transactions and funds management.<br><br>Since joining Region Group in 2012, Ms Rees has held a range of senior leadership roles including Chief Operating Officer and Company Secretary and Chief Legal and Investment Officer. Ms Rees is also a Member of the Group's Investment Committee and the Investment Committee for the two Region managed Metro Funds. She is instrumental in overseeing the Group's acquisitions, divestments, developments, funds management and legal operations, while maintaining a strong focus on governance and compliance. |
| Qualifications: | BA, LLB (Hons), AGIA, ACIS. |

### Directors' relevant interests

The relevant interest of each Director (and their close family members) in ordinary stapled securities in the Group at the date of signing of this report are shown below.

| Director | Number of stapled securities at 30 June 2024 | Net movement increase / (decrease) | Number of stapled securities at date of this report |
|---|---|---|---|
| S Crane | 300,000 | 100,000 | 400,000 |
| M Herring | 120,000 | - | 120,000 |
| A James | 99,191 | - | 99,191 |
| B Laughton | 62,894 | - | 62,894 |
| RJ Lloyd | - | 30,000 | 30,000 |
| A Milis | 47,837 | 20,000 | 67,837 |
| B Robson | 62,495 | - | 62,495 |
| A Mellowes | 1,494,346 | - | 1,494,346 |

### Directors' attendance at meetings

The number of Directors' meetings, including meetings of committees of the Board of Directors, held during the year and the number of those meetings attended by each of the Directors at the time they held office are shown below.

| Number of meetings held | Number |
|---|---|
| Board of Directors (Board) | 14 |
| Audit, Risk Management and Compliance Committee (ARMCC) | 7 |
| Remuneration Committee (Remuneration) | 5 |
| Nomination Committee (Nomination) | 2 |
| Investment Committee (Investment) | 4 |

| | Board | | ARMCC | | | Remuneration | | | Nomination | | | Investment | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Director** | A | B | A | B | C | A | B | C | A | B | C | A | B | C |
| S Crane | 14 | 14 | – | – | 7 | – | – | 5 | 2 | 2 | – | – | – | 3 |
| M Herring | 14 | 14 | 7 | 7 | – | – | – | 5 | 2 | 2 | – | 4 | 4 | – |
| A James | 14 | 14 | 7 | 7 | – | 5 | 5 | – | 2 | 2 | – | 4 | 4 | – |
| B Laughton | 14 | 14 | 7 | 7 | – | 5 | 5 | – | 2 | 2 | – | – | – | 3 |
| RJ Lloyd | 7 | 7 | – | – | 4 | – | – | 2 | 1 | 1 | – | 2 | 2 | – |
| A Milis | 14 | 14 | – | – | 7 | 2 | 2 | 3 | 2 | 2 | – | 4 | 4 | – |
| B Robson | 14 | 12 | – | – | 6 | 5 | 5 | – | 2 | 2 | – | 4 | 4 | – |
| A Mellowes | 14 | 14 | – | – | 7 | – | – | 5 | – | – | 2 | 4 | 4 | – |

*A: Number of meetings held while a member of the Board or a member of the committee during the year.*
*B: Number of meetings attended while a member of the Board or a member of the committee during the year.*
*C: Number of meetings attended as a guest.*

## 2. Principal activities

The principal activity of the Group during the year was investment in and management of convenience-based retail properties in Australia. The materials in this Directors' Report deal with the operational and financial review of the Group. Additional material is in the other ASX announcements released related to the Group's results for the year ended 30 June 2025.

## 3. Investment property portfolio

At 30 June 2025, the investment property portfolio consisted of 87 convenience-based retail properties valued at $4,374.1 million (30 June 2024: 89 convenience-based retail properties valued at $4,282.3 million and three retail properties classified as held for sale valued at $85.5 million).

### Acquisitions and developments

In January 2025, the Group acquired Kallo Town Centre for $64.5 million (excluding transaction expenses and settlement adjustments). In March 2025, the Delacombe Town Centre Stage 2 fund-through development reached practical completion.

### Disposals

During the year, the Group completed the sale of the following properties for $227.5 million which includes assets held for sale at 30 June 2024. Details of these properties are listed below.

| Property | Settlement date | Sale price ($m)[1] |
|---|---|---|
| Soda Factory West End | August 2024 | 42.0 |
| Northgate Tamworth Shopping Centre | August 2024 | 18.3 |
| Lillybrook Shopping Village | September 2024 | 25.2 |
| East Warrnambool Shopping Centre | December 2024 | 20.1 |
| Warrnambool Shopping Centre | March 2025 | 17.9 |
| Greystanes Shopping Centre | June 2025 | 76.0 |
| Mt Gambier Bunnings | June 2025 | 28.0 |
| | | 227.5 |

[1] *Excluding transaction expenses and settlement adjustments.*



Directors' Report
For the year ended 30 June 2025

### Revaluations

During the year, all investment properties were internally valued with over 50% of book value also independently valued. The weighted average market capitalisation rate (cap rate) of the portfolio at 30 June 2025 was 5.97% (30 June 2024: 6.07%).

The movement in the carrying value of the investment properties during the period resulted from the acquisition of Kallo Town Centre, capital expenditure and an increase in the fair value due to income growth and the compression of cap rates, partially offset by disposals.

## 4. Financial review

A summary of the Group and Retail Trust's results for the year is set out below:

| | | Region Group | | Retail Trust | |
|---|---|---|---|---|---|
| | | **30 Jun 2025** | 30 Jun 2024 | **30 Jun 2025** | 30 Jun 2024 |
| Net profit after tax | $m | **212.5** | 17.3 | **211.5** | 16.9 |
| Basic earnings per security | (cents per security) | **18.3** | 1.5 | **18.2** | 1.5 |
| Diluted earnings per security | (cents per security) | **18.2** | 1.5 | **18.1** | 1.5 |
| Funds from operations | $m | **179.9** | 178.4 | **178.9** | 178.0 |
| Funds from operations per security | (cents per security) | **15.5** | 15.4 | **15.4** | 15.4 |
| Adjusted funds from operations | $m | **159.0** | 157.7 | **158.0** | 157.3 |
| Adjusted funds from operations per security | (cents per security) | **13.7** | 13.6 | **13.6** | 13.6 |
| Distributions paid and payable to security holders | $m | **159.1** | 159.2 | **159.1** | 159.2 |
| Distributions per security | (cents per security) | **13.7** | 13.7 | **13.7** | 13.7 |
| Net tangible assets | ($ per security) | **2.47** | 2.42 | **2.46** | 2.41 |
| Weighted average number of securities used as the denominator in calculating basic earnings per security | (millions of securities) | **1,162.4** | 1,159.7 | **1,162.4** | 1,159.7 |
| Weighted average number of securities used as the denominator in calculating diluted earnings per security | (millions of securities) | **1,168.8** | 1,165.1 | **1,168.8** | 1,165.1 |

### Funds from operations and adjusted funds from operations

The Group reports statutory net profit/(loss) after tax attributable to security holders in accordance with International Financial Reporting Standards (IFRS). The Responsible Entity considers the non-IFRS measure and Property Council of Australia's (PCA) definition of Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO) to be measures that better reflect the underlying performance of the Group. AFFO is an important indicator of the underlying cash earnings and is the basis of our distribution during the respective year. FFO and AFFO reflect a statutory profit/(loss) which have been adjusted for unrealised or non-recurring items.

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| **Net profit after tax (statutory)** | **212.5** | 17.3 | **211.5** | 16.9 |
| *Adjustments for specific non-cash items* | | | | |
| Revaluation of investment properties | **(71.7)** | 123.3 | **(71.7)** | 123.3 |
| Net fair value loss on financial instruments | **6.6** | 11.5 | **6.6** | 11.5 |
| Share of net (profit)/loss from associates relating to non-cash items | **(1.5)** | 4.8 | **(1.5)** | 4.8 |
| Impairment of investment in associate | **5.1** | - | **5.1** | - |
| Straight-lining of rental income and amortisation of lease incentives | **13.1** | 9.4 | **13.1** | 9.4 |
| Non-cash and other items | **3.3** | 3.6 | **3.3** | 3.6 |
| *Other adjustments* | | | | |
| Technology project expenses | **5.2** | 7.8 | **5.2** | 7.8 |
| Net insurance proceeds | **-** | (4.1) | **-** | (4.1) |
| Other expenses | **7.3** | 4.8 | **7.3** | 4.8 |
| **Funds from Operations** | **179.9** | 178.4 | **178.9** | 178.0 |
| Maintenance capital expenditure | **(9.0)** | (8.6) | **(9.0)** | (8.6) |
| Leasing incentives and costs | **(11.9)** | (12.1) | **(11.9)** | (12.1) |
| **Adjusted Funds from Operations** | **159.0** | 157.7 | **158.0** | 157.3 |

## 5. Contributed equity

### Distribution Reinvestment Plan (DRP)

The Group has a DRP under which security holders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the distribution payment rather than being paid in cash. The DRP was suspended for the distribution declared in June 2024 (paid in August 2024), December 2024 (paid in January 2025) and June 2025 (to be paid in August 2025).

### Other equity movements

During the year 982,910 securities were issued in respect of executive compensation plans and 39,144 for employee compensation plans for nil consideration.

### On-market securities buy-back (buy-back)

On 3 April 2025, the Group announced its intention to undertake a buy-back for up to $100.0 million of the Group's securities on issue. As at 30 June 2025, the Group had bought-back and cancelled 2,158,930 securities at an average price of $2.30 for a total consideration of $5.0 million.

## 6. Significant changes and developments during the year

### Funds management

In late November 2024, the Group acquired a 20% ownership of Matrix Trust (Metro Fund 2), with the remaining 80% held by a global institutional investor. As part of the acquisition, Region was appointed as both the investment and property manager for six existing convenience-based retail properties initially valued at $385.8 million.





### Investment properties – acquisitions and disposals

Details of the acquisitions and disposals during the year are detailed above.

### Capital management – debt

Finance expenses remained stable, with the weighted average cost of debt being 4.3% for the year ending 30 June 2025 (30 June 2024: 4.3%).

The cash and undrawn debt at 30 June 2025 is $313.3 million with no debt expiries in FY26. The average debt facility maturity of the Group at 30 June 2025 was 4.3 years, with around 96.7% of the Group's debt being fixed or hedged.

During the year, the Group entered into various forward starting interest rate swaps and options to increase the Group's hedging position from FY26 to FY29.

### Gearing

The Group maintains its gearing levels within its target range of 30 - 40%, with gearing of 32.5% at 30 June 2025 (30 June 2024: 32.9%).

## 7. Major business risk profile

Senior management are responsible for identifying risks and implementing appropriate mitigation processes and controls.

The ARMCC is responsible for assessing whether Management has developed and implemented effective systems to manage the material risks affecting the Group's business. The Board reviews and approves the key and emerging risks annually.

Key risks and how the Group manages and mitigates their impact are outlined below.

| Risk category | Description and effect | How Region manages and mitigates the risk |
|---|---|---|
| **Health and Safety** | | |
| **Death or serious injury foreseeable and within Region's control** | Death or serious injury for our employees, contractors, tenants or customers at our centres could have a financial, legal and / or reputational impact. | Region conducts regular centre safety and risk reviews, which include independent external audits conducted by appropriately qualified firms. The reviews are also aimed at reducing injuries and ensuring that contractors working at Region centres are appropriately qualified and inducted. Region's external property manager has additional measures in place to support their safety. This includes safety briefings, on-site safety training, independent audits and the power to implement stop work orders. |
| **Strategic** | | |
| **Economic slowdown** | Economic slowdown leading to lower retail sales at our centres may make tenant trading conditions less attractive.<br><br>The effects of this may include increased tenant arrears and /or greater difficulty to secure increased rents for new leases or renewals. | Region has a high portion of income from supermarket anchor tenants with long leases and specialty tenants in non-discretionary categories which historically are less likely to be impacted by economic slowdown. |
| **Climate risk** | Weather events may cause damage to the properties resulting in financial loss. | Region regularly assesses the portfolio for climate risk and resilience and obtains climate risk assessments for any potential acquisitions.<br><br>The portfolio is geographically dispersed and has property insurance that includes commercially appropriate cover for climate related events. |
| **Operational** | | |
| **Outsourced service provider does not perform** | We rely on a number of key service providers to support the management of | Region has in place appropriate supervision and regular monitoring of key service providers. This includes ensuring |

| Risk category | Description and effect | How Region manages and mitigates the risk |
|---|---|---|
| | our properties and other aspects of our business.<br><br>Unsatisfactory performance of a key service provider could result in damage to our reputation and / or loss to security holders. | that they are appropriately qualified, trained and have appropriate insurance. |
| **Technology and data security** | Our ability to prevent critical outages and respond to cyber security threats of our information systems is vital to our organisational residence and the information we hold. | Region has measures in place to help protect the business, employees and its data from information technology security related threats. This includes protecting systems with appropriate software and conducting vulnerability testing, security event monitoring and training to identify and respond to threats.<br><br>Region also tests technology disaster recovery plans and reviews information technology policies and procedures. |
| **Regulatory** | | |
| **Changes in legislation or regulation** | Changes to supermarket legislation or regulation such as merger reform could impact or restrict acquisitions or divestments. | Region is an active member of relevant industry bodies that engage with the government at various levels of policy and reform. This enables the Group to stay well informed of possible changes which we consider as part of our business strategy. |
| **Human Resources** | | |
| **People and culture** | Our future success depends on our ability to attract, retain and develop a motivated and high-performing workforce to deliver on our strategy while supporting our values. | Region promotes an inclusive workforce, undertakes salary benchmarking to ensure competitive remuneration and performs regular performance reviews with staff including succession planning. |

As part of monitoring key risks, the ARMCC also considers emerging key risks. This includes risks which have the potential to disrupt the business in the future. Emerging risks include: global political issues, which could include changes in the cost or availability of capital as well as disrupted supply chains and retail sentiment resulting in decreased retail sales.

## 8. Business strategies and prospects for future financial years

The Group's core strategy is to invest in, manage and develop a geographically diverse portfolio of quality convenience-based retail properties, anchored by long-term leases to quality tenants with a weighting towards non-discretionary retail tenants, to achieve resilient cash flows and distributions to the Group's security holders. The Group achieves this by actions such as:

- Maximising the net operating income from its existing properties. This may include increasing the average rent per square metre from specialty tenants over time, reducing vacant tenancies and controlling expenses
- Optimising value through targeted reinvestment in the portfolio
- Growth through deploying capital into accretive opportunities
- Maintaining a capital structure that balances the cost of capital with an appropriate risk profile

Note that fair value movements in property valuations and derivative financial instruments, volatility in interest and foreign exchange rates, and the availability of funding may have a material impact on the Group's results in future years.

## 9. Environmental regulations

The Directors of the Responsible Entity are satisfied that adequate systems are in place for the management of the Group's environmental responsibility and compliance with various licence requirements and regulations. Further, the Directors of the Responsible Entity are not aware of any material breaches of these requirements, and to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.



**Directors' Report**
For the year ended 30 June 2025

## 10. Sustainability

The Group understands that its impact on communities means acting on Environmental, Social and Governance risks. The Group has been measuring waste disposal and electrical energy and water consumption since 2015 and has participated in industry benchmarking since 2016. As Australia's largest owner (by number) of convenience-based retail properties, the Group has made significant progress to reduce its environmental impact and progress its social and governance goals. During FY25 the Group:

- Invested $14.0 million in sustainability initiatives such as the installation of solar PV and embedded networks
- Completed the installation of 5.6MW of solar PV
- Completed six property climate risk assessments
- Maintained a 40:40:20 gender split, and
- Supported 196 students through our partnership with The Smith Family

The Group has also set a range of sustainability targets including to achieve Net Zero for Scope 1 and 2 greenhouse gas emissions by FY30. More information is provided in the Group's FY25 Sustainability Report which has been lodged with the ASX and can be found on the Group's website at https://regiongroup.au/sustainability/.

## 11. Indemnification and insurance of directors, officers and auditor

The Group has Directors and Officers liability insurance. The insurance contract prohibits disclosure of details relating to the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premiums paid under the policy.

The Directors have been provided with a Deed of Indemnity by Region RE Limited in its capacity as the Responsible Entity of the Management Trust and Retail Trust, which is intended, to the extent allowed by law, to indemnify the Directors against all losses or liabilities incurred by the person acting in their capacity as a Director. The Trusts' constitutions provide that, subject to the *Corporations Act 2001* (Cth), Region RE Limited has a right of indemnity out of the assets of the Trusts in respect of any liability incurred by the Responsible Entity in properly performing any of its powers or duties in relation to the Trusts.

The auditor of the Group is not indemnified by the Group.

## 12. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 74.

## 13. Audit and non-audit fees

Details of the amounts paid or payable to the auditor (Deloitte Touche Tohmatsu) for audit and non-audit services provided are detailed in note D6 of the Financial Statements.

The Directors are satisfied that the provision of any non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

The Directors are of the opinion that the services disclosed in note D6 of the Financial Statements do not compromise the external auditor's independence. In forming this view the fundamental principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethics Standards Board have been considered.

## 14. Subsequent events

On 18 August 2025 Region Group announced to the ASX that the Chief Executive Officer, Anthony Mellowes, will retire from the Group in May 2026. A formal process to select Anthony's replacement has commenced consistent with the Board approved succession plan.

There have been no other matters or circumstances occurring subsequent to the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 15. Rounding of amounts

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the Financial Statements, amounts in the Financial Statements have been rounded to the nearest hundred thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

This report is made in accordance with a resolution of the Directors.

Steven Crane
Chair
Sydney
18 August 2025





# Remuneration Report

Pakenham Marketplace, VIC

## Region Group

### Remuneration Report for the Financial Year ending 30 June 2025

**Letter from the Chair of the Remuneration Committee**

Dear Security holder

I am pleased to present the Remuneration Report of Region Group (RGN) for the financial year ending 30 June 2025. This report sets out our approach to remuneration for our Executive Key Management Personnel (KMP) including their remuneration outcomes.

**Executive Key Management Personnel (KMP) changes in FY25**

It was announced to the ASX on 13 December 2024 that Mr David Salmon was appointed as CFO. Mr Salmon commenced with RGN as Chief Financial Officer (CFO) on 7 April 2025. Until 13 December 2024, Mr Evan Walsh was RGN's CFO and Mr Walsh was RGN's interim CFO from 13 December 2024 until 6 April 2025. After 6 April 2025 Mr Walsh no longer held an Executive KMP role.

**Remuneration outcomes for FY25**

The FY25 Short Term Incentives (STI's) measures set by the Board for the Executive KMP retained important earning measures from FY24 such as Adjusted Funds from Operations per Security (AFFOPS) achievement and growth in comparable Net Operating Income (NOI), while also including other measures that targeted elements of Region's operations that will provide future earnings growth.

Capital management and deployment was added to ensure appropriate investment was made in our centres which will drive long term sustainable property income growth while maintaining our existing investment grade credit rating (Moody's Baa1). Growth in external funds under management was added to secure new funds and mandates to grow our funds management platform which again, will provide a platform for growth in earnings in the future.

While AFFOPS and comparable NOI were seen as important STI measures, the introduction of these other STI measures was also seen as important as they were less dependent on matters outside of management's control, such as interest rates and focused management on delivering growing cashflows in FY25 and future years.

In FY25, a significant STI (30% weighting) was again linked to AFFOPS. This measure was met at slightly above threshold. Other STI hurdles including comparable NOI growth (20% weighting), carbon emissions reduction (10% weighting), capital management and deployment (10% weighting), funds under management growth (10% weighting) and personal (20% weighting) were met in part or full, such that the overall STI awarded for each of the Chief Executive Officer (CEO) and CFO (Mr Salmon) at 30 June 2025 was 66% of the maximum STI opportunity. For the CFO until 6 April 2025 (Mr Walsh) the overall STI awarded was 58% of the maximum STI opportunity. The STI award for Messrs Salmon and Walsh was pro rata for their respective period as CFO.

The FY22 Long-Term Incentive (LTI) was tested at or shortly after the end of FY24. The Tranche in relation to the relative total security holder return (RTSR) (weighted at 60%) was only partially met such that this Tranche was awarded at 50.8% of maximum opportunity. The AFFOPS Tranche, weighted at 40%, was not met and as such the award for this Tranche was nil. After allowing for the weighting of the RTSR Tranche the FY22 LTIs awarded were overall at 30.5% of maximum LTI opportunity.

**Executive KMP remuneration changes in FY25**

A market benchmarking review was undertaken in FY24 by an independent expert appointed by the Remuneration Committee to ensure the Remuneration Framework for the Executive KMP remains competitive and fit for purpose. The benchmarking indicated that Executive KMP remuneration was below the comparable peer group.





As a result, the CEO received a 10.0% increase in his total fixed remuneration (TFR) from 1 October 2024. When Mr Salmon was appointed CFO his remuneration was set considering the FY24 benchmarking review with his TFR set at $700,000 and STI set at 70% and an LTI (starting in FY26) at 80%. Mr Salmon also received Sign on Award Rights in FY25, which are to compensate for unvested equity incentive opportunities forfeited on resigning from his previous employer. These rights will vest on a similar time scale as those incentives forfeited which is over the period 2025 to 2028.

Non-Executive Directors received a 3.0% increase in Director fees from 1 January 2025.

**FY26 and beyond**

The Board has reviewed the STI metrics in line with the current economic environment as it relates to RGN's portfolio. Consistent with RGN's FY26 strategic objectives, changes have been made to the performance conditions for FY26 compared to FY25. This includes a re-weighting of two of the FY25 conditions, which has allowed for a new condition in FY26 of reducing specialty vacancy.

AFFOPS and comparable NOI growth remain important to RGN as STI measures. Further STI measures have been included as well as introducing the new specialty vacancy reduction measure. These measures are generally less dependent on market factors such as interest rates that are outside of management's direct control. This means management is motivated to continue delivering growing cashflows in FY26 and beyond.

The LTI Tranches for FY26 are the same as FY25 noting that the vesting of the AFFOPS growth Tranche will now be at 30.0% rather than zero at Threshold. This is consistent with many of our peers who have an LTI Tranche linked to income or earnings. This change also considers the need to be equitable and competitive in attracting and retaining talent and improve focus on the required performance range through ensuring a reasonable payment for performance within the range.

**Looking ahead**

The Committee will continue to monitor the effectiveness of the remuneration framework to ensure it aligns with the interests of our security holders. We welcome feedback from our investors and other stakeholders and look forward to your support at our 2025 AGM.

Yours sincerely

Angus James
Chair, Remuneration Committee

***The Remuneration Report has been audited by Deloitte Touche Tohmatsu.***

*Key points to note in relation to this Report are:*

- *The disclosures in this Report have been prepared in accordance with the provisions of section 300A of the Corporations Act 2001 (Cth), even though, as stapled trusts, there is no obligation for RGN to comply with section 300A of the Corporations Act.*
- *The term "remuneration" has been used in this Report as having the same meaning as "compensation" as defined by AASB 124 Related Party Disclosures.*
- *For the purposes of this Report, the term "Executives" means Key Management Personnel (KMP) who are Executives and therefore excludes Non-Executive Directors (NEDs).*
- *Definitions to abbreviations in this report appear at the end of this Remuneration Report.*

# 1. Remuneration Snapshot

## 1.1 Remuneration overview

| Key questions | Our approach | Further information |
|---|---|---|
| 1. Were there any fixed pay increases in FY25? | The Chief Executive Officer (CEO), Anthony Mellowes, was awarded a total fixed remuneration (TFR) increase of 10.0% on and from 1 October 2024.<br><br>The former Chief Financial Officer (CFO), Evan Walsh, was awarded a TFR increase of 5.0% from the same date. Evan Walsh ceased being the CFO and an Executive Key Management Personnel (KMP) after 6 April 2025. | Section 3.1 |
| 2. Were any changes made to the remuneration structure in FY25? | There was no change to the CEO's Short-Term Incentive (STI) % or Long-Term Incentive (LTI) % opportunity for FY24 of 110.0% and 120.0% respectively to FY25.<br><br>The STI % and LTI % for the former CFO, Evan Walsh, were adjusted from 70.0% and 50.0% respectively for FY24 to 75.0% and 60.0% respectively for FY25. Evan Walsh ceased being the CFO and an Executive KMP on 6 April 2025.<br><br>David Salmon commenced as the CFO on 7 April 2025. For FY25 his remuneration is made up of TFR, STI and Sign on Award Rights. There is no participation in FY25 LTIs. The Sign on Award Rights are to compensate Mr Salmon forgoing unvested equity incentive opportunities from his previous employer. The Sign on Award Rights will be the number of securities calculated by reference to an amount of $787,500 divided by the value of RGN securities for the 5 trading days following the release of Region Group's full year FY25 results. These will vest on a similar timescale as the forgone securities which is over 4 equal Tranches in August of 2025, 2026, 2027 and 2028. The Sign on Award Rights when they vest include an additional number of stapled securities calculated on the basis of the distributions that would have been paid in respect of those stapled securities since the grant date. This is consistent with the vesting of STI and LTI Rights. | Sections 3.1, 3.3, and 3.5.2 |
| 3. Were there any changes to the FY25 STI performance measures or award vesting? | The Board did review the FY25 STI metrics in line with the economic environment as it relates to RGN. Consistent with RGN's FY25 strategic objectives and as disclosed in the FY24 Remuneration Report, changes were made to the performance conditions for FY25 compared to FY24. This included decreasing the weighting of two of the FY24 conditions, which allowed for two new conditions in FY25. The two new conditions added were capital management and deployment and growth in external funds under management.<br><br>Capital management and deployment was added to ensure appropriate investment was made in our centres which will drive long term sustainable property income growth while maintaining our existing investment grade credit rating (Moody's Baa1). | Section 3.3 |





| Key questions | Our approach | Further information |
|---|---|---|
| | Growth in external funds under management was added to secure new funds and mandates to grow our funds management platform, which will provide a platform for growth in earnings in the future.<br><br>The FY25 STI performance conditions compared to FY24 are as follows: | |

| Performance conditions | FY24 | FY25 |
|---|---|---|
| Adjusted Funds from Operations per Security (AFFOPS) | 40% | 30% |
| Comparable net operating income (NOI) growth | 30% | 20% |
| Carbon emissions reduction | 10% | 10% |
| Capital management and deployment | - | 10% |
| Growth in external funds under management | - | 10% |
| Strategic (personal component) | 20% | 20% |
| Total | 100% | 100% |

| Key questions | Our approach | Further information |
|---|---|---|
| | The vesting of the FY25 STI performance measures is the same as FY24 which is vests on a straight-line basis between 0% at threshold and 100% at maximum. | |
| 4. Were there any changes to the FY25 LTI performance measures or the vesting? | The FY25 LTI performance measures or Tranches were the same as for FY24, being relative total security return (RTSR) (60% weighting) (Tranche 1) and Adjusted Funds from Operations per Security (AFFOPS) growth (40% weighting) (Tranche 2).<br><br>For the FY25 LTI RTSR measure, Region has also chosen to measure the RTSR against a group within the S&P/ASX 200 A-REIT index consisting of Region's primary market competitors, as this has greater alignment to the peer group for which we compete for capital. As such, entities that have significant revenue from funds management, including real estate fund managers and entities whose assets are significantly misaligned to Region's have been excluded. This is different to FY24 where the RTSR was based on all the constituents of the S&P/ASX 200 A-REIT index.<br><br>Therefore, the FY25 RTSR measure is based on a peer group taken from the constituents of the S&P/ASX 200 A-REIT index.<br><br>The FY25 LTI AFFOPS growth Tranche threshold and maximum for FY25 LTI is 2.0% to 4.0% respectively whereas for FY24 the AFFOPS Tranche growth threshold and maximum were 3.0% to 5.0% respectively. In setting the growth threshold and maximum the Board considered the more difficult operating conditions that Region currently operates in and as such the Board is satisfied that the threshold is sufficiently challenging.<br><br>The vesting of the LTI tranches for FY25 is the same as FY24 which is:<br>- Tranche 1: LTI RTSR vests on a straight-line basis between 50% at threshold and 100% at maximum; and<br>- Tranche 2: LTI RTSR vests on a straight-line basis between 0% at threshold and 100% at maximum. | Section 3.1 |

| Key questions | Our approach | Further information |
|---|---|---|
| 5. What is the FY25 STI payout to Executive Key Management Personnel and why? | The overall STI awarded to the CEO, and the CFO, David Salmon who commenced as CFO on 7 April 2025, was 66.0% of their respective maximum STI opportunity (for the CFO this was for the pro rata FY25 period from 7 April 2025). Evan Walsh who was the CFO or interim CFO until 6 April 2025 was awarded an STI of 58.0% (for the pro rata FY25 period until 6 April 2025). The total STI performance pool awarded to the Executive Key Management Personnel (KMP) of CEO and CFO for FY25 was $1,178,242 (FY24: $682,694).<br><br>Similar to prior years, 50% of the FY25 STI award or $589,121 (FY24: $341,347) will be paid in cash in September 2025 and 50% will be granted by way of deferred equity (subject to security holder approval (where appropriate)).<br><br>The STI awarded is a direct function of RGN's and individual Executive KMP performance in FY25, which saw Executive KMP deliver the following:<br>• AFFOPS of 13.7 cents per security, which is an increase of 0.7% on the prior year of AFFOPS of 13.6 cents per security;<br>• Comparable NOI growth of 3.2%;<br>• Reducing carbon emissions (Scope 2 greenhouse gas (GHG) emissions) measured through the production of electricity by our solar photovoltaic (PV) systems for our centres;<br>• Maintaining existing investment grade credit rating (Moody's Baa1) while investing over $90.0 million in our centres. This investment in our centres will assist to attract retailers and customers to our centres and drive long term sustainable property income growth; and<br>• Establishing the Metro 2 Fund and growing funds under management from $269.9 million to over $700.0 million. | Sections 3.3 and 3.6 |
| 6. Did any LTI awards vest in FY25? | FY21 LTI awards were tested on or after June 2023 and September 2023 and vested in August 2024. The FY21 LTI performance hurdles were weighted as follows:<br>• Tranche 1: RTSR against the constituents of the S&P/ASX 200 A-REIT Index (60.0% of grant); and<br>• Tranche 2: Specified AFFOPS growth (40.0% of grant).<br><br>The FY21 LTI performance period for the AFFOPS performance condition ended on 30 June 2023, and the performance period for the RTSR performance condition ended on 30 September 2023. Performance was tested after the performance conditions ended and was assessed as 100% payout for the AFFOPS Tranche. The RTSR Tranche was assessed as slightly above threshold. This resulted in a 44.1% payout of the total FY21 LTI maximum opportunity for the Executive KMP, with the awards vesting in August 2024. | |



Remuneration Report
For the year ended 30 June 2025

| Key questions | Our approach | Further information |
|---|---|---|
| | Further details of the performance period and metrics were set out in Sections 3.3 and 3.5 of the FY21 Remuneration Report, and details of actual performance against metrics were set out in Sections 1.1 and 1.3 of the FY24 Remuneration Report. | |
| 7. Were any LTI awards tested in FY25? | The FY22 LTI awards were tested on or after June 2024 and September 2024. The FY22 performance hurdles were weighted as follows:<br>• Tranche 1: RTSR against the constituents of the S&P/ASX 200 A-REIT Index (60.0% of grant); and<br>• Tranche 2: Specified AFFOPS growth (40.0% of grant).<br><br>The FY22 LTI performance period for the AFFOPS performance condition ended on 30 June 2024, and the performance period for the RTSR performance condition ended on 30 September 2024. Performance was tested after the performance conditions ended, and was consequently assessed as 0% payout for the AFFOPS tranche. The RTSR Tranche was assessed as slightly above threshold. This resulted in a 30.5% payout of the total FY22 LTI maximum opportunity for the Executive KMP, with the awards expected to vest following the date of this Report. | |
| 8. Did the Board exercise discretion when considering Executive KMP awards in FY25? | The Board did not exercise discretion in determining the FY25 awards to Executive KMP. | Section 3.1 |
| 9. Were any changes made to Non-Executive Director (NED) fees in FY25? | NED Director and committee fees were increased by 3.0% from 1 January 2025 and the Chair of the Audit, Risk Management and Compliance Committee (ARMCC) and the Remuneration Committee fees were increased by 10.9% to $30,000 respectively.<br><br>Total NED remuneration payable in FY25 was $1,408,385, up from $1,259,661 in FY24 due mainly to the appointment of an additional NED, Rhonda Jane ('Jane') Lloyd, effective 12 November 2024.<br><br>There was no change to the maximum aggregate NED fee pool, remaining at $1,600,000 p.a. | Section 4.2 |

| Key questions | Our approach | Further information |
|---|---|---|
| **Remuneration Framework** | | |
| **10. How does the Board set remuneration hurdles?** | The Board focuses the STI and LTI performance conditions and hurdles on areas where it believes the Executives can create the best value for security holders, build on prior-year performance, properly consider market conditions and opportunities, and provide Executives with meaningful and robust stretch targets within RGN's stated risk parameters. | Section 2.1 |
| **11. How and when does the Board determine if it uses discretion?** | As a general principle, where a formulaic application of the relevant remuneration metrics could produce a material and perverse remuneration outcome, or where it is in the best interests of security holders for the Board to do so, the Board will consider and may exercise its discretion in determining the awards.<br>The Board determined that it was not necessary to exercise discretion in FY25. | Section 3.1 |
| **12. What portion of remuneration is at-risk?** | STI and LTI awards are variable with performance measures and are therefore considered at-risk.<br>For FY25:<br>• 70.2% of the CEO's, Anthony Mellowes, total remuneration opportunity (TRO) was at-risk; and<br>• 40.8% of the CFO's, David Salmon, TRO was at-risk. The Sign on Award Rights awarded to David Salmon are not part of the at-risk TRO as these do not have performance measures. | Section 3.2 |
| **13. Are there any clawback provisions for incentives?** | All incentives contain "malus" provisions allowing for the forfeiture of unvested rights in certain circumstances, including in the event of termination for cause or for failing to meet prescribed minimum business and individual performance standards. | Section 3.1 |
| **14. Do all NEDs and the Executive Director and Executive KMP hold securities in RGN?** | Yes, all members of the RGN Board, including the Executive Director, hold securities in RGN.<br>RGN has a minimum security holding policy (MSHP) that applies to all KMP. In summary, the MSHP requires:<br>• NEDs to hold the equivalent of one year's base fees in securities within 3 years of appointment or adoption of the MSHP (May 2023), whichever is later; and<br>• Executive KMP to hold the equivalent of one year's TFR in RGN securities. There is no timeframe for accumulation and no requirement to acquire on-market. However, Executive KMP are not permitted to sell any securities awarded under RGN's Executive Incentive Plans until such time as the minimum security holding threshold is met, unless to meet taxes due on securities awarded. | Sections 3.7 and 4.1 |



Remuneration Report
For the year ended 30 June 2025

| Key questions | Our approach | Further information |
|---|---|---|
| **15. How does the Remuneration Framework mitigate against excessive risk taken by Executives to generate remuneration outcomes?** | Risk is managed at various points in the Remuneration Framework through:<br>• Part deferral of STI awards for Executive KMP with the vesting of STI Rights deferred for one year;<br>• LTI performance hurdles that reflect the long-term performance of RGN, measured over a three-year performance period with a further one-year deferral;<br>• RGN's incentive plan contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances; and<br>• Board discretion on performance outcomes where a formulaic application of the relevant remuneration metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of security holders for the Board to do so. | Section 3.1 |
| **16. Can STI and LTI participants hedge their unvested rights?** | No. STI and LTI participants must not use any hedging strategy that has the effect of reducing or eliminating the impact of market movements on any unvested rights that are still subject to disposal restrictions. | Section 3.1 |
| **Short-Term Incentives (STIs)** | | |
| **17. What are the STI performance measures that determine if the STI vests?** | The FY25 performance measures were:<br>• AFFO per security – 30%;<br>• Comparable NOI growth – 20%;<br>• Carbon emissions reduction – 10%;<br>• Capital management and deployment – 10%;<br>• Growth in external funds under management – 10%; and<br>• Personal – 20%.<br>These performance measures were chosen as they are directly linked to RGN's strategic objectives. | Sections 3.1 and 3.3 |
| **18. Are any STI payments deferred?** | Yes, 50% of STIs for Executive KMP are in the form of deferred rights, with a one-year deferral period.<br>The number of deferred rights granted to Executive KMP is calculated by dividing the intended grant value by the volume-weighted average price of RGN securities for the five trading days following the release of RGN's FY25 results. | Section 3.1 |
| **19. Are STI payments capped?** | Yes, the total maximum STI opportunity as a percentage of TFR is as follows:<br>• Mr Anthony Mellowes, CEO – 110% of TFR; and<br>• Mr David Salmon, CFO – 70% of TFR. | Section 3.1 |
| **20. Are distributions paid on unvested STI awards?** | No distributions are paid on unvested STI awards.<br>On vesting, each deferred STI right awarded entitles the relevant Executive KMP to receive one stapled security in RGN plus an additional number of | Section 3.1 |

| Key questions | Our approach | Further information |
|---|---|---|
| | stapled securities calculated on the basis of the distributions that would have been paid in respect of those stapled securities over the one-year STI deferral period. | |
| 21. Have any adjustments, positive or negative, been made to the STI payments? | No adjustments were made to the FY25 STI payments. | Section 3.3 |
| Long-Term Incentives (LTIs) | | |
| 22. What are the performance measures that determine if the FY25 LTI awards vest? | FY25 LTI Rights will be tested against two performance hurdles over a three-year performance period followed by a one-year deferral (total vesting period is four years). The performance hurdles are weighted as follows:<br>• Tranche 1: RTSR against a peer group taken from the constituents of the S&P/ASX 200 A-REIT Index (60.0% of grant) with the performance period being 1 October 2024 to 30 September 2027; and<br>• Tranche 2: AFFOPS growth for the year to 30 June 2027 (40.0% of grant).<br>These performance conditions were chosen as they are linked to RGN's strategic objectives. | Sections 3.1 and 3.5 |
| 23. Does the LTI have re-testing? | No, there is no re-testing. | |
| 24. Are distributions paid on unvested LTI awards? | No distributions are paid on unvested LTI awards.<br>On vesting and exercise, however, each LTI right awarded entitles the relevant Executive KMP to receive one stapled security in RGN plus an additional number of stapled securities calculated on the basis of the distributions that would have been paid in respect of those stapled securities since the grant date. | Section 3.1 |
| 25. How is the number of LTI Rights calculated? | In the year of issue, the number of LTI Rights is calculated by dividing the intended LTI grant value by the volume-weighted average price of RGN securities for the five trading days following the release of the prior period's full year results. | Section 3.1 |
| 26. Does RGN buy securities or issue new securities to satisfy security-based awards? | RGN has issued new securities to satisfy security based awards to date; however, RGN may elect to buy securities in certain circumstances. | |





| Key questions | Our approach | Further information |
|---|---|---|
| Executive KMP Agreements | | |
| 27. What is the maximum an Executive KMP can receive on termination? | Termination payments will be managed differently in various termination scenarios, depending upon whether the Executive KMP ceases employment with or without cause. | Section 3.7 |

### 1.2 RGN's Key Management Personnel

Region Group (the Group or RGN) comprises the stapled securities of two trusts, being Region Management Trust and its controlled entities and Region Retail Trust (collectively RGN or the Group).

Key Management Personnel (KMP), as defined by AASB 124, refers to those people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity. In this case, Region RE limited, which is the Responsible Entity of Region Retail Trust and Region Management Trust has the authority and responsibility for planning, directing and controlling the activities of RGN.

Individuals who were KMP at any time during the financial year are below.

| Name | Role | FY25 Term as KMP |
|---|---|---|
| **Non-Executive Directors (NEDs)** | | |
| Mr Steven Crane | Chair | Full year |
| Mr Michael Herring | Non-Executive Director | Full year |
| Mr Angus James | Non-Executive Director | Full year |
| Ms Beth Laughton | Non-Executive Director | Full year |
| Ms Rhonda Jane ('Jane') Lloyd | Non-Executive Director | Part year – from 12 November 2024 |
| Ms Antoinette Milis | Non-Executive Director | Full year |
| Ms Belinda Robson | Non-Executive Director | Full year |
| **Current Executive KMP** | | |
| Mr Anthony Mellowes | Director and Chief Executive Officer | Full year |
| Mr David Salmon | Chief Financial Officer | Part year - from 7 April 2025 |
| **Former Executive KMP** | | |
| Mr Evan Walsh | Chief Financial Officer until 12 December 2024 and interim Chief Financial Officer until 6 April 2025 | Part year - until 6 April 2025 and ceased being KMP after this date |

### 1.3 Actual remuneration earned in respect of FY25

The table below sets out the actual value of remuneration earned by each Executive KMP during FY25. The reason the figures in this table are different to those shown in the statutory remuneration table in Section 3.6 is because the latter table includes an apportioned accounting value for all equity grants (some of which remain subject to satisfaction of performance and service conditions and so may not ultimately vest). The table below represents:

- Fixed remuneration including superannuation and packaged benefits and associated taxes;
- Cash STI – the 50% non-deferred portion of STI to be paid in September 2025 in recognition of performance during FY25;
- The remaining 50% of the STI awarded for FY25 is not included in the table below but will be issued as deferred rights in accordance with Section 3.1, subject to security holder approval (where appropriate) at the AGM to be held in October 2025; and
- Equity that vested during FY25 which relates to prior years' awards. The value ascribed to this equity is based on the closing value on the day the equity vested. This value is not the same as the value used for financial reporting.

#### 1.3.1 *Actual remuneration earned in FY25 (Non International Financial Reporting Standards Disclosure)*

The table below outlines the cash remuneration that was received. In relation to FY25 this includes fixed remuneration and the portion of STI for FY25 that will be paid in cash in September 2025 and the value of deferred STI awards from FY23 (vested in FY25) and the value of FY21 LTI awards (vested in FY25).

| | FY | Fixed pay $[1] | Cash STI $[2] | Previous years deferred STI equity that vested # securities[3] | Previous years deferred STI equity that vested $[4] | Previous years LTI equity that vested # securities[5] | Previous years LTI equity that vested $[6] | Other pay $ | Total remuneration $[7] |
|---|---|---|---|---|---|---|---|---|---|
| **Executive KMP** | | | | | | | | | |
| Anthony Mellowes, CEO | 2025 | 1,214,874 | 451,255 | 197,658 | 442,754 | 245,345 | 549,573 | – | 2,658,456 |
| | 2024 | 1,119,250 | 267,273 | 211,193 | 451,953 | 318,522 | 681,637 | – | 2,520,113 |
| David Salmon, CFO[8] | 2025 | 165,128 | 37,656 | – | – | – | – | – | 202,784 |
| | 2024 | – | – | – | – | – | – | – | – |
| **Former Executive KMP** | | | | | | | | | |
| Evan Walsh, former CFO[9] | 2025 | 453,089 | 100,210 | 35,232 | 78,920 | – | – | | 632,219 |
| | 2024 | 566,500 | 74,074 | – | – | – | – | – | 640,574 |
| Mark Fleming, former COO | 2025 | – | – | – | – | – | – | – | – |
| | 2024 | 181,279 | – | 105,622 | 226,031 | 153,069 | 327,568 | 538,812 | 1,273,690 |
| **Total** | 2025 | 1,833,091 | 589,121 | 232,890 | 521,674 | 245,345 | 549,573 | – | 3,493,459 |
| | 2024 | 1,867,029 | 341,347 | 316,815 | 677,984 | 471,591 | 1,009,205 | 538,812 | 4,434,377 |

1. *Fixed pay comprises fixed pay including superannuation contributions and packaged benefits (and associated taxes).*
2. *Cash STI payments are paid in September after the end of the financial year to which they are attributed.*
3. *Previous years deferred STI equity that vested for FY25 were securities that vested and were issued on 29 August 2024 in respect of the FY23 STI Plan.*
4. *Previous years deferred STI equity that vested for FY25 value is calculated by reference to the closing price on the day of issue of $2.24, which was 29 August 2024. This price does not represent the value for financial reporting.*
5. *Previous years LTI equity that vested for FY25 were issued on 29 August 2024 in respect of the FY21 LTI Plan.*
6. *Previous years LTI equity that vested is calculated by reference to the closing price on the day of issue of $2.24, which was 29 August 2024. This price does not represent the value for financial reporting.*
7. *Total remuneration is made up of fixed remuneration, including superannuation plus cash STI, deferred STI vested equity value and LTI vested equity value.*
8. *The $ amounts disclosed for David Salmon for FY25 in respect of Fixed pay and STI are for the pro rata period he was Executive KMP which was the FY25 period from 7 April 2025 to 30 June 2025 when he commenced as CFO and Executive KMP.*
9. *The $ amounts disclosed for Evan Walsh for FY25 are in respect of Fixed pay and STI are for the pro rata period he was Executive KMP which was the FY25 period from 1 July 2024 until 6 April 2025.*

## 2. Remuneration Approach

### 2.1 RGN's Remuneration Framework

The Board believes that RGN's Remuneration Framework should, through the alignment of security holder interests with those of a motivated and talented Executive, provide security holders with optimal value.

That Remuneration Framework is based on two key principles:

***Fairly reward and motivate Executives having regard to the external market, individual contributions to RGN and overall performance of RGN.***

- Total Remuneration Opportunity (TRO) (including fixed component) is regularly independently benchmarked against a peer group of comparable entities (reflecting size, complexity and structure) to ensure that Executive KMP remuneration is aligned over time to market levels.

- The quantum and mix of each Executive KMP's TRO takes into account a range of factors including the Executive KMP's position and responsibilities, ability to impact achievement of RGN's strategic objectives, RGN's overall performance, and the desire to secure tenure of Executive talent.
- Fixed remuneration rewards Executive KMP for performing their key responsibilities that are aligned to the Board endorsed strategy to a high standard. This high standard includes stretch above target business performance.

*Appropriately align the interests of Executives and security holders.*

- A meaningful portion of an Executive KMP TRO is at-risk through performance-contingent incentive awards.
- The structure and metrics of incentive awards are tied directly to the achievement of an appropriate balance of short and long-term goals and objectives agreed in advance which provide Executives with appropriate stretch. Actual performance drives what Executives are paid.
- The maximum hurdles within each key performance indicator (KPI) are set each financial year and are designed to encourage strong to exceptional performance within RGN's stated risk parameters.
- For the CEO and CFO, the majority of their at-risk pay is intended to be delivered through conditional and deferred rights to RGN securities.
- To encourage Executives to secure the long-term future of RGN, unvested incentive opportunities are retained by the Executive upon resignation or retirement unless the Board determines they should be forfeited.
- Performance-based remuneration opportunities are designed to ensure they do not encourage excessive risk-taking or breaches of workplace health and safety, environmental or other regulations that may compromise RGN's value and/or reputation. RGN considers other key risk parameters to include maintaining levels of gearing within the preferred range, and remaining focused on owning and operating convenience-based shopping centres predominantly tenanted by non-discretionary retail.
- All incentives contain "malus" provisions permitting the Board to exercise its discretion to some or all of an Executive's unvested rights in certain circumstances.

This framework is the same as prior years. The Committee and Board continue to benefit from discussions with key stakeholders and where appropriate will take these views into consideration when reviewing RGN's remuneration strategy.

### 2.2 Remuneration governance

*Role of the Remuneration Committee*

The Board of RGN (Board) has a Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board. A copy of the Board Charter is available at https://regiongroup.au/about-us/corporate-governance/.

The Board is accountable to security holders for RGN's performance and for the proper management of RGN's business and affairs.

To assist the Board in complying with its legal and regulatory compliance in connection with human resources and remuneration matters, the Board has established a committee of Non-Executive Directors, the Remuneration Committee, to oversee management activities in:

- Undertaking the appropriate performance management, succession planning and development activities and programs;
- Providing effective remuneration policies having regard to the creation of value for security holders and the external remuneration market;
- Complying with relevant legal and regulatory requirements and principles of good governance; and
- Reporting to security holders in line with required standards.

The Charter for the Remuneration Committee is reviewed by the Board annually and can be found at https://regiongroup.au/about-us/corporate-governance/.



**Remuneration Report**
For the year ended 30 June 2025

*How remuneration decisions are made*

Remuneration of the Executive KMP is determined by the Board, acting on recommendations made by the Remuneration Committee.

The Board and the Remuneration Committee have absolute discretion when considering the awarding and vesting of STI and LTI incentives to Executives. This discretion is to allow the Board to ensure remuneration amounts and structure are appropriate, and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the metrics included as part of the STI and LTI opportunities. Also, where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of security holders for the Board to do so, the Board may exercise its discretion in determining awards. The Board, Remuneration Committee and Executives progressively monitor RGN's activities throughout the year that may produce a material and perverse remuneration outcome.

When assessing awards for Executives, the Committee seeks to reward material performance improvement in the period it was achieved where the Committee believes that Executives' interests are aligned with security holders' interests. The Committee will make appropriate adjustments to hurdles set for subsequent periods to reflect the award given, to ensure the same performance is not rewarded twice. Individual Executives do not participate in meetings where their own remuneration is being discussed by the Committee or Board. The CEO provides the Committee with his perspectives on fixed remuneration and STI and LTI performance outcomes for his direct and functional reports.

*External advisers and independence*

The Committee may seek external professional advice on any matter within its terms of reference.

During the year, the Committee engaged the services of Guerdon Associates and BDO to advise on various aspects of remuneration, including:

- Remuneration benchmarking;
- Market trends;
- Compliance and disclosure;
- Stakeholder engagement; and
- The composition of the constituents of the group for the testing of the RTSR hurdle of the FY22 LTI following changes in the composition of the constituents throughout the testing period due to corporate activity and other changes in the constituents in the S&P/ASX 200 A-REIT Index.

Guerdon Associates and BDO did not make any 'remuneration recommendations' (as defined in the *Corporations Act 2001 (Cth)*) in relation to any Executive KMP during FY25.

## 3. Executive KMP Remuneration

### 3.1 How remuneration was structured in FY25

The RGN Executive KMP remuneration structure comprised a combination of fixed remuneration plus performance or "at-risk" remuneration.

*Total Fixed Remuneration (TFR) – how does it work?*

TFR provides a fixed level of income to recognise Executives for their level of responsibility, relative expertise and experience. It includes salary, superannuation and other short-term benefits including packaged benefits (and associated taxes). The TFR package is paid in cash, superannuation contributions and other employee benefits provided on salary sacrifice.

The opportunity value for the at-risk components of remuneration is determined by reference to TFR, so RGN is conscious that any adjustments to TFR have flow-on impacts on potential STI and LTI awards. TFR is reviewed annually on 1 October, with no obligation to adjust.

Increases of 10% were made to TFR from 1 October 2024 for the CEO and 5% for the CFO at the time. The Board believes that the FY25 remuneration structure is aligned with business strategy and security holder interests, and is appropriate to ensure Executive retention.

*STIs – FY25 how does it work?*

| | |
|---|---|
| **Purpose** | The STI is designed to motivate and reward Executives for achieving or exceeding annual strategic objectives set for RGN over the short term and is aligned with value creation. STI recognises individual contributions to RGN's performance. |
| **Eligibility** | All Executive KMP are eligible to participate in FY25. |
| **Instrument** | 50% of the actual STI award is delivered in cash, and 50% in the form of deferred rights to securities in RGN.<br><br>The number of deferred rights granted to Executives is calculated by dividing the intended grant value by the volume-weighted average price of RGN securities for the five trading days following the release of RGN's FY25 full year results.<br><br>On vesting, each deferred STI right entitles the relevant Executive to receive one stapled security in RGN plus an additional number of stapled securities calculated on the basis of the distributions that would have been paid in respect of those stapled securities had they been on issue over the period to exercise. The additional securities are calculated as the number of securities that would have been acquired if distributions as announced to the Australian Securities Exchange (ASX) during the exercise period had been paid and reinvested in securities, applying the formula set out in clause 3.3 of RGN's Distribution Reinvestment Plan (DRP) (whether or not that plan is operative at the relevant time) assuming no discount. Fractions of stapled securities will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of STI Rights that lapse. |
| **Awards** | Specific quantifiable performance measures have been determined by the Board, based upon recommendations made by the Remuneration Committee. These performance criteria, and their weighting, reflect the FY25 strategic priorities for RGN as detailed in this Report.<br><br>Award payout levels have been calibrated between threshold (minimum expected performance), and maximum (exceptional performance, which is significantly above agreed threshold and/or guidance).<br><br>Maximum STI opportunities for each Executive KMP at 30 June 2025 are as follows:<br>• CEO – 110% of TFR; and<br>• CFO – 70% of TFR[1].<br>Awards can range from zero up to the maximum percentage stated above, based upon the level of performance against STI performance measures. |
| **Performance measures** | Awards reflect the level of performance achieved during the relevant financial year. |

| Category | Measure | Weighting of total STI award | Rationale for using measure |
|---|---|---|---|
| Numeric | AFFOPS | 30% | Focuses Executives on delivering AFFOPS, as well as active operational and capital management in the context of RGN's adopted risk profile. AFFOPS also includes the impact of interest expense |
| Numeric | Comparable NOI growth | 20% | Focuses Executives on improving occupancy levels, maximising rental receipts, maximising leasing spreads and managing expenses |
| Numeric | Carbon emissions reduction | 10% | Focuses Executives on building longer term business resilience in managing our climate-related risks to support RGN's target to achieve Net Zero Scope 1 and 2 GHG emissions in our operations by FY30 |
| Numeric | Capital management and deployment | 10% | Focuses Executives on ensuring appropriate investment is made in our centres which will drive long term sustainable property income growth while maintaining our existing investment grade credit rating (Moody's Baa1) |
| Numeric | Growth in external funds under management | 10% | Focuses Executives on securing new funds and mandates to grow our funds management platform which will provide a platform for growth in earnings in the future. |
| Strategic | Personal (factors include people & structure, risk & compliance (including health and safety), management, and other targets) | 20% | Executives are assessed on factors judged as important for security holder value |

[1] *The maximum award for the CFO STI was 75% until 6 April 2025.*



**Remuneration Report**
For the year ended 30 June 2025

| Performance schedule | % of relevant STI award that vests – Threshold | Maximum |
|---|---|---|
| **Performance schedule – AFFOPS** | 0% | Vests on a straight-line basis between 0% at threshold and 100% at maximum |
| **Performance schedule – Comparable NOI growth** | 0% | Vests on a straight-line basis between 0% at threshold and 100% at maximum |
| **Performance schedule – Carbon emissions reduction** | 0% | Vests on a straight-line basis between 0% at threshold and 100% at maximum |
| **Performance schedule – Capital management and deployment** | 0% | Vests on a straight-line basis between 0% at threshold and 100% at maximum |
| **Performance schedule – Growth in external funds under management** | 0% | Vests on a straight-line basis between 0% at threshold and 100% at maximum |

| | |
|---|---|
| **Deferral Vesting** | STI Rights are subject to a one-year deferral ending on 30 June 2026. Any rights awarded then vest after 30 June 2026 unless the Board exercises its discretion to forfeit the awarded rights under the malus provisions of the RGN Executive Incentive Plan Rules. |
| **Discretion** | Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of security holders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the STI metrics.<br><br>The Board chose not to exercise discretion to vary the FY25 STI payments. |
| **Termination/Forfeiture** | If an Executive ceases employment by way of termination by RGN without cause, redundancy, diminution of responsibility, retirement, death or disability, or other circumstances approved by the Board, the Executive retains unvested incentive opportunities to encourage the Executive to secure the long-term future of RGN.<br><br>In the event of the Executive's termination by RGN for cause prior to the end of the performance period, all STI unpaid and unvested incentive opportunities are forfeited. |
| **Clawback** | Consistent with good governance and to reinforce the importance of integrity and risk management in RGN's Remuneration Framework, RGN's incentive plan contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances. |

| | |
|---|---|
| | These circumstances include, but are not limited to:<br>• A material misstatement or omission in the Financial Statements of RGN;<br>• If actions or inactions seriously damage RGN's reputation or put RGN at significant risk;<br>• If AFFO is not maintained in the deferral period; and/or<br>• A material abnormal occurrence results in an unintended increase in the award. |
| Hedging | Participants are prohibited from hedging their unvested deferred rights. |

*LTIs – FY25 how does it work?*

| | |
|---|---|
| Purpose | The LTI is aimed at aligning Executive and security holder value while also providing a retention tool, as the LTI is intended to vest over time. |
| Eligibility | All Executive KMPs are eligible to participate in FY25. |
| Instrument | Each vested LTI right entitles the relevant Executive (or participant) to receive one stapled security in RGN plus an additional number of stapled securities calculated on the basis of the distributions that would have been paid in respect of those stapled securities over the period to exercise. The additional securities are calculated as the number of securities that would have been acquired if distributions as announced to the ASX during the exercise period had been paid and reinvested in securities, applying the formula set out in clause 3.3 of RGN's DRP (whether or not that plan is operative at the relevant time), assuming no discount. Fractions of stapled securities will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of LTI Rights that lapse. |
| LTI performance rights granted in FY25 | The number of performance rights granted to Executive KMP in FY25 is as follows:<br>• Anthony Mellowes – 667,749 LTI Rights;<br>• David Salmon – Nil LTI Rights; noting Sign on Award Rights (refer section 3.5.2); and<br>• Evan Walsh – 161,307 LTI Rights. |
| Grant price | The LTI grant price has been calculated by dividing the relevant award opportunity by the volume-weighted average price of RGN securities on the ASX for the five trading days following the release of RGN's 2024 full year results, being $2.234. |
| Performance hurdles | **RTSR (Tranche 1 – 60%)**<br>Measures RGN's RTSR performance over the Tranche 1 performance period (being from 1 October 2024 to 30 September 2027) relative to the TSR of a peer group taken from the constituents of the S&P/ASX 200 A-REIT Index over that same period. For FY25, Region has chosen to measure the RTSR against a group within the S&P/ASX 200 A-REIT index consisting of Region's primary market competitors, as this has greater alignment to the peer group for which we compete for capital. As such, entities which have significant revenue from funds management, including real estate fund managers and entities whose assets are significantly misaligned to Regions' have been excluded.<br>Therefore, the FY25 RTSR measure is based on a peer group taken from the S&P/ASX 200 A-REIT index which comprises: |

| | |
|---|---|
| BWP Group (ASX: BWP) | HomeCo Daily Needs REIT (ASX: HDN) |
| Centuria Industrial REIT (ASX: CIP) | Mirvac Group (ASX: MGR) |
| Charter Hall Long WALE REIT (ASX: CLW) | National Storage REIT (ASX: NSR) |
| Charter Hall Retail REIT (ASX: CQR) | Scentre Group (ASX: SCG) |
| Charter Hall Social Infrastructure REIT (ASX: CQE) | Stockland (ASX: SGP) |
| Dexus (ASX: DXS) | Vicinity Centres (ASX: VCX) |
| GPT Group (ASX: GPT) | Waypoint REIT (ASX: WPR) |

**AFFOPS (Tranche 2 – 40%)**
This condition requires RGN's AFFOPS growth for the year to 30 June 2027 to exceed a certain level as detailed below.

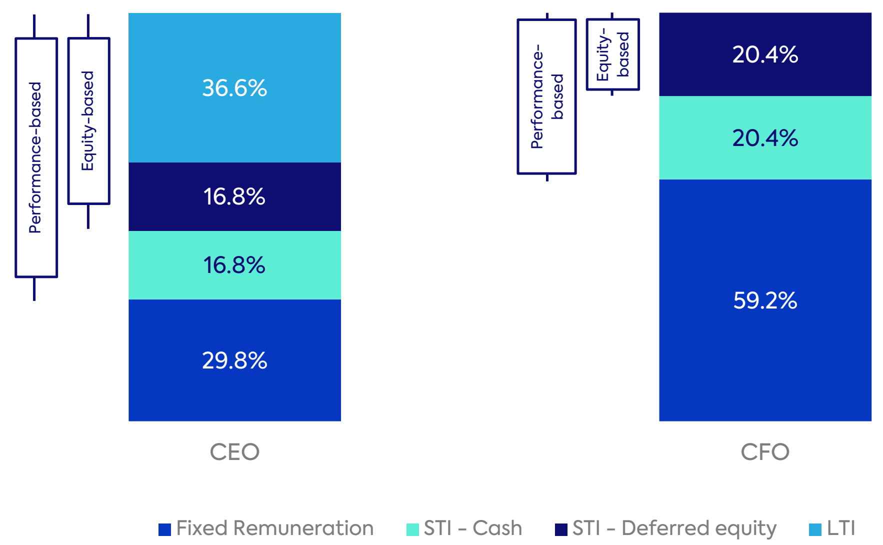
| Vesting schedule – RTSR Tranche 1 | | Position of RGN relative to the constituents of the peer group taken from the S&P/ASX 200 A-REIT Index detailed above | % of Tranche 1 LTI Rights that vest |
|---|---|---|---|
| | At or below Threshold | Less than or equal to 50th percentile | 0% |
| | Between Threshold and Maximum | Between 50th percentile and 75th percentile | Vest on a straight-line basis between 50% at threshold and 100% at maximum |
| | Maximum | At or above 75th percentile | 100% |

| Vesting Schedule – AFFOPS Tranche 2 | | AFFOPS growth for the year to 30 June 2027 | % of Tranche 2 LTI Rights that vest |
|---|---|---|---|
| | At or below Threshold | Less than or equal to 2.0% p.a. | 0% |
| | Between Threshold and Maximum | Between 2.0% and 4.0% p.a. | Vest on a straight-line basis between 0% at threshold and 100% at maximum |
| | Maximum | At or above 4.0% p.a. | 100% |

| | |
|---|---|
| Vesting/delivery | The performance rights can only be exercised if and when the performance conditions are achieved and vesting has occurred. The performance period is a three-year period, ending on the dates specified above. Any rights awarded then vest at the end of a further one-year deferral period ending on 30 June 2028 unless the Board exercises its discretion to forfeit the awarded rights under the malus provisions of the RGN Executive Incentive Plan Rules. Any rights that do not vest following testing of the performance conditions are forfeited. |
| Discretion | Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of security holders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the LTI metrics. |
| Termination/forfeiture | If an Executive ceases employment by way of termination by RGN without cause, redundancy, diminution of responsibility, retirement, death or disability, or other circumstances approved by the Board, the Executive retains unvested incentive opportunities to encourage Executives to secure the long-term future of RGN.<br>All unvested LTI rights will lapse if the Executive is terminated by RGN for cause. |
| Clawback | Consistent with good governance and to reinforce the importance of integrity and risk management in RGN's reward framework, each of RGN's incentive plans contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances.<br>These circumstances include, but are not limited to:<br>• A material misstatement or omission in the Financial Statements of RGN;<br>• If actions or inactions seriously damage RGN's reputation or put RGN at significant risk;<br>• If AFFO is not maintained; and/or<br>• A material abnormal occurrence results in an unintended increase in the award. |
| Hedging | Participants are prohibited from hedging their unvested performance rights. |

### 3.2 Executive KMP remuneration at RGN

The Board believes that RGN's remuneration structure, design and mix should align and motivate a talented Executive team with security holder interests. The graph below sets out the FY25 remuneration structure and mix for the Executive KMP at 30 June 2025 at maximum and prior to fair value in line with AASB 2. RGN's Executive remuneration is performance-based, equity-based and multi-year focused. The graph below sets out the FY25 remuneration structure and mix for the Executive KMP at 30 June 2025 at maximum.




In the table above CEO refers to Anthony Mellowes and CFO refers to David Salmon. David Salmon commenced on 7 April 2025 and his remuneration for FY25 is fixed remuneration and STI with the STI made up of STI cash and STI deferred equity. Additionally David is entitled to Sign on Award Rights which will be settled in equity from FY26 (refer section 3.5.2) and for FY26 his remuneration will also include LTI's of 80% of TFR such that for FY26 the pro forma equity based remuneration at maximum will be significantly greater compared to FY25.

### 3.3 FY25 STI outcomes

RGN's financial performance directly affects STI award outcomes, as 80% of the maximum STI opportunity for each Executive KMP is based on the achievement of the following numerical performance conditions: AFFOPS, comparable NOI growth, carbon emissions reduction, capital management and deployment, and growth in external funds under management.

STI is awarded annually based on the achievement of the relevant performance conditions. The weighting of these performance conditions reflects RGN's FY25 strategic drivers of AFFOPS, comparable NOI growth, capital management and deployment, growth in external funds under management and carbon emissions reduction. Each performance condition comprised stretch for Executives to ensure that "at-risk" reward is genuinely "at-risk". The degree of stretch is carefully balanced with RGN's risk appetite and to ensure they continue to align with RGN's strategic objectives.

The Board has reviewed the STI metrics in line with the current economic environment as it relates to RGN's portfolio. Consistent with RGN's FY25 strategic objectives, proactive changes have been made to the performance conditions for FY25 compared to FY24. This includes a re-weighting of the FY24 conditions, which has allowed for two new conditions in FY25. The two new conditions are capital management and deployment and growth in external funds under management.

Capital management and deployment is to ensure appropriate investment is made in our centres which will drive long term sustainable property income growth while maintaining our existing investment grade credit rating (Moody's Baa1). As the portfolio matures, increased capital is required to be invested to deliver enhanced returns over time. The timely and appropriate expenditure is critical for medium term performance. Our credit rating is important to us as it is an enabler to continue to access debt at a competitive cost and facilitates our access to debt capital markets to maintain our financing capability.

Growth in external funds under management was added to secure new funds and mandates to grow our funds management platform which will provide a platform for growth in earnings in the future.

Growth in external funds under management is to secure new funds and mandates to grow our funds management platform.

Therefore, the FY25 STI performance conditions compared to FY24 are as follows:

| Performance conditions | FY24 | FY25 |
|---|---|---|
| AFFOPS | 40% | 30% |
| Comparable NOI growth | 30% | 20% |
| Carbon emissions reduction | 10% | 10% |
| Capital management and deployment | - | 10% |
| Growth in external funds under management | - | 10% |
| Strategic (personal component) | 20% | 20% |
| Total | 100% | 100% |

The Remuneration Committee assessed performance against each performance condition to determine STI outcomes for FY25. The following table sets out RGN's performance highlights, and the resulting STI outcomes:

| Weighting of total STI award | Measure | FY25 performance highlights |
|---|---|---|
| 30% | AFFOPS | |
| | This condition rewards performance where AFFOPS as shown in RGN's FY25 results released to the ASX exceeds specified levels.<br><br>The KPI was selected to continue to focus Executives on delivering AFFOPS, as well as active and operational management in the context of RGN's adopted risk profile. In setting the hurdles and metrics for this performance measure, the Board considered the outlook for the rapidly changing external macroeconomic environment which included rising or relatively higher interest rates and inflationary pressures on costs including their potential adverse impact on RGN's distributions. | AFFOPS was 13.7 cents, representing an increase of 0.7% from 13.6 cents in FY24.<br><br>Performance was assessed at slightly above threshold but below maximum. |
| 20% | Comparable NOI growth | |
| | This condition rewards performance where the growth (as a percentage) in property portfolio net operating income exceeds specific levels. In setting the hurdles and metrics for this performance measure, the Board took into account the outlook for the rapidly changing macroeconomic environment and the potential adverse impact on RGN's distributions. | Comparable NOI growth was assessed at 3.2%, which was assessed at above threshold but below maximum. |
| 10% | Carbon emissions reduction | |
| | Reducing carbon emissions is measured by the production of electricity by our solar PV systems for our centres. | Production of electricity by our solar PV systems for our centres was assessed at above maximum. |

| Weighting of total STI award | Measure (cont) | FY25 performance highlights |
|---|---|---|
| 10% | **Capital management and deployment** | |
| | The capital management and deployment requires maintaining the existing credit rating of Baa1 (Moody's)(or equivalent) and adhering to all RGN policies while investing capital which exceeds specified levels to improve our centres which will drive long term sustainable property income growth. | RGN's credit rating was maintained at Baa1 while we invested over $90m in improving our centres. Capital management and deployment was assessed at above maximum. |
| 10% | **Growth in external funds under management** | |
| | This condition rewards management for growing funds under management which exceeds specified levels from which RGN derives asset management fees which will provide a platform for growth in earnings in the future. | Funds under management grew from $294.6m at 30 June 2024 to in excess of $700.0m at 30 June 2025. Growth in funds under management was assessed at above maximum. |
| 20% | **Personal component** | |
| | The personal performance component assesses individual contributions based on factors judged as important for adding value for each individual Executive. While the factors assessed are common to Executives, the expectations of each person will vary depending on the focus and accountabilities of their position. Therefore, the weighting of these factors may vary for each Executive KMP. These factors include:<br>• (People & Structure) Maintaining an engaged workforce with a focus on embedding values across the business. Alignment across a new senior leadership team with clear development and succession paths in place; and<br>• (Risk & Compliance) Maintaining a strong health and safety culture. Clear business continuity measures are in place to address new risk areas including cyber. Risk mitigation factors in place to ensure key systems changes and outsourced partnerships are successfully delivered. | Six-monthly reviews are held with each Executive to evaluate and monitor performance against personal objectives.<br>Performance was assessed individually on account of achievements against targets set by the Board. |

The following table shows the actual STI outcomes for each of the Executive KMP for FY25, which are expected to be paid in September 2025.

| STI outcomes (at 30 June 2025) | STI max (% of Fixed Remuneration) | Actual STI (% max) | STI forfeited (% max) | Actual STI cash (total) ($) |
|---|---|---|---|---|
| **Executive KMP** | | | | |
| Anthony Mellowes | 110.0% | 66.0% | 34.0% | 451,255 |
| David Salmon[1] | 70.0% | 66.0% | 34.0% | 37,656 |
| **Former Executive KMP** | | | | |
| Evan Walsh[2] | 75.0% | 58.0% | 42.0% | 100,210 |

[1] *The $ amount disclosed for David Salmon for FY25 are in respect of the pro rata period he was Executive KMP which was the FY25 period from 7 April 2025 to 30 June 2025 when he commenced as CFO and Executive KMP.*

[2] *The $ amount disclosed for Evan Walsh for FY25 are in respect of the pro rata period he was Executive KMP which was the FY25 period from 1 July 2024 until 6 April 2025.*

Actual STI cash is 50% of the actual STI awarded for FY25. The remaining 50% of the actual STI awarded for FY25 will be issued as deferred rights in accordance with Section 3.1, subject to security holder approval (where appropriate) at the 2025 AGM.





## 3.4 Past financial performance

The following table sets out summary information about the Group's earnings, net tangible assets per stapled security, ASX price and other information, for the last five complete financial years.

*3.4.1 Past financial performance*

| | FY25 Results | FY24 Results | FY23 Results | FY22 Results | FY21 Results |
|---|---|---|---|---|---|
| Statutory profit/(loss) (after tax) | **$212.5m** | $17.3m | ($123.6m) | $487.1m | $462.9m |
| Statutory profit/(loss) (after tax) cents per security | **18.3** | 1.5 | (10.9) | 44.0 | 43.0 |
| FFO | **$179.9m** | $178.4m | $192.5m | $192.7m | $159.0m |
| FFO cents per security | **15.5** | 15.4 | 16.9 | 17.4 | 14.8 |
| AFFO | **$159.0m** | $157.7m | $173.9m | $169.5m | $135.8m |
| AFFO cents per security | **13.7** | 13.6 | 15.3 | 15.3 | 12.6 |
| Distributions paid and payable (cents per security) | **13.7** | 13.7 | 15.2 | 15.2 | 12.4 |
| Net tangible assets per security | **$2.47** | $2.42 | $2.55 | $2.81 | $2.52 |
| Security price (at 30 June) | **$2.20** | $2.10 | $2.27 | $2.75 | $2.52 |
| Management Expense Ratio (MER) % | **0.34%** | 0.34% | 0.38% | 0.38% | 0.41% |

## 3.5 LTI and other grants in FY25

The following presents the LTI and other grants to Executive KMP made during FY25 that are due to vest on or after 1 July 2025, subject to performance conditions. The maximum total value of the grants is based on the estimated fair value calculated at the time of the grant and amortised in accordance with the accounting standard requirements. The accounting standards require performance rights based on:

- market conditions, such as RTSR, to be valued using an appropriate model that includes consideration of the probability of the grant requirements being met; and
- non-market conditions, such as AFFOPS, to be valued using an appropriate model that excludes consideration of the probability of the grant requirements being met. Instead, their probability is assessed at each reporting date.

*3.5.1 FY25 LTI*

The FY25 LTI Rights will be tested against two performance hurdles over a three-year performance period followed by a one-year deferral (total vesting period is four years). The performance hurdles are weighted as follows:

- Tranche 1: RTSR against a peer group taken from the constituents of the S&P/ASX 200 A-REIT Index (60.0% of grant) with the performance period being 1 October 2024 to 30 September 2027; and
- Tranche 2: AFFOPS growth to the year ending 30 June 2027 (40.0% of grant).

The FY25 LTI grants, and their fair value, made to Executive KMP are as follows.

| | LTI max as % of fixed remuneration | Performance measure | Number of performance rights granted[1] | Fair value per performance right ($) | Maximum total value of grant ($) |
|---|---|---|---|---|---|
| **Executive KMP** | | | | | |
| Anthony Mellowes, CEO | 120% | RTSR | 400,649 | 0.98 | 392,636 |
| | | AFFOPS | 267,100 | 2.24 | 598,304 |
| Total | | | 667,749 | | 990,940 |
| **Former Executive KMP** | | | | | |
| Evan Walsh, former CFO | 60% | RTSR | 96,784 | 0.98 | 94,849 |
| | | AFFOPS | 64,523 | 2.24 | 144,531 |
| Total | | | 161,307 | | 239,380 |

1. *The FY25 LTI maximum incentive was $1,491,752 for Mr Mellowes (120% of his TFR at 1 October 2024), $nil for Mr Salmon and $360,360 for Mr Walsh (60% of his TFR at 1 October 2024). The number of performance rights granted has been calculated by dividing the LTI maximum incentive by the volume-weighted average price of RGN securities on the ASX for the five trading days following the release of RGN's 2024 full year results, being $2.2340.*

### 3.5.2 *Sign on Award Rights granted in FY25*

David Salmon commenced as the CFO on 7 April 2025. For FY25 his remuneration is made up of TFR, STI and Sign on Award Rights. There is no participation in FY25 LTI's. The Sign on Award Rights were commercially agreed and are to compensate Mr Salmon forgoing incentive opportunities from his previous employer. The unvested value of the Sign on Award Rights are less than the unvested equity incentives opportunities forfeited on resigning from his previous employer. The Sign on Award Rights will be the number of securities calculated by reference to an amount of $787,500 divided by the value of RGN securities for the 5 trading days following the release of Region Group's full year FY25 results. As such the number of Rights for each Tranche will be finalised based on the value of RGN securities for the 5 trading days following the release of Region Group's full year FY25 results.

These Rights will vest on a similar timescale to the forgone incentive opportunities from his previous employer which is over 4 equal Tranches in August of 2025, 2026, 2027 and 2028 and each vested Sign on Award Right entitles the participant to receive one stapled security in RGN plus an additional number of stapled securities calculated on the basis of the distributions that would have been paid in respect of those stapled securities for the period from 7 April 2025 to the vesting date.

### 3.5.3 *Rights granted during the year*

| Type and eligibility | Vesting conditions[1] | Security price at grant date | Grant date | Testing date | Vesting date | Maximum number of stapled securities or maximum value of securities to be issued | Fair value at grant date |
|---|---|---|---|---|---|---|---|
| STI Rights (FY25) (Mr Mellowes) | Non-market | $2.24 | Aug-24 | Jun-25 | Jul-26 | $683,720 | $0.95 per $1.00 |
| STI Rights (FY25) (Mr Salmon) | Non-market | $2.40 | May-25 | Jun-25 | Jul-26 | $57,055 | $0.97 per $1.00 |
| STI Rights (FY25) (Mr Walsh) | Non-market | $2.24 | Aug-24 | Jun-25 | Jul-26 | $172,775 | $0.95 per $1.00 |
| LTI Rights (FY25 - FY27) (Tranche 1) (Messrs Mellowes, Walsh) | RTSR[2] | $2.24 | Aug-24 | Sep-27 | Jul-28 | 497,434 | $0.98 per security |
| LTI Rights (FY25 - FY27) (Tranche 2) (Messrs Mellowes, Walsh) | Non-market | $2.24 | Aug-24 | Sep-27 | Jul-28 | 331,622 | $2.24 per security |
| Sign on Award (SOA) Rights (FY25 - FY29) (Tranche 1) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-25 | Aug-25 | 82,031 | $2.47 per security |
| SOA Rights (FY25 - FY29) (Tranche 2) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-26 | Aug-26 | 82,031 | $2.47 per security |
| SOA Rights (FY25 - FY29) (Tranche 3) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-27 | Aug-27 | 82,031 | $2.47 per security |
| SOA Rights (FY25 - FY29) (Tranche 4) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-28 | Aug-28 | 82,031 | $2.47 per security |

1. *Service and non-market conditions for LTI Rights include numeric targets along with a deferred vesting period.*
2. *RTSR is relative total security holder return measured against a peer group taken from the constituents of the S&P/ASX 200 A-REIT Index.*

The Group recognises the fair value at the grant date of equity-settled securities above as an employee benefit expense proportionally over the vesting and/or deferral period with a corresponding increase in equity. Fair value is measured at grant date using Monte-Carlo simulation and Binomial option pricing models where applicable, performed by an independent valuer, and models the future security price of the Group's stapled securities.

Non-market vesting conditions are determined with reference to the underlying numeric or strategic performance measures to which they relate.

***Key inputs to the pricing models include:***

| | |
|---|---|
| Volatility | 21.3% |
| Distribution yield | 6.1% |
| Risk-free interest rate | 3.6% |

## 3.6 Total remuneration earned in FY25

### 3.6.1 *Potential remuneration granted at 30 June 2025*

| | Maximum potential cash STI | | | Maximum potential equity STI | | | Maximum potential equity LTI or Sign on Award Rights | | |
|---|---|---|---|---|---|---|---|---|---|
| | % of TFR[2] | $[1] | % of total potential rem | % of TFR | $[1] | % of total potential rem | % of TFR | $[3] | % of total potential rem |
| **Executive KMP** | | | | | | | | | |
| Anthony Mellowes, CEO | 55.0% | 683,720 | 19.3% | 55.0%[2] | 649,534 | 18.4% | 120.0% | 990,940 | 28.0% |
| David Salmon, CFO[4] | 35.0% | 57,055 | 5.2% | 35.0%[2] | 55,343 | 5.1% | 115.8% | 810,466 | 74.5% |
| **Former Executive KMP** | | | | | | | | | |
| Evan Walsh, former CFO | 37.5% | 172,775 | 17.7% | 37.5%[2] | 164,137 | 16.9% | 60.0% | 183,634 | 18.9% |

1. *STI incentives for the Executives are payable 50% in cash and 50% in equity. The difference between the cash and equity components is due to the fair valuation of the equity granted under AASB 2 Share-based payments (AASB2).*
2. *In FY25, Mr Mellowes' STI opportunity was 110% of his TFR, Mr Salmon's STI opportunity was 70% of his TFR, and Mr Walsh's STI opportunity was 75% of his TFR. STI incentives for the Executives are payable 50% in cash and 50% in equity and the percentage maximum has been equally allocated between cash and equity.*
3. *All of the LTI or Sign on Award Rights is awarded in equity and the dollar values shown here represent the fair value under AASB 2 of equity instruments granted.*
4. *Only Mr Salmon is eligible for Sign on Award Rights.*

The following is the actual remuneration paid or accrued during the financial year to 30 June 2025, noting that share-based payments are accrued at fair value in line with AASB 2.

*3.6.2 Table of Executive KMP remuneration paid or accrued*

| | | Salary & fees $[1] | Cash bonus $[2] | Total $ | Super $ | Long service leave $ | Share-based payments $[3] | Other benefits $[4] | Total $ |
|---|---|---|---|---|---|---|---|---|---|
| **Executive KMP** | | | | | | | | | |
| Anthony Mellowes, CEO | 2025 | 1,184,874 | 451,255 | 1,636,129 | 30,000 | 40,485 | 810,022 | – | 2,516,636 |
| | 2024 | 1,091,750 | 267,273 | 1,359,023 | 27,500 | 25,626 | 824,482 | – | 2,236,631 |
| David Salmon, CFO[5] | 2025 | 148,368 | 37,656 | 186,024 | 7,483 | – | 101,666 | 9,277 | 304,450 |
| | 2024 | – | – | – | – | – | – | – | – |
| **Former Executive KMP** | | | | | | | | | |
| Evan Walsh, former CFO[6] | 2025 | 411,644 | 100,210 | 511,854 | 23,459 | 2,510 | 129,944 | 17,986 | 685,753 |
| | 2024 | 539,101 | 74,074 | 613,175 | 27,399 | 9,652 | 93,591 | – | 743,817 |
| Mark Fleming, former COO[7] | 2025 | – | – | – | – | – | – | – | – |
| | 2024 | 174,429 | – | 174,429 | 6,850 | 3,069 | 75,308 | 538,812 | 798,468 |
| Total | 2025 | 1,744,886 | 589,121 | 2,334,007 | 60,942 | 42,995 | 1,041,632 | 27,263 | 3,506,839 |
| | 2024 | 1,805,280 | 341,347 | 2,146,627 | 61,749 | 38,347 | 993,381 | 538,812 | 3,778,916 |

1 *Salary reviews take effect from 1 October.*

2 *The amount shown under "Cash bonus" refers to the amount that will be paid to Executives in September 2025 under the STI Plan for performance over the 2025 financial year.*

3 *The values for equity-based remuneration have been determined in accordance with AASB 2 and represent the current year amortisation of the fair value of rights over the vesting period adjusted for services and non-market vesting conditions. The share-based payments are made up of STI Rights, LTI Rights, and Sign on Award Rights. The value for the respective Rights in the table above represent the fair value of the award and does not represent the actual awards that will vest in the relevant year. Refer to the table at 3.6.4 for additional details of the Rights.*

4 *Other benefits includes any packaged benefits, including motor vehicles and FBT payable on those items.*

5 *The amounts disclosed for Mr Salmon for FY25 are in respect of the period he was Executive KMP which was the FY25 period from 7 April 2025 to 30 June 2025 when he commenced as CFO and Executive KMP. The amounts disclosed are for the period as Executive KMP.*

6 *Mr Walsh was the CFO and interim CFO until 6 April 2025. The amounts disclosed for Mr Walsh for FY25 are in respect of the period he was Executive KMP which was the FY25 period from 1 July 2024 until 6 April 2025. The amounts disclosed are for the period as Executive KMP.*

7 *Mr Fleming retired as Executive Director and ceased being an Executive KMP on 26 September 2023. All termination benefits were provided in accordance with the terms of his employment contract and include other contractual amounts due on cessation of employment which have been included in Other benefits above.*

The break-up of the amounts recognised for performance-based compensation relevant for the financial year ended 30 June 2025, including details of the share-based payments accrued in respect of the current year and prior-year plans using the valuation of equity in accordance with AASB 2, is below.

*3.6.3 Performance-based component of actual remuneration in FY25*

| | Actual cash STI | | Actual equity STI | | Actual equity LTI | | Total equity STI and LTI |
|---|---|---|---|---|---|---|---|
| | $ | % of total rem | $ | % of total rem | $ | % of total rem | $ |
| **Executive KMP** | | | | | | | |
| Anthony Mellowes, CEO | 451,255 | 17% | 307,961 | 12% | 502,061 | 19% | 810,022 |
| David Salmon, CFO[1] | 37,656 | 19% | 3,029 | 1% | – | – | 3,029 |
| **Former Executive KMP** | | | | | | | |
| Evan Walsh, former CFO[2] | 100,210 | 16% | 74,583 | 12% | 55,361 | 9% | 129,944 |

1 *The amounts disclosed for Mr Salmon for FY25 are in respect of the pro rata period he was Executive KMP which was the FY25 period from 7 April 2025 to 30 June 2025 when he commenced as CFO and Executive KMP. Mr Salmon's Sign on Award Rights are excluded as they are not performance based.*

2 *The amounts disclosed for Mr Walsh for FY25 are in respect of the pro rata period he was Executive KMP which was the FY25 period from 1 July 2024 until 6 April 2025.*



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*3.6.4 Equity holdings of Executive KMP*

*Security Rights in RGN Securities*

Unvested security Rights to RGN securities are made in the form of STI Rights, LTI Rights and Sign on Award Rights. The STI and LTI awards in respect of which the elements below are deferred elements were disclosed in prior year Remuneration Reports. The number of unvested Rights held during the year by Executive KMP are set out below.

| | Security Rights held 1 July 2024 | STI Rights granted[1] | LTI Rights or Sign on Award Rights granted[2] | STI Rights vested[3] | LTI Rights vested[4] | LTI Rights forfeited[5] | Other movements[6] | Security Rights held 30 June 2025 |
|---|---|---|---|---|---|---|---|---|
| **Executive KMP** | | | | | | | | |
| Anthony Mellowes, CEO | 1,939,094 | 119,638 | 667,749 | (197,658) | (245,345) | (330,042) | 61,370 | 2,014,806 |
| David Salmon, CFO | – | – | 328,124 | – | – | – | – | 328,124 |
| **Former Executive KMP** | | | | | | | | |
| Evan Walsh, former CFO | 233,884 | 33,157 | 161,307 | (35,232) | – | – | (393,116) | – |

1 *STI Rights relate to the FY24 year and were granted in August 2024. FY25 STI Rights were granted after 30 June 2025 and as such are excluded from the table above.*

2 *LTI Rights relate to Mr Mellowes and Mr Walsh and were issued in August 2024. Sign on Award Rights relate to Mr Salmon and represent an estimate. Refer also section 3.5.2.*

3 *STI Rights vested relate to deferred STI from FY23 that vested in August 2024.*

4 *LTI Rights vested relate to the FY21 LTI.*

5 *LTI Rights forfeited relate to FY22 LTI.*

6 *Other movements relate to the increase in the rights held for the inclusion of the value of distributions in the award vested, and for Mr Walsh include an adjustment to reflect no further holdings of Rights as Executive KMP.*

*Equity Held in RGN*

The table below details movements during the year in the number of RGN securities held by Executive KMP, including their personally related parties. Unvested Rights to RGN securities are not included in this table.

| | Balance 1 July 2024 | Vested and exercised STI | Vested and exercised LTI | Purchased or (sold) | Balance 30 June 2025 |
|---|---|---|---|---|---|
| **Executive KMP** | | | | | |
| Anthony Mellowes, CEO | 1,494,346 | 197,658 | 245,345 | (443,003) | 1,494,346 |
| David Salmon, CFO | – | – | – | – | – |
| **Former Executive KMP** | | | | | |
| Evan Walsh, former CFO[1] | – | 35,232 | – | (35,232) | – |

1 *Evan Walsh, ceased as Executive KMP on 6 April 2025. As such, his closing balance has been adjusted to reflect no further holdings as Executive KMP.*

## 3.7 Service agreements for Executive KMP

Each Executive has a formal contract, known as a "service agreement". These agreements are of a continuing nature and have no set term of service (subject to the termination provisions).

Executive KMP are also subject to the Minimum Security Holding Policy (MSHP). The MSHP requires Executive KMP to hold the equivalent of one year's TFR in RGN securities. There is no timeframe for accumulation and no requirement to acquire on-market. However, Executive KMP are not permitted to sell any securities awarded under RGN's Executive Incentive Plans until such time as the minimum security holding threshold is met, unless to meet taxes due on securities awarded.

The key terms of the service agreements for the Executive KMP during FY25 are below.

*Executive Director, Chief Executive Officer: Anthony Mellowes*

| | |
|---|---|
| Contract duration | Commenced 1 July 2013, open-ended. |
| TFR at 30 June 2025 | $1,243,127. Includes salary, superannuation and other salary sacrifice employee benefits. |
| Review of TFR | Reviewed annually, effective from 1 October with no obligation to adjust. |
| Variable remuneration eligibility | The CEO is eligible to participate in RGN's plans for performance-based remuneration, and in FY25 that included:<br>• **FY25 STI: Maximum opportunity:** 110% of TFR<br>• **FY25 LTI: Maximum opportunity**: 120% of TFR |
| Non-compete period | Up to 12 months |
| Non-solicitation period | Up to 12 months |
| Notice by RGN | 9 months |
| Notice by Executive | 9 months |
| Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances | Maximum benefit from termination payment and payment in lieu of notice is 12 months based on prior-year fixed and variable remuneration. |

*Chief Financial Officer: David Salmon*

| | |
|---|---|
| Contract duration | Commenced 7 April 2025, open-ended. |
| TFR at 30 June 2025 | $700,000. Includes salary, superannuation and other salary sacrifice employee benefits. |
| Review of TFR | Reviewed annually, effective from 1 October with no obligation to adjust. |
| Variable remuneration eligibility | The CFO is eligible to participate in RGN's plans for performance-based remuneration, and in FY25 that included:<br>• **FY25 STI: Maximum opportunity:** 70% of TFR<br>• **FY25 LTI: Maximum opportunity:** Nil; for FY26 the LTI maximum opportunity is 80% of TFR<br>• **FY25 Sign on Award Rights:** The value of the Sign on Award Rights is not performance based. David Salmon commenced as the CFO on 7 April 2025. For FY25 his remuneration is made up of TFR, STI and Sign on Award Rights. There is no participation in FY25 LTI's. The Sign on Award Rights are to compensate Mr Salmon forgoing incentive opportunities from his previous employer. The Sign on Award Rights will be the number of securities calculated by reference to an amount of $787,500 divided by the value of RGN securities for the 5 trading days following the release of Region Group's full year FY25 results. These will vest over 4 equal tranches in August of 2025, 2026, 2027 and 2028 and participate in distributions and be subject to Board approval prior to the final vesting in a similar way to the vesting of other equity rights for other Executive KMP such as LTI's. |
| Non-compete period | Up to 6 months |
| Non-solicitation period | Up to 12 months |
| Notice by RGN | 4 months |
| Notice by Executive | 4 months |
| Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances | Maximum benefit from termination payment and payment in lieu of notice is 6 months based on prior-year fixed and variable remuneration. |



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*Chief Financial Officer and interim Chief Financial Officer: Evan Walsh*

| | |
|---|---|
| Contract duration | Commenced 12 December 2022 as Chief Financial Officer and interim Chief Financial Officer from 13 December 2024 until 6 April 2025. |
| TFR at 6 April 2025 | $600,600. Includes salary, superannuation and other salary sacrifice employee benefits. |
| Review of TFR | Reviewed annually, effective from 1 October with no obligation to adjust. |
| Variable remuneration eligibility | The CFO is eligible to participate in RGN's plans for performance-based remuneration, and in FY25 that included:<br>• **FY25 STI: Maximum opportunity:** 75% of TFR<br>• **FY25 LTI: Maximum opportunity:** 60% of TFR |
| Non-compete period | 4 months |
| Non-solicitation period | 4 months |
| Notice by RGN | 6 months |
| Notice by Executive | 6 months |
| Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances | Maximum benefit from termination payment and payment in lieu of notice is 6 months based on prior-year fixed and variable remuneration. |

*Termination provisions*

The following illustrates how termination payments will be managed in various termination scenarios.

| | |
|---|---|
| Notice period, non-compete/ non-solicitation | Notice period for non-solicitation, non-compete, notice by RGN and/or Executive KMP is up to 12 months. Maximum benefit from termination payment and payment in lieu of notice is 12 months based on prior-year fixed and variable remuneration.<br>RGN can elect to make a payment of TFR in lieu of the notice period by RGN or the Executive, as applicable.<br>At the Board's discretion, an additional termination benefit may be made to acknowledge any post-termination non-compete/non-solicitation agreements made with the Executive.<br>The combined total cash benefit arising from these termination payments (excluding statutory entitlements) is capped at 12 months based on prior-year fixed and variable remuneration, subject to the provisions of sections 200B–200E of the *Corporations Act 2001* (Cth) to the extent those provisions apply in the relevant circumstances. |
| STI and LTI awards | If an Executive ceases employment by way of termination by RGN without cause, redundancy, diminution of responsibility, retirement, death or disability, or other circumstances approved by the Board, the Executive retains unvested or unpaid incentive opportunities to encourage Management to secure the long-term future of RGN.<br>All unvested or unpaid incentive opportunities will lapse if the Executive is terminated by RGN for cause. |
| Board discretion | The Board has full discretion to amend any of the above termination arrangements to acknowledge exceptional circumstances and determine appropriate alternative vesting outcomes that are consistent, fair and reasonable, and balance multiple stakeholder interests.<br>The Board acknowledges that, consistent with its approach to voluntarily adopt certain corporate governance obligations not otherwise applicable to RGN given its structure, security holder approval will be sought where termination payments exceed the limits prescribed by the Corporations Act. |
| Change of control | In the event of a change of control in RGN before the vesting date of any equity, the Board reserves the right to exercise its discretion for early vesting of the equity. In exercising its discretion, the Board may take account of the extent to which performance conditions have or have not been met and the portion of the vesting period that has elapsed at the relevant date. |

## 4. Non-Executive Director Remuneration

### 4.1 Board remuneration strategy

RGN aims to attract and retain a high calibre of Non-Executive Directors (NEDs) who are equipped with diverse skills to govern the organisation and oversee Management so as to achieve value for RGN security holders. RGN aims to fairly remunerate Directors for their responsibilities relative to organisations of similar size and complexity.

The maximum aggregate fee pool available to NEDs is $1,600,000 per annum which was approved by RGN security holders.

Total NED remuneration payable in FY25 was $1,408,385, up from $1,259,661 in FY24 due mainly to the appointment of an additional NED, Jane Lloyd, effective 12 November 2024.

NEDs are subject to the Minimum Security Holding Policy. For NEDs this requires a minimum security holding of 100% of the fixed remuneration of their Board fee payable for being the Chair or NED. This Policy was introduced in 2023 and the Chair and NEDs have 3 years from the latter of the adoption of the Policy or their appointment to meet the minimum security holding. All NEDs have or are on track to meet the minimum security holding within the relevant time period. NEDs purchase securities on market and may be held via a controlled or related entity such as a superannuation fund.

NEDs remuneration is composed of Board fees and Committee fees. Fees for NEDs are inclusive of superannuation. The Chair of the Board does not receive additional fees in relation to Committees.

The schedule of fees for NEDs for financial years is set out in the table below.

### 4.2 Remuneration for Non-Executive Directors

NED and Committee fees were increased by 3.0% from 1 January 2025 and the respective Chair of the Audit, Risk Management and Compliance Committee (ARMCC) and the Chair of the Remuneration Committee were increased by 10.9% to $30,000 respectively.

*Non-Executive Director Board and Committee fees*

| | Financial year | Board $ | ARMCC $ | Remuneration Committee $ | Investment Committee $ |
|---|---|---|---|---|---|
| Chair | 2025 | 375,865 | 28,527 | 28,527 | 27,459 |
| | 2024 | 370,310 | 27,054 | 27,054 | 27,054 |
| Member | 2025 | 144,776 | 16,476 | 16,476 | 16,476 |
| | 2024 | 142,636 | 16,232 | 16,232 | 16,232 |

The Nomination Committee does not attract fees.

*Total remuneration for Non-Executive Directors*

| Non-Executive Director | Financial year | Director fees $ | Superannuation $ | Committee fees $ | Total $ |
|---|---|---|---|---|---|
| Steven Crane | 2025 | 345,933 | 29,932 | - | 375,865 |
| | 2024 | 337,518 | 27,399 | - | 364,917 |
| Michael Herring | 2025 | 129,844 | 18,330 | 29,553 | 177,727 |
| | 2024 | 126,630 | 17,100 | 28,821 | 172,551 |
| Angus James | 2025 | 143,556 | 1,738 | 60,960 | 206,254 |
| | 2024 | 137,128 | 4,862 | 57,220 | 199,210 |
| Beth Laughton | 2025 | 129,844 | 19,573 | 40,361 | 189,778 |
| | 2024 | 126,630 | 18,156 | 38,428 | 183,214 |
| Jane Lloyd | 2025 | 87,218 | 6,467 | 9,926 | 103,611 |
| | 2024 | - | - | - | - |
| Antoinette Milis | 2025 | 129,844 | 17,166 | 19,429 | 166,439 |
| | 2024 | 126,630 | 15,514 | 14,411 | 156,555 |
| Belinda Robson | 2025 | 129,844 | 19,463 | 39,404 | 188,711 |
| | 2024 | 126,630 | 18,156 | 38,428 | 183,214 |
| **Total** | 2025 | 1,096,083 | 112,669 | 199,633 | 1,408,385 |
| | 2024 | 981,166 | 101,187 | 177,308 | 1,259,661 |



**Remuneration Report**
For the year ended 30 June 2025

### 4.3 Non-Executive Director security holdings in RGN

| Non-Executive Director | Balance 1 July 2024 | Changes during the year | Balance 30 June 2025 |
|---|---|---|---|
| Steven Crane | 300,000 | 100,000 | 400,000 |
| Michael Herring | 120,000 | - | 120,000 |
| Angus James | 99,191 | - | 99,191 |
| Beth Laughton | 62,894 | - | 62,894 |
| Jane Lloyd | - | 30,000 | 30,000 |
| Antoinette Milis | 47,837 | 20,000 | 67,837 |
| Belinda Robson | 62,495 | - | 62,495 |

## 5. Additional Information

### 5.1 FY26 Executive KMP STI and LTI Framework Strategy

*FY26 STI*

The Board has reviewed the STI metrics in line with the current economic environment as it relates to RGN's portfolio. Consistent with RGN's FY26 strategic objectives, changes have been made to the performance conditions for FY26 compared to FY25. This includes a re-weighting of two of the FY25 conditions, which has allowed for a new condition in FY26.

The new condition is reducing specialty vacancy.

AFFOPS and comparable NOI growth remain important to RGN as STI measures. Further STI measures have been included as well as introducing the new specialty vacancy reduction measure. These measures are generally less dependent on market factors such as interest rates that are outside of management's direct control.

This new condition, in conjunction with other STI hurdles, is intended to focus management on delivering resilient cashflows in the FY26 year and also into future years.

Therefore, the FY26 STI performance conditions compared to FY25 are as follows:

| STI Performance conditions | FY25 | FY26 |
|---|---|---|
| AFFOPS | 30% | 25% |
| Comparable NOI growth | 20% | 15% |
| Carbon emissions reduction | 10% | 10% |
| Capital management and deployment | 10% | 10% |
| Growth in external funds under management | 10% | 10% |
| Decreasing specialty vacancy | - | 10% |
| Strategic (personal component) | 20% | 20% |
| Total | 100% | 100% |

*FY26 LTI*

The ranges below are designed as stretch targets for strong to exceptional performance. They do not represent the Executives' or the Board's forecasts, and nor should they be taken as guidance as to likely or potential future outcomes.

The LTI Rights are subject to a four-year vesting period comprising a three-year forward-looking performance period and a one-year deferral period (together the "vesting period"). Any rights that do not vest following testing of the performance conditions are forfeited.

The LTI Rights that meet the performance hurdles will vest in one instalment on or after 1 July 2029, being four years from the commencement of the performance period. The performance conditions for the FY26 LTI are below.

*RTSR performance condition – weighting 60% (RTSR Tranche) – Tranche 1*

The inclusion, weighting and measurement of the RTSR Tranche for FY26 is consistent with FY25. The measurement of the RTSR is against a group within the S&P/ASX 200 A-REIT index consisting of Region's primary market competitors, as this has greater alignment to the peer group for which we compete for capital. As such, entities that have significant revenue from funds management, including real estate fund managers and entities whose assets are significantly misaligned to Regions' have been excluded. Therefore, the FY26 RTSR measure is based on a peer group taken from the constituents of the S&P/ASX 200 A-REIT index which is below. The FY26 peer group is the same peer group as FY25 except for the exclusion of Charter Hall Social Infrastructure REIT (ASX: CQE) for FY26 (this entity was removed from the S&P/ASX 200 A-REIT index in March 2025 which is prior to the start of the FY26 RTSR performance condition period):

- BWP Group (ASX: BWP)
- Centuria Industrial REIT (ASX: CIP)
- Charter Hall Long WALE REIT (ASX: CLW)
- Charter Hall Retail REIT (ASX: CQR)
- Dexus (ASX: DXS)
- GPT Group (ASX: GPT)
- HomeCo Daily Needs REIT (ASX: HDN)
- Mirvac Group (ASX: MGR)
- National Storage REIT (ASX: NSR)
- Scentre Group (ASX: SCG)
- Stockland (ASX: SGP)
- Vicinity Centres (ASX: VCX)
- Waypoint REIT (ASX: WPR)

Subject to satisfaction of the performance conditions, the RTSR Tranche will vest on the following basis:

| | Position of RGN relative to the constituents of the peer group taken from the constituents of the S&P/ASX 200 A-REIT Index detailed above | % of Tranche 1 LTI Rights that vest | % of total LTI Rights that vest |
|---|---|---|---|
| Below Threshold | Less than 50th percentile | 0% | 0% |
| Threshold | 50th percentile | 50% | 30% |
| Between Threshold and Maximum | Between 50th percentile and 75th percentile | Vest on a straight-line basis from 50% at threshold and 100% at maximum | Vest on a straight-line basis from 30% at threshold and 60% at maximum |
| Maximum | At or above 75th percentile | 100% | 60% |

*AFFOPS performance condition – weighting 40% (AFFOPS Tranche) – Tranche 2*

The inclusion, weighting and measurement of AFFOPS Tranche is consistent with FY25.

The FY26 "base point" for measuring the rate of AFFOPS growth is 13.9 cents per security.

The FY26 LTI AFFOPS growth performance threshold and maximum of 2.0% p.a. and 4.0% p.a. respectively is the same as those for the FY25 LTI AFFOPS. In setting the growth threshold the Board considered the more difficult operating conditions that Region currently operates in and as such the Board is satisfied that the threshold is sufficiently challenging.

In setting the vesting of the LTI AFFOPS at threshold we benchmarked our vesting to peers. The benchmarking identified that many of our peers had their earnings metric vesting at above 0% at threshold. As a result the LTI AFFOPS tranche vesting at threshold has been increased from 0% to 30%. This change also considers the need to be equitable and competitive in attracting and retaining talent and improve focus on the required performance range through ensuring a reasonable payment for performance within the range.



**Remuneration Report**
For the year ended 30 June 2025

The Board may at its absolute discretion adjust the AFFOPS achieved (for the purpose of measurement) to remove abnormal items not affected by Management. Subject to satisfaction of the performance conditions, the AFFOPS Tranche will vest on the following basis:

| | AFFOPS growth for the year to 30 June 2028 | % of Tranche 2 LTI Rights that vest | % of total LTI Rights that vest |
|---|---|---|---|
| Below Threshold | Less than 2.0% p.a. | 0% | 0% |
| Threshold | 2.0% p.a. | 30% | 12% |
| Between Threshold and Maximum | Between 2.0% and 4.0% p.a. | Vest on a straight-line basis from 30% at threshold and 100% at maximum | Vest on a straight-line basis from 12% at threshold and 40% at maximum |
| Maximum | At or above 4.0% p.a. | 100% | 40% |

Signed pursuant to a resolution of Directors.

Angus James
Chair, Remuneration Committee

## Rounding of amounts

The amounts in the Remuneration Report have been rounded to the nearest dollar, unless otherwise indicated.

## Definitions

| | |
|---|---|
| **AFFO** means Adjusted Funds from Operations as set out in the Directors' Report. | **KMP** means Key Management Personnel |
| **AFFOPS** means Adjusted Funds from Operations per Security | **KPI** means key performance indicator |
| **ARMCC** means Audit, Risk Management and Compliance Committee | **LTI** means Long-Term Incentive |
| **ASX** means Australian Securities Exchange | **MER** means Management Expense Ratio |
| **Cash NOI** means cash property net operating income | **MSHP** means Minimum Security Holding Policy |
| **CEO** means Chief Executive Officer | **NEDs** means Non-Executive Directors |
| **CFO** means Chief Financial Officer | **NOI** means net operating income |
| **COO** means Chief Operating Officer | **NTA** means net tangible assets |
| **CPS** means cents per security | **ROE** means return on equity |
| **DRP** means Distribution Reinvestment Plan | **RTSR** means relative total security holder return |
| **Executive** means an Executive who is also a KMP and therefore excludes Non-Executive Directors (NEDs) | **SOA Rights** means Sign on Award Rights |
| **FBT** means Fringe Benefits Tax | **STI** means Short Term Incentive |
| **FFO** means Funds from Operations | **TFR** means total fixed remuneration |
| **FFOPS** means Funds from Operations per Security | **TRO** means total remuneration opportunity |
| **GHG** means green house gas | **TSR** means total security holder return |

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18 August 2025

The Board of Directors
Region RE Limited as Responsible Entity for
Region Management Trust and Region Retail Trust
Level 6, 50 Pitt Street,
Sydney NSW 2000

Dear Directors,

**Auditor's Independence Declaration to Region Management Trust and Region Retail Trust**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Region RE Limited as Responsible Entity for Region Management Trust and Region Retail Trust.

As lead audit partner for the audit of the financial reports of Region Group, which comprises the stapled securities in two trusts being Region Management Trust and its controlled entities and Region Retail Trust, and Region Retail Trust for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

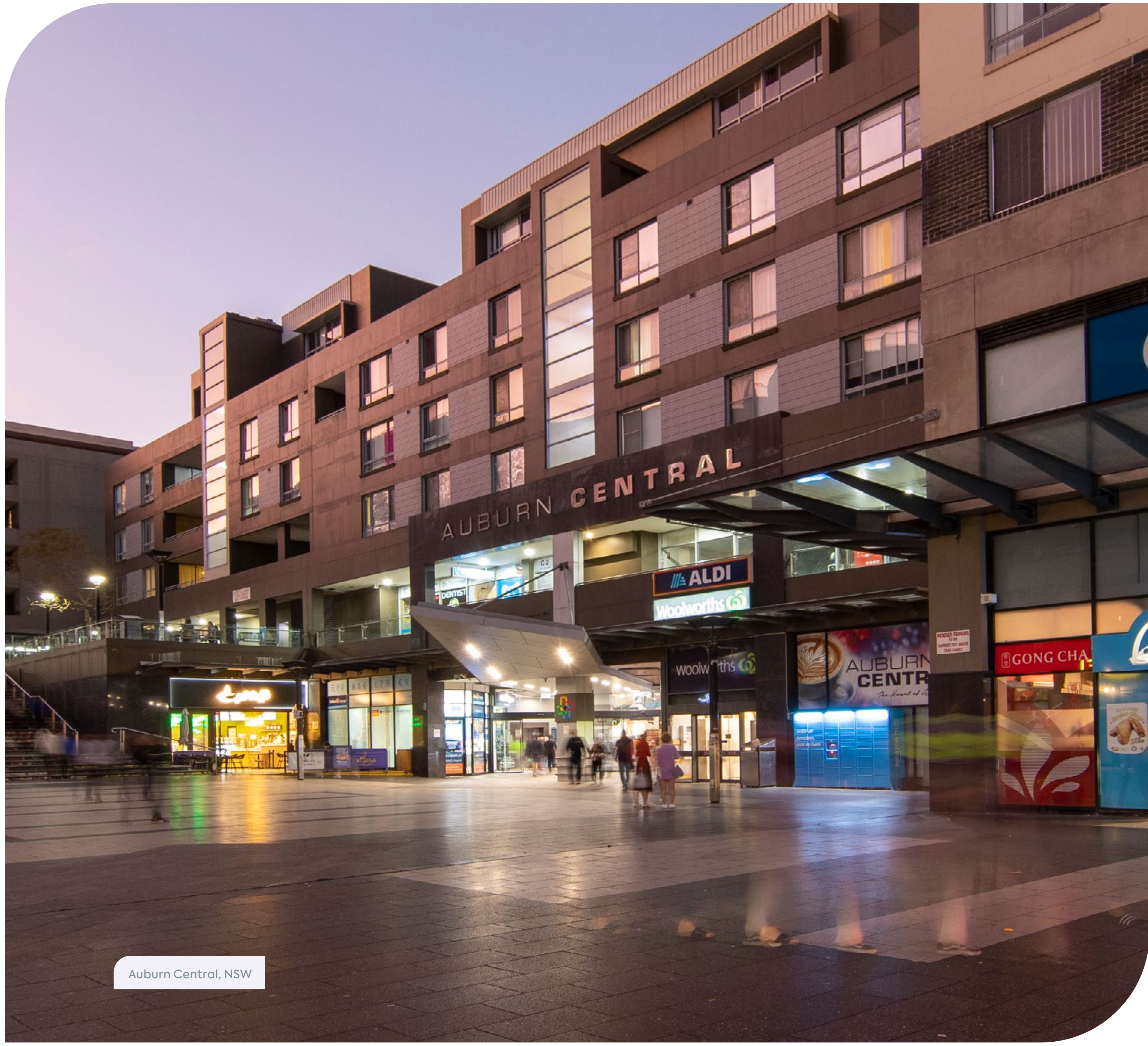
Yvonne van Wijk

Yvonne van Wijk
Partner
Chartered Accountants





# Consolidated Financial Statements




Auburn Central, NSW

## Consolidated Statements of Comprehensive Income

For the year ended 30 June 2025

| | Notes | Region Group 30 Jun 2025 $m | Region Group 30 Jun 2024 $m | Retail Trust 30 Jun 2025 $m | Retail Trust 30 Jun 2024 $m |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Rental income | | 326.0 | 323.3 | 326.0 | 323.3 |
| Recoveries and recharge income | | 51.5 | 50.2 | 51.5 | 50.2 |
| Funds management income | A1 | 2.7 | 1.3 | – | – |
| Fund-through development income | | 1.8 | 1.1 | 1.8 | 1.1 |
| Insurance income | | 0.6 | 4.5 | 0.6 | 4.5 |
| | | 382.6 | 380.4 | 379.9 | 379.1 |
| **Expenses** | | | | | |
| Property expenses | | (137.3) | (132.5) | (137.3) | (132.5) |
| Corporate expenses | | (18.0) | (16.4) | (16.7) | (15.7) |
| Technology project expenses | | (5.2) | (7.8) | (5.2) | (7.8) |
| | | 222.1 | 223.7 | 220.7 | 223.1 |
| Other expenses | | (7.3) | (4.8) | (7.3) | (4.8) |
| Interest income | | 1.3 | 1.0 | 1.3 | 1.0 |
| Finance expenses | C3 | (66.0) | (63.8) | (66.0) | (63.8) |
| **Net gain/(loss) including change in fair value through profit or loss** | | | | | |
| – Investment properties | B1 | 71.7 | (123.3) | 71.7 | (123.3) |
| – Derivatives | | (0.7) | (11.6) | (0.7) | (11.6) |
| – Foreign exchange | C2 | (5.9) | 0.1 | (5.9) | 0.1 |
| – Share of profit/(loss) from associates | B2 | 2.8 | (3.8) | 2.8 | (3.8) |
| – Impairment of investment in associate | B2 | (5.1) | – | (5.1) | – |
| **Net profit before tax** | | 212.9 | 17.5 | 211.5 | 16.9 |
| Tax | D1 | (0.4) | (0.2) | – | – |
| **Net profit after tax** | | 212.5 | 17.3 | 211.5 | 16.9 |
| **Net profit after tax and other comprehensive income** | | 212.5 | 17.3 | 211.5 | 16.9 |
| **Net profit after tax and other comprehensive income attributable to security holders of:** | | | | | |
| Region Management Trust | | 1.0 | 0.4 | | |
| Region Retail Trust (non-controlling interest) | | 211.5 | 16.9 | | |
| **Net profit after tax and other comprehensive income** | | 212.5 | 17.3 | | |
| **Distributions per security (cents)** | A2 | 13.7 | 13.7 | 13.7 | 13.7 |
| Weighted average number of securities used as the denominator in calculating basic earnings per security below | | 1,162.4 | 1,159.7 | 1,162.4 | 1,159.7 |
| **Basic earnings per security (cents)** | A3 | 18.3 | 1.5 | 18.2 | 1.5 |
| Weighted average number of securities used as the denominator in calculating diluted earnings per security below | | 1,168.8 | 1,165.1 | 1,168.8 | 1,165.1 |
| **Diluted earnings per security (cents)** | A3 | 18.2 | 1.5 | 18.1 | 1.5 |
| **Basic earnings per security (cents)** Region Management Trust | A3 | 0.1 | – | | |
| **Diluted earnings per security (cents)** Region Management Trust | A3 | 0.1 | – | | |

*The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.*

## Consolidated Balance Sheets

For the year ended 30 June 2025

| | Notes | Region Group 30 Jun 2025 $m | Region Group 30 Jun 2024 $m | Retail Trust 30 Jun 2025 $m | Retail Trust 30 Jun 2024 $m |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash and cash equivalents | | 8.5 | 19.4 | 8.2 | 18.1 |
| Receivables | D1 | 29.6 | 21.1 | 26.1 | 19.5 |
| Derivative financial instruments | C4 | 0.7 | 15.4 | 0.7 | 15.4 |
| Other assets | D1 | 7.1 | 6.2 | 5.5 | 5.5 |
| Investment properties classified as held for sale | B1 | – | 85.5 | – | 85.5 |
| **Total current assets** | | 45.9 | 147.6 | 40.5 | 144.0 |
| **Non-current assets** | | | | | |
| Investment properties | B1 | 4,374.1 | 4,282.3 | 4,374.1 | 4,282.3 |
| Derivative financial instruments | C4 | 93.4 | 84.4 | 93.4 | 84.4 |
| Investment in associates | B2 | 62.6 | 24.7 | 62.6 | 24.7 |
| Other assets | D1 | 14.9 | 12.9 | 8.6 | 5.6 |
| **Total non-current assets** | | 4,545.0 | 4,404.3 | 4,538.7 | 4,397.0 |
| **Total assets** | | 4,590.9 | 4,551.9 | 4,579.2 | 4,541.0 |
| **Current liabilities** | | | | | |
| Trade and other payables | D1 | 46.8 | 48.0 | 60.1 | 60.6 |
| Distribution payable | A2 | 81.2 | 81.4 | 81.2 | 81.4 |
| Derivative financial instruments | C4 | 6.7 | 13.6 | 6.7 | 13.6 |
| Provisions | | 4.3 | 3.7 | – | – |
| **Total current liabilities** | | 139.0 | 146.7 | 148.0 | 155.6 |
| **Non-current liabilities** | | | | | |
| Interest bearing liabilities | C2 | 1,559.9 | 1,565.4 | 1,559.9 | 1,565.4 |
| Derivative financial instruments | C4 | 14.7 | 12.8 | 14.7 | 12.8 |
| Provisions | | 0.1 | 0.1 | – | – |
| Other liabilities | D1 | 12.5 | 12.4 | 6.9 | 6.8 |
| **Total non-current liabilities** | | 1,587.2 | 1,590.7 | 1,581.5 | 1,585.0 |
| **Total liabilities** | | 1,726.2 | 1,737.4 | 1,729.5 | 1,740.6 |
| **Net assets** | | 2,864.7 | 2,814.5 | 2,849.7 | 2,800.4 |
| **Equity** | | | | | |
| Contributed equity | C5 | 10.9 | 11.0 | 2,177.9 | 2,182.8 |
| Reserves | C5 | – | – | 15.4 | 13.6 |
| Accumulated profit | C5 | 4.1 | 3.1 | 656.4 | 604.0 |
| Non-controlling interest | | 2,849.7 | 2,800.4 | – | – |
| **Total equity** | | 2,864.7 | 2,814.5 | 2,849.7 | 2,800.4 |

*The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes.*

## Consolidated Statements of Changes in Equity

For the year ended 30 June 2025

| | | Region Group | | | | |
|---|---|---|---|---|---|---|
| | Notes | Contributed equity $m | Accumulated profit $m | Attributable to owners of Parent $m | Non-controlling interests $m | Total equity $m |
| **Balance at 1 July 2024** | | 11.0 | 3.1 | 14.1 | 2,800.4 | 2,814.5 |
| Net profit after tax and other comprehensive income for the period | | – | 1.0 | 1.0 | 211.5 | 212.5 |
| **Total comprehensive income for the period** | | – | 1.0 | 1.0 | 211.5 | 212.5 |
| **Transactions with security holders in their capacity as equity holders:** | | | | | | |
| On-market securities buy-back | C5 | (0.1) | – | (0.1) | (4.9) | (5.0) |
| Employee share-based payments | C5 | – | – | – | 1.8 | 1.8 |
| Distributions paid and payable | A2 | – | – | – | (159.1) | (159.1) |
| | | (0.1) | – | (0.1) | (162.2) | (162.3) |
| **Balance at 30 June 2025** | | 10.9 | 4.1 | 15.0 | 2,849.7 | 2,864.7 |
| Balance at 1 July 2023 | | 10.8 | 2.7 | 13.5 | 2,914.5 | 2,928.0 |
| Net profit after tax and other comprehensive income for the period | | – | 0.4 | 0.4 | 16.9 | 17.3 |
| Total comprehensive income for the period | | – | 0.4 | 0.4 | 16.9 | 17.3 |
| Transactions with security holders in their capacity as equity holders: | | | | | | |
| Equity issued | C5 | 0.2 | – | 0.2 | 26.6 | 26.8 |
| Costs associated with equity raising | C5 | – | – | – | (0.1) | (0.1) |
| Employee share-based payments | C5 | – | – | – | 1.7 | 1.7 |
| Distributions paid and payable | A2 | – | – | – | (159.2) | (159.2) |
| | | 0.2 | – | 0.2 | (131.0) | (130.8) |
| Balance at 30 June 2024 | | 11.0 | 3.1 | 14.1 | 2,800.4 | 2,814.5 |



## Consolidated Statements of Changes in Equity

For the year ended 30 June 2025

| | | Retail Trust | | | |
|---|---|---|---|---|---|
| | Note | Contributed equity $m | Share-based payments $m | Accumulated profit/(loss) $m | Total equity $m |
| **Balance at 1 July 2024** | | 2,182.8 | 13.6 | 604.0 | 2,800.4 |
| Net profit after tax and other comprehensive income for the period | | – | – | 211.5 | 211.5 |
| **Total comprehensive income for the period** | | – | – | 211.5 | 211.5 |
| **Transactions with security holders in their capacity as equity holders:** | | | | | |
| On-market securities buy-back | C5 | (4.9) | – | – | (4.9) |
| Employee share-based payments | C5 | – | 1.8 | – | 1.8 |
| Distributions paid and payable | A2 | – | – | (159.1) | (159.1) |
| | | (4.9) | 1.8 | (159.1) | (162.2) |
| **Balance at 30 June 2025** | | 2,177.9 | 15.4 | 656.4 | 2,849.7 |
| Balance at 1 July 2023 | | 2,156.3 | 11.9 | 746.3 | 2,914.5 |
| Net profit after tax and other comprehensive income for the period | | – | – | 16.9 | 16.9 |
| Total comprehensive income for the period | | – | – | 16.9 | 16.9 |
| Transactions with security holders in their capacity as equity holders: | | | | | |
| Equity issued | C5 | 26.6 | – | – | 26.6 |
| Costs associated with equity raising | C5 | (0.1) | – | – | (0.1) |
| Employee share-based payments | C5 | – | 1.7 | – | 1.7 |
| Distributions paid and payable | A2 | – | – | (159.2) | (159.2) |
| | | 26.5 | 1.7 | (159.2) | (131.0) |
| Balance at 30 June 2024 | | 2,182.8 | 13.6 | 604.0 | 2,800.4 |

*The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.*

## Consolidated Statements of Cash Flows

For the year ended 30 June 2025

| | Notes | Region Group 30 Jun 2025 $m | Region Group 30 Jun 2024 $m | Retail Trust 30 Jun 2025 $m | Retail Trust 30 Jun 2024 $m |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Property and other income received | | 425.4 | 433.1 | 424.3 | 432.9 |
| Insurance proceeds | | 0.6 | 4.5 | 0.6 | 4.5 |
| Property expenses paid | | (150.0) | (146.5) | (150.0) | (146.5) |
| Corporate expenses paid | | (23.0) | (20.7) | (21.1) | (21.2) |
| Interest received | | 1.3 | 1.0 | 1.3 | 1.0 |
| Finance expenses paid | | (69.3) | (57.4) | (69.3) | (57.4) |
| Other expenses paid | | (4.5) | (4.8) | (4.5) | (4.8) |
| Taxes and GST paid | | (26.1) | (26.4) | (26.0) | (25.6) |
| **Net cash flow from operating activities** | D2 | 154.4 | 182.8 | 155.3 | 182.9 |
| **Cash flows from investing activities** | | | | | |
| Payments for investment properties purchased, property, plant and equipment and capital expenditure | | (170.7) | (156.6) | (170.7) | (156.6) |
| Proceeds from investment properties sold | | 221.5 | 66.0 | 221.5 | 66.0 |
| Investment in associates | B2 | (40.2) | - | (40.2) | - |
| **Net cash flow from investing activities** | | 10.6 | (90.6) | 10.6 | (90.6) |
| **Cash flow from financing activities** | | | | | |
| Proceeds from equity raising | C5 | - | 26.8 | - | 26.6 |
| On-market securities buy-back | C5 | (5.0) | - | (4.9) | - |
| Costs associated with equity raising | C5 | - | (0.1) | - | (0.1) |
| Proceeds from borrowings | C2 | 366.0 | 869.0 | 366.0 | 869.0 |
| Repayment of borrowings | C2 | (377.8) | (826.0) | (377.8) | (826.0) |
| Distributions paid | A2 | (159.1) | (166.3) | (159.1) | (166.3) |
| **Net cash flow from financing activities** | | (175.9) | (96.6) | (175.8) | (96.8) |
| Net change in cash held | | (10.9) | (4.4) | (9.9) | (4.5) |
| Cash at the beginning of the year | | 19.4 | 23.8 | 18.1 | 22.6 |
| **Cash at the end of the year** | | 8.5 | 19.4 | 8.2 | 18.1 |

*The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.*



# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

## About this report

The Financial Statements of Region Group (the Group) comprise the Consolidated Financial Statements of Region Management Trust (Management Trust) (ARSN 160 612 626) and its controlled entities and Region Retail Trust (Retail Trust) (ARSN 160 612 788).

The notes to these Consolidated Financial Statements include additional information which is required to understand the operations, performance and financial position of the Group. They are organised in four key sections:

A) **Group performance** — provides key metrics used to define financial performance
B) **Investment assets** — explains the structure of the investment asset portfolio
C) **Capital structure** — outlines how the Group manages its capital structure and various financial risks
D) **Other disclosure items** — provides other information that is relevant in understanding the Financial Statements and that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements



### Critical accounting estimates

The preparation of the Consolidated Financial Statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. Management may also be required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements and estimates used in the preparation of these Consolidated Financial Statements are:

- Fair value estimation — Note B1 valuation of investment properties and Note C4 valuation of financial instruments

## A Group performance

This section provides additional information on the key financial metrics used to define the results and performance of the Group, including income, distributions paid and payable and earnings per security.

### A1 Income

#### Rental income

Rental income with fixed annual rent increases is accounted for on a straight-line basis over the lease term. If not received at the balance sheet date, income is reflected in the balance sheet as a receivable.

Lease incentives provided by the Group are included in the measurement of the fair value of investment properties and are amortised against rental income on a straight-line basis.

Undiscounted minimum lease payments to be received includes future amounts on non-cancellable operating leases that are not recognised in the Consolidated Financial Statements at balance date. This will be accounted for as rental income as it is earned.

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Within one year | 286.9 | 296.8 |
| 1 - 2 years | 257.4 | 263.8 |
| 2 - 3 years | 212.6 | 231.9 |
| 3 - 4 years | 172.5 | 195.3 |
| 4 - 5 years | 136.6 | 149.0 |
| After five years | 425.1 | 500.5 |
| Total undiscounted lease payments receivable | 1,491.1 | 1,637.3 |

#### Recoveries, recharge income and other income

The Group and Retail Trust recover costs associated with general building and tenancy operation from lessees in accordance with lease agreements as well as for any additional specific services requested by the lessee. Recoveries and recharges from tenants are recognised as income in the year the applicable costs are incurred as the customer simultaneously receives and consumes the benefit. These are invoiced periodically (typically monthly) based on an annual estimate and subsequently trued-up annually. Payment is due shortly after invoice date (typically 30 days).

All other income is recognised when control of the underlying goods or services are transferred to the customer over time or at a point in time. Income is recognised over time if:

- The customer simultaneously receives and consumes the benefits
- The customer controls the assets as the entity creates or enhances it, or
- The Group's performance does not create an asset for which the Group has an alternative use and there is a right to payment for performance to date

Where the above criteria are not met, income is recognised at a point in time.

#### Funds management income

The Group provides funds management services to SCA Metro Convenience Shopping Centre Fund (Metro Fund 1) and Matrix Trust (Metro Fund 2) (collectively the Metro Fund) in accordance with the Investment Management Agreement. These services are provided on an ongoing basis and income is calculated and billed periodically over time.



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The Metro Fund is a wholesale fund that invests in retail properties. The Retail Trust has a 20.0% interest in the Metro Fund and a subsidiary of the Management Trust is the Manager of the Metro Fund. Income earned on funds managed during the year is as follows.

| | Region Group | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Metro Fund | 2.7 | 1.3 |
| | 2.7 | 1.3 |

#### Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes with the Group and Retail Trust operating within one segment, being convenience-based retail properties located in Australia.

Region's portfolio benefits from long-term leases to Woolworths Group Limited and Coles Group Limited, which act as an anchor tenant at most properties. $101.2 million in rental income (30 June 2024: $99.3 million) was from Woolworths Group Limited and its affiliates and $37.5 million in rental income (30 June 2024: $40.0 million) was from Coles Group Limited and its affiliates.

### A2 Distributions paid and payable

Distributions are recognised in the reporting period in which they are declared, determined or publicly recommended by the Directors. Where such distributions have not been paid at reporting date, they are recognised as a distribution payable per the Management Trust and Retail Trust constitutions.

| | Cents per security | Total amount $m | Date of payment or expected date of payment |
|---|---|---|---|
| **2025 Region Group & Retail Trust** | | | |
| Interim distribution | 6.70 | 77.9 | 30 January 2025 |
| Final distribution | 7.00 | 81.2 | 29 August 2025 |
| | 13.70 | 159.1 | |
| **2024 Region Group & Retail Trust** | | | |
| Interim distribution | 6.70 | 77.8 | 29 January 2024 |
| Final distribution | 7.00 | 81.4 | 30 August 2024 |
| | 13.70 | 159.2 | |

### A3 Earnings per security

Basic earnings per security is calculated as profit after tax attributable to security holders divided by the weighted average number of ordinary securities issued.

Diluted earnings per security is calculated as profit after tax attributable to security holders divided by the weighted average number of ordinary securities and potential dilutive ordinary securities except in periods in which there is a loss because the inclusion of the potential ordinary securities would have an anti-dilutive effect.

| | Region Group | | Retail Trust | | Management Trust | |
|---|---|---|---|---|---|---|
| | 30 Jun 2025 | 30 Jun 2024 | 30 Jun 2025 | 30 Jun 2024 | 30 Jun 2025 | 30 Jun 2024 |
| **Per stapled security** | | | | | | |
| Net profit after tax for the period ($ million) | 212.5 | 17.3 | 211.5 | 16.9 | 1.0 | 0.4 |
| Weighted average number of securities used as the denominator in calculating basic earnings per security below | 1,162,449,820 | 1,159,681,892 | 1,162,449,820 | 1,159,681,892 | 1,162,449,820 | 1,159,681,892 |
| Basic earnings per security for net profit after tax (cents) | 18.3 | 1.5 | 18.2 | 1.5 | 0.1 | - |
| Effect of dilution potential for potential securities | 6,321,371 | 5,439,308 | 6,321,371 | 5,439,308 | 6,321,371 | 5,439,308 |
| Weighted average number of securities used as the denominator in calculating diluted earnings per security below | 1,168,771,191 | 1,165,121,200 | 1,168,771,191 | 1,165,121,200 | 1,168,771,191 | 1,165,121,200 |
| Diluted earnings per security for net profit after tax (cents) | 18.2 | 1.5 | 18.1 | 1.5 | 0.1 | - |

# B Investment assets

## B1 Investment properties

Investment properties comprise interests in land and buildings held for long-term rental yields and includes properties that are under development for future use as investment properties. At each reporting date, the carrying values of the investment properties are assessed by the Directors and the fair value is adjusted as appropriate.

Investment properties under development are classified as investment property and stated at fair value at each reporting date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile.

Lease incentives such as cash, rent-free periods, lessee or lessor owned fit outs may be provided to lessees to enter into an operating lease. Leasing fees may also be paid for the negotiation of leases. These incentives and leasing fees are capitalised to the investment property and are amortised on a straight-line basis over the lesser of the term of the lease and the useful life of the fit out, as a reduction of rental income. The carrying amounts of the lease incentives and leasing fees are reflected in the fair value of investment properties.

### Reconciliation of carrying amount of the investment properties

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| **Movement in total investment properties** | | |
| Opening balance | 4,282.3 | 4,411.6 |
| Acquisitions at cost (including transaction expenses) | 69.1 | 91.5 |
| Disposals | (142.0) | (67.7) |
| Reclassification to assets classified as held for sale | - | (85.5) |
| Capital expenditure, rental straight-lining and amortisation | 93.0 | 55.7 |
| Unrealised fair value movement recognised in total comprehensive income | 71.7 | (123.3) |
| Closing balance | 4,374.1 | 4,282.3 |

### Investment properties

| Property type | Market cap rate[1] 30 Jun 25 % | Market cap rate[1] 30 Jun 24 % | Discount rate[2] 30 Jun 25 % | Discount rate[2] 30 Jun 24 % | Net operating income 30 Jun 25 $m | Net operating income 30 Jun 24 $m | Fair value 30 Jun 25 $m | Fair value 30 Jun 24 $m |
|---|---|---|---|---|---|---|---|---|
| Sub-regional retail properties | 6.00 – 7.00 | 6.00 - 7.25 | 6.50 – 7.75 | 6.50 - 7.75 | 3.7 – 10.2 | 4.8 - 9.8 | 1,222.9 | 1,183.4 |
| Neighbourhood retail properties | 5.00 – 7.25 | 5.00 - 7.50 | 5.50 – 8.00 | 5.50 - 7.75 | 0.6 – 7.5 | 0.5 - 7.7 | 3,151.2 | 3,098.9 |
| Total investment properties | | | | | | | 4,374.1 | 4,282.3 |

[1] *Market capitalisation rate (cap rate): the approximate return represented by income produced by an investment property, expressed as a percentage.*
[2] *Discount rate: A rate of return used to convert a future monetary sum or cash flow into the present value.*

### Valuation process

In accordance with the Group's Valuation Policy, all properties are internally valued every June and December with a representative sample being selected for external independent valuation at each balance date. Under the Policy, each property is externally valued at least every three years by a new, independent valuer. The properties selected for external valuation are chosen with consideration to a:

- Significant variation between the last carrying amount and internal valuation
- Major development project or capital expenditure program
- Significant market movement
- Significant change in circumstances at the property including a significant change in trading
- Other factors to ensure a representative sample (including type and geographic spread or locations)

The internal valuations are performed on a basis consistent with the methodology of the most recent external valuations. This includes using market-appropriate capitalisation rates, discount rates, terminal yields, comparable market evidence and recent external valuation parameters to produce a capitalisation-based valuation and a discounted cash flow (DCF) valuation.

The valuations are reviewed by Management and an internal Valuations Committee who recommend each property's valuation to the Audit, Risk Management and Compliance Committee, and the Board in accordance with the Group's Valuation Policy.

*Estimate – Valuation of investment properties*

Critical judgements are made in respect of the fair value of investment properties, including properties under development. The fair value of these investments is reviewed regularly with reference to independent valuations, recent transactions and market conditions existing at the reporting date, using generally accepted market practices.

The major critical assumption relates to the market capitalisation rate. Other assumptions that are typically of lesser importance include consideration of the discount rate, property type, location and tenancy profile together with tenant sales and other matters such as market rents, current rents including possible rent reversion, lease expiry profile including vacancy, capital expenditure and potential climate-related risk factors. If there is any change in these assumptions or economic conditions, the fair value of the investment properties may differ.

*Climate Risk*

The financial impact of climate change is reflected in the Group's investment property valuations as there are generally higher market capitalisation rates in areas with more severe weather patterns. The Group's Discounted Cash Flow (DCF) valuations include higher costs associated with climate risk such as higher insurance premiums and maintenance capital. DCF valuations have incorporated sustainability capital required to achieve the Group's target of achieving Net Zero for Scope 1 and 2 greenhouse gas (GHG) emissions by the year ended 30 June 2030. The major costs associated with reaching the Net Zero for Scope 1 and 2 GHG emissions target are solar PV and embedded networks installations.

### Fair value measurement, valuation techniques and inputs

The key terms used in fair value measurement, valuation techniques and inputs have been defined here.

| Term | Definition |
|---|---|
| Income capitalisation method | A method that assesses the property's income and capitalises this into perpetuity based on an appropriate market capitalisation rate to derive a capital value, with allowances for capital expenditure |
| DCF method | A method that involves the projection of cash flows which is then discounted based on an appropriate discount rate to derive a capital value. An assessment of the terminal value of the cash flows is determined using an appropriate terminal yield, which also forms part of the DCF method. |
| Market capitalisation rate or cap rate | The approximate return represented by the property's income, expressed as a percentage |
| Discount rate | The approximate return used to convert cash flows into a present value, expressed as a percentage |
| Net operating income | Rental income from cash flows net of property operating expenses |

The key inputs used to measure fair values of investment properties are disclosed below.

| | Fair value hierarchy | Carrying value 30 Jun $m | Valuation method | Key inputs used to measure fair value | Range of unobservable key inputs |
|---|---|---|---|---|---|
| 2025 | Level 3 | 4,374.1 | Income capitalisation and DCF | Cap rate<br>Discount rate | 5.00% - 7.25%<br>5.50% - 8.00% |
| 2024 | Level 3 | 4,282.3 | Income capitalisation and DCF | Cap rate<br>Discount rate | 5.00% - 7.50%<br>5.50% - 7.75% |

All property investments are categorised as level 3 in the fair value hierarchy (refer to Note C4 for additional information in relation to the fair value hierarchy). There were no transfers between hierarchies.

### Sensitivity information

A sensitivity analysis of the impact on the investment property valuations based on movements in the cap rate and net operating income, with all other variables held constant, is disclosed below. While other factors do also impact a valuation, at the current time, the Group considers that the valuations are most sensitive to movements in the cap rate and net operating income.

*Sensitivity analysis – Valuation cap rate*

| 30 June 2025 | Profit/(loss) after tax and equity | |
|---|---|---|
| Region Group & Retail Trust | 50 bps increase | 50 bps decrease |
| Investment properties ($m) | (338.0) | 399.8 |

*Sensitivity analysis – Valuation net operating income*

| 30 June 2025 | Profit/(loss) after tax and Equity | |
|---|---|---|
| Region Group & Retail Trust | 5% increase | 5% decrease |
| Investment properties ($m) | 218.7 | (218.7) |

## B2 Investment in associates

Judgements are made in assessing whether an investee entity is controlled or subject to significant influence or joint control. These judgements include an assessment of the nature, extent and financial effects of the Group's interest in joint arrangements and associates, including the nature and effects of its contractual relationship with the entity or with other investors. Associates are entities over which the Group has significant influence but not control.

The Group's investment in associates at 30 June 2025 relates to its 20.0% interest in the Metro Fund (30 June 2024: 20.0% interest in Metro Fund 1 only).

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| **Movement in investment in associates** | | |
| Opening balance | 24.7 | 28.5 |
| Acquisition of equity accounted investment | 40.2 | - |
| Impairment on investment in associates[1] | (5.1) | - |
| Share of profit/(loss) after income tax | 2.8 | (3.8) |
| Closing balance | 62.6 | 24.7 |

*[1] The initial acquisition cost of Metro Fund 2 included directly attributable costs related to the transaction such as stamp duty. As a result, the initial acquisition cost was higher than Region's 20% share of the Metro Fund 2 Net Tangible Assets. Management carried out an assessment which resulted in an impairment on the investment in associate of $5.1 million recognised in this financial year.*

# C Capital structure

The Group is exposed to financial risks such as market risk, credit risk and liquidity risk. This section explains how the Group utilises its Risk Management Framework to reduce volatility from these external factors.

## C1 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, while providing returns for security holders and maintaining a capital structure that will support a competitive overall cost of capital. The capital structure of the Group consists of cash and cash equivalents, interest bearing liabilities and equity (comprising contributed equity, reserves and accumulated profit/loss). The Group regularly assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) to ensure:

- Sufficient funds and financing facilities are available to support the Group's property investment and funds management business on a cost-effective basis
- Sufficient liquidity buffer is maintained
- Sufficient capital is available to enable distributions to security holders

The Group can alter its capital structure by issuing new securities, adjusting the amount of distributions paid to security holders, returning capital to security holders, buying back securities, selling properties to reduce debt, adjusting the timing of capital expenditure and through the operation of a Distribution Reinvestment Plan. Additionally, the Group can use its existing debt facilities, including drawing down or repaying debt, entering into or using new debt facilities and entering into derivative financial instruments.

## C2 Interest bearing liabilities and liquidity

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the borrowings (net of transaction costs) and the redemption amount is recognised in profit and loss over the term of the borrowing using the effective interest method. Upfront borrowing fees paid are capitalised and expensed over the term of the borrowing.

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| **Bank and syndicated facilities – unsecured** | | |
| – AU$ denominated | 460.0 | 471.8 |
| **AU$ Medium Term Note (AU$ MTN) – unsecured** | | |
| – AU$ denominated | 600.0 | 600.0 |
| **US Notes – unsecured** | | |
| – US$ denominated (converted to AU$) | 455.8 | 449.9 |
| – AU$ denominated | 50.0 | 50.0 |
| **Total unsecured debt outstanding** | 1,565.8 | 1,571.7 |
| – Less: unamortised establishment fees, MTN discount and premium | (5.9) | (6.3) |
| **Interest bearing liabilities** | 1,559.9 | 1,565.4 |

At 30 June 2025, the Group's non-current debt is $1,559.9 million (30 June 2024: $1,565.4 million) with no debt expiries in FY26.

## Bank and syndicated facilities – unsecured

To reduce liquidity risk, the Group has in place bank and syndicated debt facilities including revolving facilities. All debt facilities are unsecured and are available for general corporate and working capital purposes.

At 30 June 2025, in addition to the unsecured bank facilities drawn above, $10.2 million was used to support bank guarantees (30 June 2024: $10.2 million). $10.0 million of the bank guarantees assist with the Group's obligations under the Australian Financial Services Licence granted to the Group.

The financing capacity available to the Group under the bank and syndicated financing facilities, including cash and cash equivalents, is in the following table.

| | Region Group | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| **Bank and syndicated debt facilities** | | |
| Committed debt facilities available | 775.0 | 725.0 |
| Less: amounts drawn | (460.0) | (471.8) |
| Less: amounts utilised for bank guarantee | (10.2) | (10.2) |
| Net financing facilities available | 304.8 | 243.0 |
| Add: cash and cash equivalents | 8.5 | 19.4 |
| **Financing capacity available** | 313.3 | 262.4 |

The financing capacity available is identical for the Retail Trust with the exception of cash at bank which is $8.2 million (30 June 2024: $18.1 million) resulting in financing capacity available of $313.0 million (30 June 2024: $261.1 million).

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## AU$ Medium Term Notes (AU$ MTN) – unsecured

The Group has issued unsecured AU$ MTN with a face value of $600.0 million. Details of these notes are below.

| AU$ MTN | Tranche | Issue date | Maturity | Tenor at issue (years) | Coupon | Face value $m | Issue consideration $m | Discount / (premium) on issue $m |
|---|---|---|---|---|---|---|---|---|
| Series 3 | Tranche 1 | Sep-20 | Sep-30 | 10.0 | 3.25% | 30.0 | 29.8 | 0.2 |
| Series 4 | Tranche 1 | Sep-20 | Sep-35 | 15.0 | 3.50% | 20.0 | 19.8 | 0.2 |
| Series 5 | Tranche 1 | Sep-21 | Sep-29 | 8.0 | 2.45% | 250.0 | 249.2 | 0.8 |
| Series 6 | Tranche 1 | Mar-24 | Mar-31 | 7.0 | 5.55% | 300.0 | 299.2 | 0.8 |
| | | | | | | 600.0 | | 2.0 |

The discount or premium with respect to each tranche is amortised from the issue date to the maturity.

## US Notes – unsecured

The Group has issued unsecured US Notes with a face value of US$300.0 million and AU$50.0 million. The principal and coupon obligations of the US dollar denominated notes have been fully economically swapped back to Australian dollars such that the Group has no exposure to any foreign currency risk. Details of these notes and their economically swapped values at 30 June 2025 are below.

| Issue date | Maturity | US$ value | Economic hedged FX rate | AU$ economically hedged value | 30 Jun 2025 FX rate | 30 Jun 2025 Book value |
|---|---|---|---|---|---|---|
| **US$ denominated notes** | | | | | | |
| Aug-14 | Aug-27 | 100.0 | 0.9387 | 106.5 | 0.6581 | **151.9** |
| Sep-18 | Sep-28 | 30.0 | 0.7604 | 39.4 | 0.6581 | **45.6** |
| Aug-14 | Aug-29 | 50.0 | 0.9387 | 53.3 | 0.6581 | **76.0** |
| Sep-18 | Sep-31 | 70.0 | 0.7604 | 92.1 | 0.6581 | **106.3** |
| Sep-18 | Sep-33 | 50.0 | 0.7604 | 65.8 | 0.6581 | **76.0** |
| **Total US$ denominated notes** | | 300.0 | | 357.1 | | **455.8** |
| **AU$ denominated notes** | | | | | | |
| Aug-14 | Aug-29 | | | 50.0 | | **50.0** |
| **Total AU$ denominated notes** | | | | 50.0 | | **50.0** |
| **Total US Notes** | | | | 407.1 | | **505.8** |

### Net debt reconciliation[1]

Reconciliation of net debt movements for the Group is below.

| | Region Group | | |
|---|---|---|---|
| | Movement in cash and cash equivalents $m | Movement in debt $m | Total $m |
| **Net debt at 30 June 2024** | 19.4 | (1,571.7) | (1,552.3) |
| Net proceeds from borrowings | - | (366.0) | (366.0) |
| Repayment of borrowings | (10.9) | 377.8 | 366.9 |
| Other movements | - | - | - |
| Foreign exchange adjustments - USPP | - | (5.9) | (5.9) |
| **Net debt at 30 June 2025** | 8.5 | (1,565.8) | (1,557.3) |

| | Region Group | | |
|---|---|---|---|
| | Movement in cash and cash equivalents $m | Movement in debt $m | Total $m |
| Net debt at 30 June 2023 | 23.8 | (1,528.0) | (1,504.2) |
| Net proceeds from borrowings | - | (869.0) | (869.0) |
| Repayment of borrowings | (4.4) | 826.0 | 821.6 |
| Other movements | - | (0.8) | (0.8) |
| Foreign exchange adjustments - USPP | - | 0.1 | 0.1 |
| Net debt at 30 June 2024 | 19.4 | (1,571.7) | (1,552.3) |

[1] *Net debt is defined as debt after deducting cash and cash equivalents.*

The reconciliation of net debt movements during the financial year is identical for the Retail Trust with the exception of cash at bank which is $8.2 million (30 June 2024: $18.1 million) resulting in net debt of $1,557.6 million (30 June 2024: $1,553.6 million).

### Debt covenants

The Group is required to comply with certain financial covenants or obligations in respect of the interest bearing liabilities. The main financial covenants or obligations that are common across the interest bearing liabilities are summarised as follows:

- Interest cover ratio (EBITDA (with adjustments) to net interest expense) is more than 2.00 times
- Gearing ratio (interest bearing liabilities net of cash and cash equivalents and cross currency interest rate swaps divided by total tangible assets net of cash and cash equivalents and derivatives) does not exceed 50%
- Priority indebtedness ratio (priority debt to total tangible assets) does not exceed 10%
- Aggregate of the total tangible assets held by the Obligors (Retail Trust) represents not less than 90% of the total tangible assets of the Group

The Group was in compliance with all of the financial covenants and obligations during the year ended 30 June 2025.



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## C3 Finance expenses

Finance expenses include interest payable on bank overdrafts and short-term and long-term borrowings, payments on derivatives and amortisation of ancillary costs incurred in connection with borrowing arrangements. Finance expenses are expensed as incurred except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

In these circumstances, borrowing costs are capitalised to the cost of the assets until the assets are ready for their intended use or sale. Total interest capitalised within the Group must not exceed the net interest expense of the Group in any year, and project values, including all capitalised interest attributable to projects, must continue to be recoverable. In the event that a development is suspended for an extended period of time, the capitalisation of borrowing costs is also suspended.

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Interest expense – AU$ borrowings (including amortisation of borrowing costs) | **54.9** | 50.3 |
| Interest expense – US$ borrowings and derivatives (including cross currency interest rate swaps) | **11.1** | 13.5 |
| | **66.0** | 63.8 |

## C4 Derivative and other financial instruments

The Group has a hedging program to manage interest and foreign exchange rate risk. Derivative financial instruments are transacted to achieve the economic outcomes in line with the Group's Capital and Liquidity Risk Management Policy as approved by the Board. Derivative instruments are not transacted for speculative purposes. Derivative financial instruments are recognised initially at cost and remeasured at fair value at each reporting date. The resulting gain or loss is recognised in total comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition depends on the nature of the hedge relationship. The Group does not designate any derivative financial instrument as hedging instruments.

The requirements under Australian Accounting Standards in respect of documentation, designation and effectiveness for hedge accounting cannot be met in all circumstances. As a result the Group does not apply hedge accounting for any derivatives at 30 June 2025 (30 June 2024: not applied).

Where applicable, the fair value of currency and interest rate options and cross currency interest rate swaps are calculated by reference to relevant market rates for contracts with similar maturity profiles. The current and non-current fair values are based on the timing of cash flows. The fair value of interest rate swaps is determined by reference to applicable market yield curves and includes counterparty risk.

Changes in the fair value of derivatives is recognised in total comprehensive income.

### Financial risk management

The Group's activities expose it to a variety of financial risks included in the table below.

| Risk | Definition | Exposure | Exposure management |
|---|---|---|---|
| Credit risk | The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has exposure to credit risk on its financial assets included in its Consolidated Balance Sheets. This includes cash and cash equivalents, derivative financial instruments (hedging) as well as credit receivables due from tenants and managing agents. | All financial assets including cash and cash equivalents, receivables, and derivative financial instruments. | The Group manages credit risk by regularly reviewing the banks at which cash and cash equivalents are deposited from tenants. Management also:<br>• actively manages exposure to receivables<br>• transacts on derivatives with multiple counterparties to minimise the Group's exposure to any one counterparty<br>• deals with investment-grade counterparties, wherever possible, for financial investments and economic hedging |

| | | | |
|---|---|---|---|
| Liquidity risk | The risk that the Group will not be able to meet its financial obligations as they fall due. | Payables, borrowings and other liabilities. | The Group manages liquidity risk by having flexibility in funding including by keeping sufficient cash and/or committed credit lines available. Management also:<br>• prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow, including the maturity of its debt portfolio<br>• maintains a liquidity buffer of cash and undrawn debt facilities<br>• refinances borrowings in advance of the maturity of the borrowing and by securing longer term facilities |
| Market risk – foreign exchange risk | The risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial performance or the value of its holdings of financial instruments. | US$ denominated debt from US Notes. | The Group has foreign exchange risk as a result of issuing the US$ denominated debt. The Group has entered into cross currency interest rate swaps which have fully economically hedged the US$ principal and interest to a fixed amount of AU$ and floating AU$ interest respectively. |
| Market risk – interest rate risk | The risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates. | Cash and borrowings as fixed and floating rates. | The Group manages interest rate risk by maintaining an appropriate mix of fixed and floating rate borrowings and through the use of interest rate swap contracts. |

Further details on these matters are below.

### Financial risk management – credit risk

The Group and Retail Trust's exposure to credit risk is in the table below.

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Cash and cash equivalents | 8.5 | 19.4 | 8.2 | 18.1 |
| Receivables | 29.6 | 21.1 | 26.1 | 19.5 |
| Derivative financial instruments | 94.1 | 99.8 | 94.1 | 99.8 |
| | 132.2 | 140.3 | 128.4 | 137.4 |

The maximum exposure of the Group at 30 June 2025 is the carrying amount of the financial assets in the Consolidated Balance Sheets.

Receivables are reviewed regularly throughout the year. An expected credit losses (ECL) allowance is applied using a provision matrix determined using observable data to estimate future loss at an amount equal to the lifetime ECL. Part of the Group's policy is to hold collateral as security from tenants including bank guarantees, security deposits or personal guarantees. This is negotiated individually and is typically the equivalent of three to six months rent payable.

### Financial risk management – liquidity risk

### Non-derivative financial instruments

The contractual maturities of the Group's and Retail Trust's non-derivative financial liabilities at reporting date are reflected in the following table. It shows the undiscounted contractual cash flows required to discharge the liabilities including principal, interest, margin and line fees at the reporting date. Foreign denominated liabilities have been converted at the applicable exchange rates at the reporting date.



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| | 1 year or less $m | 2 - 3 years $m | 4 - 5 years $m | More than 5 years $m | Total $m |
|---|---|---|---|---|---|
| **30 June 2025** | | | | | |
| **Region Group** | | | | | |
| Trade and other payables | 46.8 | – | – | – | 46.8 |
| Distribution payable | 81.2 | – | – | – | 81.2 |
| Interest bearing liabilities | 72.5 | 359.9 | 899.1 | 564.8 | 1,896.3 |
| | 200.5 | 359.9 | 899.1 | 564.8 | 2,024.3 |
| **30 June 2024** | | | | | |
| **Region Group** | | | | | |
| Trade and other payables | 48.0 | – | – | – | 48.0 |
| Distribution payable | 81.4 | – | – | – | 81.4 |
| Interest bearing liabilities | 76.4 | 455.8 | 448.2 | 966.8 | 1,947.2 |
| | 205.8 | 455.8 | 448.2 | 966.8 | 2,076.6 |

The Retail Trust is identical to the Group with the exception of trade and other payables of $60.1 million (30 June 2024: $60.6 million) which have a maturity of 1 year or less.

### Derivative financial instruments

The following tables show the undiscounted cash flows required to discharge the Group's and Retail Trust's derivative financial instruments in place at 30 June 2025 at the rates at the reporting date. Foreign denominated instruments have been converted at the applicable exchange rates at the reporting date.

| | 1 year or less $m | 2 - 3 years $m | 4 - 5 years $m | More than 5 years $m | Total $m |
|---|---|---|---|---|---|
| **30 June 2025** | | | | | |
| **Region Group & Retail Trust** | | | | | |
| Interest rate swaps – net | (1.6) | (1.6) | (8.9) | (4.0) | (16.1) |
| Interest rate options – net | – | (1.0) | 0.3 | – | (0.7) |
| Cross currency interest rate swaps – net | 1.6 | 50.5 | 29.5 | 23.4 | 105.0 |
| | – | 47.9 | 20.9 | 19.4 | 88.2 |
| **30 June 2024** | | | | | |
| **Region Group & Retail Trust** | | | | | |
| Interest rate swaps – net | 13.1 | 7.5 | (8.7) | (7.4) | 4.5 |
| Cross currency interest rate swaps – net | (2.7) | (3.8) | 47.9 | 40.1 | 81.5 |
| | 10.4 | 3.7 | 39.2 | 32.7 | 86.0 |

### Financial risk management – Foreign exchange risk

*Cross currency interest rate swap contracts*

As a result of issuing the US$ denominated debt, the Group has entered into cross currency interest rate swaps that have fully economically hedged the US$ principal and interest to a fixed amount of AU$ and floating AU$ interest respectively. The following table details the principal and interest payments over various durations at balance sheet date.

| | Region Group & Retail Trust | | | | |
|---|---|---|---|---|---|
| | 1 year or less $m | 2 - 3 years $m | 4 - 5 years $m | More than 5 years $m | Total $m |
| **30 June 2025** | | | | | |
| ***Buy US dollar - interest*** | | | | | |
| Amount (AU$) | 15.8 | 27.7 | 17.6 | 15.0 | 76.1 |
| Exchange rate | 0.8354 | 0.8195 | 0.7841 | 0.7600 | 0.8029 |
| Amount (US$) | 13.2 | 22.7 | 13.8 | 11.4 | 61.1 |
| ***Buy US dollar - principal*** | | | | | |
| Amount (AU$) | - | 106.5 | 92.8 | 157.8 | 357.1 |
| Exchange rate | - | 0.9387 | 0.8628 | 0.7604 | 0.8401 |
| Amount (US$) | - | 100.0 | 80.0 | 120.0 | 300.0 |

| | Region Group & Retail Trust | | | | |
|---|---|---|---|---|---|
| | 1 year or less $m | 2 - 3 years $m | 4 - 5 years $m | More than 5 years $m | Total $m |
| **30 June 2024** | | | | | |
| ***Buy US dollar - interest*** | | | | | |
| Amount (AU$) | 15.8 | 31.5 | 21.9 | 22.7 | 91.9 |
| Exchange rate | 0.8354 | 0.8381 | 0.7991 | 0.7621 | 0.8096 |
| Amount (US$) | 13.2 | 26.4 | 17.5 | 17.3 | 74.4 |
| ***Buy US dollar - principal*** | | | | | |
| Amount (AU$) | - | - | 146.0 | 211.1 | 357.1 |
| Exchange rate | - | - | 0.8905 | 0.8054 | 0.8401 |
| Amount (US$) | - | - | 130.0 | 170.0 | 300.0 |

*Sensitivity analysis – foreign exchange risk*

The following sensitivity analysis shows the effect on profit/(loss) after tax and equity if the Australian dollar had increased (strengthened) by 10% or decreased (weakened) by 10% at the balance sheet date with all other variables held constant.

| | Profit/(loss) after tax and equity | |
|---|---|---|
| | Effect of 10% strengthening in AU$ exchange rate $m | Effect of 10% weakening in AU$ exchange rate $m |
| **30 June 2025** | | |
| **Region Group & Retail Trust** | | |
| AU$ equivalent of foreign exchange balances denominated in US$ | (2.3) | 2.8 |
| **30 June 2024** | | |
| **Region Group & Retail Trust** | | |
| AU$ equivalent of foreign exchange balances denominated in US$ | (1.3) | 1.6 |



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## Financial risk management – Interest rate risk

*Interest rate swap contracts*

The interest expense from the Group's bank and syndicated borrowings is generally referenced to market floating rates exposing the Group to interest rate risk. The Group's preference is to mitigate the impact of interest rate movements through appropriate risk management techniques which includes using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Additionally the Group has fixed rate borrowings in the form of AU$ and US$ US Notes and the AU$ MTN.

The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the forward market interest rate curve at the reporting date.

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at reporting date follow. Total financial assets exposed to interest rate risk, being cash at bank, for the Group was $8.5 million and for Retail Trust was $8.2 million at 30 June 2025.

| | Region Group | | | | | |
|---|---|---|---|---|---|---|
| | | | Fixed interest rate | | | |
| | Interest rate (% p.a.) | Floating interest rate $m | Less than 1 year $m | 1 - 5 years $m | More than 5 years $m | Total $m |
| **30 June 2025** | | | | | | |
| **Financial liabilities** | | | | | | |
| **Interest bearing liabilities** | | | | | | |
| Denominated in AU$ - floating | 4.9% | (460.0) | - | - | - | (460.0) |
| Denominated in AU$ - fixed (MTN) | 4.1% | - | - | (250.0) | (350.0) | (600.0) |
| Denominated in AU$ - fixed (US Notes) | 6.0% | - | - | (50.0) | - | (50.0) |
| Denominated in US$ - fixed (US Notes) | 4.4% | - | - | (273.5) | (182.3) | (455.8) |
| **Total financial liabilities** | | (460.0) | - | (573.5) | (532.3) | (1,565.8) |

The maturity profile and the weighted average interest rates of the fixed payable and fixed receivable derivatives (notional principal) held at reporting date by both the Group and the Retail Trust for the next five years are summarised below. The below does not include the cross-currency interest rate swaps or a $300.0 million interest rate collar starting in August 2026 and ending in July 2029.

| | Jun 2025 $m | Jun 2026 $m | Jun 2027 $m | Jun 2028 $m | Jun 2029 $m |
|---|---|---|---|---|---|
| **Denominated in AU$** | | | | | |
| Interest rate swaps (fixed payable) | **1,200.0** | 1,150.0 | 420.0 | 200.0 | 200.0 |
| Average fixed payable rate | **3.44%** | 3.38% | 2.96% | 3.47% | 3.47% |
| Interest rate swaps (fixed receivable) | **430.0** | 50.0 | 50.0 | 50.0 | 350.0 |
| Average fixed receivable rate | **4.02%** | 6.02% | 6.02% | 6.02% | 1.82% |

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2024 follow. Total financial assets exposed to interest rate risk, being cash at bank, for Region Group was $19.4 million and for Retail Trust $18.1 million at 30 June 2024.

| | Region Group | | | | | |
|---|---|---|---|---|---|---|
| | | | Fixed interest rate | | | |
| | Interest rate (% p.a.) | Floating interest rate $m | Less than 1 year $m | 1 - 5 years $m | More than 5 years $m | Total $m |
| **30 June 2024** | | | | | | |
| **Financial liabilities** | | | | | | |
| **Interest bearing liabilities** | | | | | | |
| Denominated in AU$ - floating | 5.5% | (471.8) | - | - | - | (471.8) |
| Denominated in AU$ - fixed (MTN) | 4.1% | - | - | - | (600.0) | (600.0) |
| Denominated in AU$ - fixed (US Notes) | 6.0% | - | - | - | (50.0) | (50.0) |
| Denominated in US$ - fixed (US Notes) | 4.4% | - | - | (195.0) | (254.9) | (449.9) |
| **Total financial liabilities** | | (471.8) | - | (195.0) | (904.9) | (1,571.7) |

*Sensitivity analysis – interest rate risk*

The following sensitivity analysis shows the effect on profit/(loss) after tax and total equity if market interest rates impacting the Group's financial assets and liabilities at balance sheet date had been 100 bps higher/lower throughout the whole financial year, with all other variables held constant.

| | Profit/(loss) after tax[1] and equity | |
|---|---|---|
| | 100 bps higher $m | 100 bps lower $m |
| **30 June 2025** | | |
| **Region Group & Retail Trust** | | |
| Effect of market interest rate movement | 2.0 | (5.8) |
| **30 June 2024** | | |
| **Region Group & Retail Trust** | | |
| Effect of market interest rate movement | (15.1) | 12.0 |

*[1] The aim of the Group's interest rate hedging strategy is to mitigate the impact on Adjusted Funds from Operations (AFFO) of movements in interest rates. Changes to the non-cash mark-to-market valuations of the swaps which flow through the Group's Consolidated Statements of Comprehensive Income are excluded from AFFO.*

## Accounting classifications and fair values

The fair value of interest rate derivatives is determined using a generally accepted pricing model based on a DCF analysis using assumptions supported by observing market rates.

Except as disclosed below, the carrying amounts of other financial assets and financial liabilities, which are recognised at amortised cost in the Consolidated Balance Sheets, approximate their fair values.

The fair value of the US Notes and AU$ MTN can be different to the carrying value.

The fair value, additionally, takes into account movements in the underlying market interest rates and credit spreads for similar financial instruments, including extrapolated yield curves over the tenor of the notes.

*Estimate – Valuation of derivative financial instruments*

The fair value of derivatives assets and liabilities is based on assumptions of future events and involves significant estimates. Values may differ in future reporting periods due to the passing of time, market volatility and/or changes in market rates including interest rates and foreign exchange rates.

| | Region Group | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| **Amortised cost** | | |
| US Notes | 505.8 | 499.9 |
| AU$ MTN | 600.0 | 600.0 |
| | 1,105.8 | 1,099.9 |
| **Fair value** | | |
| US Notes | 502.1 | 465.0 |
| AU$ MTN | 577.8 | 550.2 |
| | 1,079.9 | 1,015.2 |

The foreign currency principal and interest amounts payable on the US$ denominated US Notes have been fully hedged economically to floating Australian market interest rates by the use of cross currency interest rate swaps.

*Fair value hierarchy*

The table below categorises the financial instruments carried at fair value by valuation method level. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no transfers between levels during the year.

| | Region Group & Retail Trust | | | |
|---|---|---|---|---|
| | Level 1 $m | Level 2 $m | Level 3 $m | Total $m |
| **30 June 2025** | | | | |
| **Financial assets carried at fair value** | | | | |
| Interest rate swaps | - | 3.0 | - | 3.0 |
| Cross currency interest rate swaps | - | 91.1 | - | 91.1 |
| | - | 94.1 | - | 94.1 |
| **Financial liabilities carried at fair value** | | | | |
| Interest rate swaps | - | 17.3 | - | 17.3 |
| Interest rate options | - | 0.6 | - | 0.6 |
| Cross currency interest rate swaps | - | 3.5 | - | 3.5 |
| | - | 21.4 | - | 21.4 |
| **30 June 2024** | | | | |
| **Financial assets carried at fair value** | | | | |
| Interest rate swaps | - | 24.9 | - | 24.9 |
| Cross currency interest rate swaps | - | 74.9 | - | 74.9 |
| | - | 99.8 | - | 99.8 |
| **Financial liabilities carried at fair value** | | | | |
| Interest rate swaps | - | 18.9 | - | 18.9 |
| Cross currency interest rate swaps | - | 7.5 | - | 7.5 |
| | - | 26.4 | - | 26.4 |

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Interest rate derivatives are financial instruments that use valuation techniques with only observable market inputs and are included in level 2 above.

## C5 Contributed equity and reserves

### Contributed equity

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Contributed equity [1] | 2,229.9 | 2,234.9 | 2,218.8 | 2,223.7 |
| Issue costs | (41.1) | (41.1) | (40.9) | (40.9) |
| | 2,188.8 | 2,193.8 | 2,177.9 | 2,182.8 |

[1] *Contributed equity has been aggregated to include both Management Trust and Retail Trust*

| | Management Trust | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Opening balance | 11.0 | 10.8 | 2,182.8 | 2,156.3 |
| Equity raised through Distribution Reinvestment Plan – August 2023 | - | 0.2 | - | 26.6 |
| Buy-back and cancellation of securities – April 2025 to June 2025 | (0.1) | - | (4.9) | - |
| Equity raising costs | - | - | - | (0.1) |
| Closing balance | 10.9 | 11.0 | 2,177.9 | 2,182.8 |
| **Balance at the end of the period is attributable to security holders of:** | | | | |
| Region Management Trust | 10.9 | 11.0 | | |
| Region Retail Trust | 2,177.9 | 2,182.8 | | |
| | 2,188.8 | 2,193.8 | | |

*Securities on issue*

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 No. of securities | 30 Jun 2024 No. of securities |
| Opening balance | 1,161,828,648 | 1,148,893,991 |
| Equity issued for executive security-based compensation arrangements – 25 August 2023 | - | 1,122,025 |
| Equity raised through Distribution Reinvestment Plan – 31 August 2023 | - | 11,781,444 |
| Equity issued for employee security-based compensation arrangements – 19 December 2023 | - | 31,188 |
| Equity issued for executive security-based compensation arrangements – 29 August 2024 | 982,910 | - |
| Equity issued for employee security-based compensation arrangements – 18 December 2024 | 39,144 | - |
| Securities cancelled pursuant to on-market buy-back announced on 3 April 2025 – 23 April 2025 to 30 June 2025 | (2,158,930) | - |
| Closing balance | 1,160,691,772 | 1,161,828,648 |



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As long as the Management Trust and Retail Trust remain stapled, the number of securities in each of the Management Trust and Retail Trust is equal and the security holders are identical. Holders of stapled securities are entitled to receive distributions as declared from time to time. Region Group holds concurrent meetings of the Retail Trust and Management Trust. Subject to any voting restrictions imposed on a security holder under the *Corporations Act 2001* (Cth) and/or the Australian Securities Exchange at a meeting of members, on a show of hands, each member has one vote; and on a poll, each member has one vote for each dollar of the value of the total interest that they have in the relevant underlying Retail Trust or Management Trust respectively.

A total of 982,910 securities were issued during the year in respect of executive compensation plans and 39,144 securities were issued in respect of employee compensation and incentive plans for nil consideration.

### Issue of securities from Distribution Reinvestment Plan (DRP)

The Group has a DRP under which security holders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the distribution payment rather than being paid in cash. The DRP was suspended for the distribution declared in June 2024 (paid in August 2024) and December 2024 (paid in January 2025).

### On-market securities buy-back (buy-back)

On 3 April 2025, the Group announced its intention to undertake a buy-back for up to $100.0 million of the Group's securities on issue. As at 30 June 2025, the Group bought-back and cancelled 2,158,930 securities at an average price of $2.30 for a total consideration of $5.0 million.

### Reserve (net of income tax)

Share based payment reserve: Refer to Note D3.

| | Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Share based payment reserve | 15.4 | 13.6 |
| | 15.4 | 13.6 |
| **Movements in the reserve** | | |
| *Share based payment reserve* | | |
| Balance at the beginning of the year | 13.6 | 11.9 |
| Employee share-based payments | 1.8 | 1.7 |
| Closing balance | 15.4 | 13.6 |

### Accumulated profit

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Opening balance | 607.1 | 749.0 | 604.0 | 746.3 |
| Net profit for the year | 212.5 | 17.3 | 211.5 | 16.9 |
| Distributions paid and payable (Note A2) | (159.1) | (159.2) | (159.1) | (159.2) |
| Closing balance | 660.5 | 607.1 | 656.4 | 604.0 |
| **Balance at the end of the year is attributable to security holders of:** | | | | |
| Region Management Trust | 4.1 | 3.1 | | |
| Region Retail Trust | 656.4 | 604.0 | | |
| | 660.5 | 607.1 | | |

# D Other disclosure items

## D1 Working capital and other

### Receivables

Trade and other receivables are carried at original invoice amount, less expected credit losses (ECL), and are usually due within 30 days. Collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts that are determined to be uncollectable are written off when identified.

The Group uses the simplified approach for determining ECL, whereby the outstanding receivables balance is analysed, and the provision is determined by applying default percentages adjusted for other current observable data. Under the simplified approach, the loss allowance for trade receivables is measured at an amount equal to lifetime ECL. In some instances, specific loss provisions are raised against individual receivables where additional information has come to the Group's attention impacting the assessment of recoverability of that debtor. Loss allowances for receivables are deducted from the gross carrying amount of the asset.

The ECL is based on Management estimates of probability of the recoverability of rental income invoiced. Should the actual results differ, the credit loss will change and the difference will be included in the following year.

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Rental income receivables | 6.3 | 4.1 | 6.3 | 4.1 |
| Other rental income receivables | 0.7 | 0.6 | 0.7 | 0.6 |
| **Gross rental income receivables** | 7.0 | 4.7 | 7.0 | 4.7 |
| Rental income deferrals[1] | 1.0 | 1.3 | 1.0 | 1.3 |
| **Rental income receivables and deferrals** | 8.0 | 6.0 | 8.0 | 6.0 |
| Allowance for ECL | (2.4) | (1.7) | (2.4) | (1.7) |
| **Net rental income receivables and deferrals** | 5.6 | 4.3 | 5.6 | 4.3 |
| Accrued rental income receivables[2] | 18.0 | 13.0 | 18.0 | 13.0 |
| Other receivables[3] | 6.0 | 3.8 | 2.5 | 2.2 |
| **Total receivables** | 29.6 | 21.1 | 26.1 | 19.5 |

*[1] Rental income deferrals granted as part of COVID-19 that have not yet been invoiced and have been specifically provided for.*
*[2] Accrued rental income includes turnover rent and direct recoveries which have not yet been invoiced. Given the nature of these items and history of collectability, no ECL provision has been provided.*
*[3] The majority of the balance of other receivables relates to fees due from the Metro Fund and Delacombe Stage 2 fund-through development income. Given the nature of these items and history of collectability, no ECL has been provided.*



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For the year ended 30 June 2025

### Rental income and other receivables past due[1]

| | Region Group | | | | | |
|---|---|---|---|---|---|---|
| | 30 Jun 2025 | | | 30 Jun 2024 | | |
| Days from invoice date | ECL % | Carrying amount of receivables $m | Allowance for ECL $m | ECL % | Carrying amount of receivables $m | Allowance for ECL $m |
| Current | – | 2.3 | – | 6.7% | 1.5 | 0.1 |
| 31-60 days | 14.3% | 0.7 | 0.1 | 20.0% | 0.5 | 0.1 |
| 61-90 days | 33.3% | 0.3 | 0.1 | 33.3% | 0.3 | 0.1 |
| 91-120 days | 50.0% | 0.2 | 0.1 | 50.0% | 0.2 | 0.1 |
| >120 days | 51.4% | 3.5 | 1.8 | 40.9% | 2.2 | 0.9 |
| Rental income and other receivables – simplified ECL | | 7.0 | 2.1 | | 4.7 | 1.3 |
| Rental income deferrals - specific ECL | 30.0% | 1.0 | 0.3 | 30.8% | 1.3 | 0.4 |
| Total | | 8.0 | 2.4 | | 6.0 | 1.7 |

*[1] Rental income and other amounts due are receivable within 30 days of invoicing.*

### Trade and other payables

Trade and current liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the Group. The amounts are unsecured and are usually paid within 30 days of recognition.

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Current | | | | |
| Trade payables | 12.9 | 11.4 | 11.2 | 8.7 |
| Property payables and accruals | 13.9 | 15.9 | 13.9 | 15.9 |
| Rent received in advance | 7.6 | 4.7 | 7.6 | 4.7 |
| Interest payable | 10.6 | 13.1 | 10.6 | 13.1 |
| Other payables | 1.8 | 2.9 | 1.5 | 2.8 |
| **Trade payables and other creditors** | 46.8 | 48.0 | 44.8 | 45.2 |
| Payables to related parties (Note D3) | – | – | 15.3 | 15.4 |
| **Total trade and other payables** | 46.8 | 48.0 | 60.1 | 60.6 |

### Tax

The Group comprises taxable and non-taxable entities. A liability for current and deferred taxation is only recognised in respect of taxable entities that are subject to income tax and potential capital gains tax as detailed below.

The Retail Trust is the property-owning trust and is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, the Retail Trust is not subject to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with the Trust's constitution.

Management Trust is treated as a company for Australian tax purposes, which means it is subject to income tax and is part of an income tax consolidated group under the Australian tax consolidation regime. The head entity of this tax consolidated group is the Management Trust. The entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the entities within the tax consolidated group are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the other entities nor a distribution by the entities to the head entity.

Deferred tax is provided on all temporary differences on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Profit before income tax | 212.9 | 17.5 | 211.5 | 16.9 |
| Prima facie tax expense at 30% | (63.9) | (5.3) | (63.5) | (5.1) |
| Tax effect of income that is not assessable/deductible in determining taxable profit | 63.5 | 5.1 | 63.5 | 5.1 |
| Tax | (0.4) | (0.2) | – | – |

### Capital commitments

Estimated capital expenditure committed at balance sheet date but not provided for:

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Capital commitments | – | 17.0 |

In July 2023, the Group acquired land adjacent to the existing Delacombe Town Centre investment property for $15.0 million (excluding transaction costs). Concurrently, the Group entered into a Development Management Agreement for the construction of an online sales fulfilment facility, with total estimated development costs of $31.5 million. As at 30 June 2024, the balance reflects the remaining costs required to complete the project, net of the $14.5 million invested to date. No balance is reported as at 30 June 2025, as the development was completed within the financial year.

### Other assets and liabilities

For leases where the Group is the lessee, a separate right-of-use asset and lease liability is recognised in the Consolidated Balance Sheets. Measurement of the lease liability is the present value of the lease payments that are not paid at the date of transition, discounted using an appropriate discount rate. The right-of-use asset is presented within the Consolidated Balance Sheets within other assets and the lease liability within other liabilities respectively.

The right-of-use asset is amortised over the remaining lease term (including the period covered by the extension option), and the lease liability is measured on an effective interest basis.

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Prepayments | 7.1 | 6.1 | 5.5 | 5.5 |
| Other assets | – | 0.1 | – | – |
| **Current other assets** | 7.1 | 6.2 | 5.5 | 5.5 |
| Right-of-use assets for the investment property at Lane Cove[1] | 5.5 | 5.6 | 5.5 | 5.6 |
| Right-of-use assets for lease of office space[1] | 4.1 | 4.7 | – | – |
| Other assets | 5.3 | 2.6 | 3.1 | – |
| **Non-current other assets** | 14.9 | 12.9 | 8.6 | 5.6 |
| **Total other assets** | 22.0 | 19.1 | 14.1 | 11.1 |

*[1] The corresponding lease liability of $12.5 million (30 June 2024: $12.4 million) is presented in non-current liabilities for the Group and $6.9 million (30 June 2024: $6.8 million) for Retail Trust.*

## D2 Operating cash flow information

### Notes to statements of cash flows

Reconciliation of net profit after tax to net cash flow from operating activities is below.

| | Region Group | | Retail Trust | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Net profit after tax | 212.5 | 17.3 | 211.5 | 16.9 |
| Net unrealised (gain)/loss on change in fair value of investment properties | (71.7) | 123.3 | (71.7) | 123.3 |
| Net unrealised loss on change in fair value of derivatives | 0.7 | 11.6 | 0.7 | 11.6 |
| Net unrealised (gain)/loss on change in foreign exchange | 5.9 | (0.1) | 5.9 | (0.1) |
| Share of net (gain)/loss from associates | (2.8) | 3.8 | (2.8) | 3.8 |
| Impairment of investment in associate | 5.1 | – | 5.1 | – |
| Straight-lining of rental income and amortisation of lease incentives | 13.1 | 9.4 | 13.1 | 9.4 |
| (Decrease)/increase in payables | 1.8 | (8.9) | 2.1 | (8.3) |
| Capitalised financing expenses | (1.1) | (0.9) | (1.1) | (0.9) |
| Other non-cash items and movements in other assets | 0.5 | 2.0 | 0.4 | 0.7 |
| (Increase)/decrease in receivables | (9.6) | 25.3 | (7.9) | 26.5 |
| Net cash flow from operating activities | 154.4 | 182.8 | 155.3 | 182.9 |

## D3 Related party information

### Key management personnel (KMP) compensation

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest and adjusts for non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

The aggregate compensation made to the Directors and other KMP of the Group is set out below.

| | 30 Jun 2025 $ | 30 Jun 2024 $ |
|---|---|---|
| Short term benefits | 3,629,721 | 3,305,100 |
| Post-employment benefits | 173,612 | 162,936 |
| Share-based payment | 1,041,632 | 993,381 |
| Long term benefits | 42,995 | 38,347 |
| Other benefits | 27,263 | 538,812 |
| | 4,915,223 | 5,038,576 |

### Share based payments

The Group has an Executive Incentive Plan that entitles KMP, subject to criteria, to become entitled to acquire securities at nil cost to the employee.

Rights pursuant to the Executive Incentive Plan have been issued for:

- Short-Term Incentive Plan (STIP) Rights
- Long-Term Incentive Plan (LTIP) Rights
- Sign On Award (SOA) Rights

Under the Executive Incentive Plan grants of rights have been made to the following KMP:

- Mr Mellowes (Director and Chief Executive Officer)
- Mr Salmon (Chief Financial Officer, appointed 7 April 2025)
- Mr Walsh (Chief Financial Officer until 12 December 2024, Interim Chief Financial Officer from 13 December 2024 to 6 April 2025. After 6 April 2025, Mr Walsh no longer held an Executive KMP role.)
- Mr Fleming (Director, resigned on 26 September 2023 and Chief Operating Officer and Head of Funds Management and Strategy, resigned on 24 December 2023. After 24 December 2023, Mr Fleming no longer held an Executive KMP role.)

In addition, certain other employees were also granted 543,819 rights during the year (30 June 2024: 364,807).

The table below summarises the rights issued to KMP. These rights have a nil exercise price and the LTIP awards are subject to meeting performance criteria. Where the performance criteria are met, details of the stapled securities that may be issued are below. Under the Executive Incentive Plan, 443,003 securities (30 June 2024: 529,715) were issued and vested to Mr Mellowes; nil securities (30 June 2024: nil) to Mr Salmon; 35,232 securities (30 June 2024: nil) to Mr Walsh and nil securities (30 June 2024: 258,691) to Mr Fleming.

| Type and eligibility | Vesting conditions[1] | Security price at grant date | Grant date | Testing date | Vesting date | Maximum number of stapled securities or maximum value of securities to be issued | Fair value at grant date |
|---|---|---|---|---|---|---|---|
| STIP (FY25) (Mr Mellowes) | Non-market | $2.24 | Aug-24 | Jun-25 | Jul-26 | $683,720 | $0.95 per $1.00 |
| STIP (FY25) (Mr Salmon) | Non-market | $2.40 | May-25 | Jun-25 | Jul-26 | $57,055 | $0.97 per $1.00 |
| STIP (FY25) (Mr Walsh) | Non-market | $2.24 | Aug-24 | Jun-25 | Jul-26 | $172,775 | $0.95 per $1.00 |
| LTIP (FY25 - FY27) (Tranche 1) (Messrs Mellowes, Walsh) | Relative TSR[2] | $2.24 | Aug-24 | Sep-27 | Jul-28 | 497,434 | $0.98 per security |
| LTIP (FY25 - FY27) (Tranche 2) (Messrs Mellowes, Walsh) | Non-market | $2.24 | Aug-24 | Sep-27 | Jul-28 | 331,622 | $2.24 per security |
| SOA[3] (FY25 - FY29) (Tranche 1) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-25 | Aug-25 | 82,031 | $2.47 per security |



Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

| Type and eligibility | Vesting conditions[1] | Security price at grant date | Grant date | Testing date | Vesting date | Maximum number of stapled securities or maximum value of securities to be issued | Fair value at grant date |
|---|---|---|---|---|---|---|---|
| SOA[3] (FY25 - FY29) (Tranche 2) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-26 | Aug-26 | 82,031 | $2.47 per security |
| SOA[3] (FY25 - FY29) (Tranche 3) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-27 | Aug-27 | 82,031 | $2.47 per security |
| SOA[3] (FY25 - FY29) (Tranche 4) (Mr Salmon) | Non-market | $2.40 | May-25 | Aug-28 | Aug-28 | 82,031 | $2.47 per security |
| STIP (FY24) (Mr Mellowes) | Non-market | $2.08 | Sep-23 | Jun-24 | Jul-25 | $621,564 | $0.95 per $1.00 |
| STIP (FY24) (Mr Walsh) | Non-market | $2.08 | Sep-23 | Jun-24 | Jul-25 | $200,200 | $0.95 per $1.00 |
| LTIP (FY24 - FY26) (Tranche 1) (Messrs Mellowes, Fleming, Walsh) | Relative TSR[2] | $2.08 | Sep-23 | Sep-26 | Jul-27 | 450,476 | $1.01 per security |
| LTIP (FY24 - FY26) (Tranche 2) (Messrs Mellowes, Fleming, Walsh) | Non-market | $2.08 | Sep-23 | Jun-26 | Jul-27 | 300,318 | $2.08 per security |
| STIP (FY23) (Mr Mellowes) | Non-market | $2.34 | Sep-22 | Jul-23 | Jul-24 | $597,658 | $0.96 per $1.00 |
| STIP (FY23) (Mr Fleming) | Non-market | $2.34 | Sep-22 | Jul-23 | Jul-24 | $342,000 | $0.96 per $1.00 |
| STIP (FY23) (Mr Walsh) | Non-market | $2.59 | Dec-22 | Jul-23 | Jul-24 | $106,534 | $0.96 per $1.00 |
| LTIP (FY23 - FY25) (Tranche 1) (Messrs Mellowes, Fleming) | Relative TSR[2] | $2.34 | Sep-22 | Sep-25 | Jul-26 | 439,410 | $1.17 per security |
| LTIP (FY23 - FY25) (Tranche 2) (Messrs Mellowes, Fleming) | Non-market | $2.34 | Sep-22 | Jun-25 | Jul-26 | 292,939 | $2.34 per security |
| LTIP (FY23 - FY25) (Tranche 1) (Mr Walsh) | Relative TSR[2] | $2.53 | Sep-22 | Jun-25 | Jul-26 | 21,077 | $1.27 per security |
| LTIP (FY23 - FY25) (Tranche 2) (Mr Walsh) | Non-market | $2.53 | Sep-22 | Jun-25 | Jul-26 | 14,051 | $2.53 per security |
| LTIP (FY22 - FY24) (Tranche 1) (Messrs Mellowes, Fleming) | Relative TSR[2] | $2.83 | Sep-21 | Sep-24 | Jul-25 | 431,758 | $1.67 per security |
| LTIP (FY22 - FY24) (Tranche 2) (Messrs Mellowes, Fleming) | Non-market | $2.83 | Sep-21 | Jun-24 | Jul-25 | 287,839 | $2.83 per security |

*[1] Service and non-market conditions include numeric and strategic targets along with a deferred vesting period.*
*[2] Prior to FY25, relative TSR is Relative total security holder return measured against the constituents of the S&P/ASX 200 A-REIT Index. For FY25, relative TSR is measured against a peer group taken from the constituents of the S&P/ASX 200 A-REIT Index.*
*[3] SOA are to compensate Mr Salmon for forgoing incentive opportunities from his previous employer.*

The Group recognises the fair value at the grant date of equity settled securities below as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity. Fair value is measured at grant date using Monte-Carlo simulation and Black Scholes option pricing models where applicable, performed by an independent valuer, and models the future security price of the Group's securities.

Non-market vesting conditions are determined with reference to the underlying financial or non-financial performance measures to which they relate.

The total expense recognised during the year in relation to those eligible for equity settled share-based payments was $1.8 million (30 June 2024: $1.7 million). Key inputs to the pricing models are shown in the table below:

| | 30 Jun 2025 | 30 Jun 2024 | 30 Jun 2023 | 30 Jun 2022 |
|---|---|---|---|---|
| Volatility | **21.3%** | 21.2% | 26.0% | 26.0% |
| Distribution yield | **6.1%** | 6.6% | 6.5%[1] | 5.4% |
| Risk-free interest rate | **3.6%** | 3.9% | 3.8% | 0.2% |

*[1] The distribution yield for Mr Walsh is 6.8% as his performance rights were issued on a different date.*

### Other related party disclosures

The Retail Trust has a current payable of $15.3 million to the Management Trust and its controlled entities (30 June 2024: $15.4 million). This is non-interest bearing and repayable at call. Additionally, Region RE Limited (the Company), the Responsible Entity of the Retail Trust and a wholly owned subsidiary of Management Trust, makes payments on behalf of the Retail Trust from time to time. These payments are incurred by the Company in properly performing or exercising its powers or duties in relation to the Retail Trust. The Company has a right of indemnity from the Retail Trust, for any liability incurred by the Company in properly performing or exercising any of its powers or duties in relation to the Retail Trust. The amount reimbursed or reimbursable during the year under this agreement was $16.7 million (30 June 2024: $15.7 million).

The Management Trust and its controlled entities received $2.7 million (30 June 2024: $1.3 million) of funds management income from the Metro Fund during the year (Note A1).

## D4 Parent entity

### Selection of parent entity

In determining the parent entity of the Group, the Directors considered various factors including asset ownership, debt obligation, management and day to day responsibilities. The Directors concluded that management activities were more relevant in determining the parent. Management Trust has been determined as the parent of Region Group.

| | Management Trust[1] | | Retail Trust[1,2] | |
|---|---|---|---|---|
| | 30 Jun 2025 $m | 30 Jun 2024 $m | 30 Jun 2025 $m | 30 Jun 2024 $m |
| Current assets | - | - | 40.5 | 144.0 |
| Non-current assets | 10.9 | 11.0 | 4,538.7 | 4,397.0 |
| **Total assets** | 10.9 | 11.0 | 4,579.2 | 4,541.0 |
| Current liabilities | - | - | 148.0 | 155.6 |
| Non-current liabilities | - | - | 1,581.5 | 1,585.0 |
| **Total liabilities** | - | - | 1,729.5 | 1,740.6 |
| Contributed equity | 10.9 | 11.0 | 2,177.9 | 2,182.8 |
| Reserves | - | - | 15.4 | 13.6 |
| Accumulated profit | - | - | 656.4 | 604.0 |
| **Total equity** | 10.9 | 11.0 | 2,849.7 | 2,800.4 |
| Net profit/(loss) after tax | - | - | 211.5 | 16.9 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | - | - | 211.5 | 16.9 |
| Commitments for the acquisition of property/development capital expenditure by the parent | - | - | - | 17.0 |

*[1] Head Trusts only.*
*[2] The Retail Trust Financial Statements have been prepared on a going concern basis. In preparing the Retail Trust Financial Statements, the Directors note that the Retail Trust has a net current asset deficiency position as it is the policy of the Group and Retail Trust to use surplus cash to repay revolving debt. At 30 June 2025, the Group and Retail Trust have the ability to drawdown funds to pay the distribution on or about 29 August 2025, having sufficient excess cash and cash equivalents and undrawn financing facilities (refer to Note C2).*





## D5 Subsidiaries

| Name of subsidiaries | Place of incorporation and operation | Ownership interest | |
|---|---|---|---|
| | | 30 Jun 2025 | 30 Jun 2024 |
| **Subsidiaries of Region Management Trust** | | | |
| Region Operations Pty Ltd | Australia | 100.0% | 100.0% |
| Region REIT Holdings Pty Ltd | Australia | 100.0% | 100.0% |
| Region RE Ltd | Australia | 100.0% | 100.0% |
| Region Unlisted Retail Fund Pty Ltd | Australia | 100.0% | 100.0% |
| Shopping Centres Australasia Property Agent Pty Ltd | Australia | 100.0% | 100.0% |
| Shopping Centres Australasia Property Agent (VIC) Pty Ltd | Australia | 100.0% | 100.0% |
| SCA Fund Management Ltd | Australia | 100.0% | 100.0% |

Additionally, the Retail Trust is considered for financial reporting purposes a subsidiary of Management Trust due to stapling even though there is no ownership or shareholding interest.

## D6 Auditor's remuneration

| | Region Group & Retail Trust | |
|---|---|---|
| | 30 Jun 2025 $'000 | 30 Jun 2024 $'000 |
| Audit of the Financial Statements | 447.4 | 525.2 |
| Statutory assurance services required by legislation to be provided by the auditor | 64.7 | 62.2 |
| Non-audit services | - | 59.0 |
| | 512.1 | 646.4 |

The auditor of the Group is Deloitte Touche Tohmatsu. The auditor's remuneration includes the audit of the Financial Statements, subsidiary Financial Statements, the Group's Australian Financial Services Licence and the Group's Compliance Plans. In FY24, Deloitte Touche Tohmatsu also performed non-audit services on assessing our preparedness for sustainability reporting in line with the Australian Sustainability Reporting Standards.

## D7 Subsequent events

Since the end of the year, the Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in this report or the Consolidated Financial Statements which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

## D8 Corporate information

Region Group (the Group) comprises the stapled securities of two trusts which are Australian managed investment schemes, being Region Management Trust (Management Trust) (ARSN 160 612 626) and Region Retail Trust (Retail Trust) (ARSN 160 612 788).

Region RE Limited (ABN 47 158 809 851; AFSL 426603) (Responsible Entity) is the Responsible Entity for the Management Trust and Retail Trust. The registered office of Region RE Limited is Level 6, 50 Pitt Street, Sydney, New South Wales.

The Directors of the Responsible Entity have authorised the Financial Statements for issue on 18 August 2025.

## D9 Other significant accounting policies

### Basis of preparation

In accordance with AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and Region Management Trust has been identified as the Parent for preparing Consolidated Financial Statements.

These Consolidated Financial Statements are combined Financial Statements and accompanying notes of both Region Group and the Region Retail Trust. The Consolidated Financial Statements have been presented in Australian dollars, the Group's functional currency, unless otherwise stated.

*Historical cost convention*

The Consolidation Financial Statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at fair value.

*Current and non-current classification*

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

*Going concern*

These Consolidated Financial Statements are prepared on a going concern basis. In reaching this position, it has been considered that the Group and Retail Trust are in a net current asset deficiency position of $93.1 million and $107.5 million respectively at 30 June 2025. The Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities, having available cash and cash equivalents and undrawn debt facilities of $313.3 million and $313.0 million respectively.

### Statement of compliance

The Financial Statements are General Purpose Financial Statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (the Board or AASB) and the *Corporations Act 2001* (Cth).

The Financial Statements complies with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

For the purposes of preparing the Financial Statements, the Group is a for-profit entity.

### Application of new and revised Accounting Standards

The Group and Retail Trust have applied any amendments issued by the AASB that are mandatorily effective for an accounting period that begins on or after 1 July 2024, and therefore relevant for the current year end 30 June 2025. The application of these amendments does not have any material impact on the disclosures, or the amounts recognised in the Group's Financial Statements.

The accounting policies adopted by the Group are consistent with those of the previous financial year.



Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

### Basis of consolidation

The Consolidated Financial Statements of the Group incorporate the assets and liabilities of Region Management Trust (the Parent) and all of its subsidiaries, including Region Retail Trust. Region Management Trust has been identified as the Parent entity in relation to the stapling. The results and equity of Region Retail Trust (which is not directly owned by Region Management Trust) have been treated and disclosed as a non-controlling interest. While the results and equity of Region Retail Trust are disclosed as a non-controlling interest, the security holders of Region Management Trust are the same as the security holders of Region Retail Trust.

These Financial Statements also include a separate column representing the Financial Statements of Region Retail Trust, incorporating the Consolidated Statements of Comprehensive Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows of the Group and Region Retail Trust.

Subsidiaries are all entities over which the Group has control. Control is defined as having rights to variable returns from involvement in the investee and having the ability to affect those returns through its power over the investee.

Where an entity began or ceased to be a controlled entity during the reporting year, the assets, liabilities and results are consolidated only from the date control commenced or up to the date control ceased. In preparing the Consolidated Financial Statements, all intra-group transactions and balances, including unrealised profits arising thereon, have been eliminated in full.

### Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchases of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amounts of GST included. The net amount of GST receivable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank to meet short term commitments.

## Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

| Entity name | Entity type | Body corporates | | Tax residency |
|---|---|---|---|---|
| | | Place formed or incorporated | % of share capital held | |
| Region Management Trust[1] | Trust | N/A | N/A | Australia |
| Region Operations Pty Ltd | Body corporate | Australia | 100% | Australia |
| Region REIT Holdings Pty Ltd | Body corporate | Australia | 100% | Australia |
| Region RE Ltd[2] | Body corporate | Australia | 100% | Australia |
| Region Unlisted Retail Fund Pty Ltd | Body corporate | Australia | 100% | Australia |
| Shopping Centres Australasia Property Agent Pty Ltd | Body corporate | Australia | 100% | Australia |
| Shopping Centres Australasia Property Agent (VIC) Pty Ltd | Body corporate | Australia | 100% | Australia |
| SCA Fund Management Ltd | Body corporate | Australia | 100% | Australia |
| Region Retail Trust | Trust | N/A | N/A | Australia |

[1] *Region Management Trust is the head of the tax consolidated group.*
[2] *Region RE Ltd is the trustee of the Region Management Trust and the Region Retail Trust, which are respectively consolidated in the Consolidated Financial Statements*

The disclosures in this statement have been prepared in accordance with section 295(3A)(a) of the *Corporations Act 2001*, even though as registered managed investment schemes there is no obligation to comply with this section.

## Directors' Declaration
For the year ended 30 June 2025

In the opinion of the Directors of Region RE Limited, the Responsible Entity of Region Management Trust and Region Retail Trust (Retail Trust):

(a) The Financial Statements and notes, of Region Management Trust and its controlled entities, including Region Retail Trust (the Group), set out on pages 75 to 110 are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's and the Retail Trust's financial position at 30 June 2025 and of their performance, for the year ended 30 June 2025; and

(ii) Complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) There are reasonable grounds to believe that both the Group and the Retail Trust will be able to pay their debts as and when they become due and payable; and

(c) The Consolidated Entity Disclosure Statement is true and correct.

Note D9 confirms that the Financial Statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2025.

Signed in accordance with a resolution of the Directors.

Steven Crane
Chair
Sydney

18 August 2025

# Independent Auditor's Report

Mudgeeraba Market Shopping Centre, QLD



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## Independent Auditor's Report to the Stapled Security Holders of Region Management Trust and Region Retail Trust

### Report on the Audit of the Financial Reports

*Opinion*

We have audited the financial reports of:

- Region Group which comprises the stapled securities in two trusts being Region Management Trust and its controlled entities and Region Retail Trust (collectively "Region Group") which comprises the consolidated balance sheet as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration; and
- Region Retail Trust which comprise the consolidated balance sheet as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial reports of Region Group and Region Retail Trust are in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of Region Group and Region Retail Trust's financial position as at 30 June 2025 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Reports* section of our report. We are independent of Region Group and Region Retail Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Region RE Limited (the "directors") as responsible entity of Region Management Trust and Region Retail Trust (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of Region Group and Region Retail Trust for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|---|---|
| As at 30 June 2025, Region Group and Region Retail Trust recognised investment properties valued at $4,374.1m (2024: $4,282.3m) as disclosed in Note B1.<br><br>The fair value of investment property is determined in accordance with Australian Accounting Standards and the valuation policy and set out in Note B1.<br><br>Note B1 discloses the significant judgements and estimates made by Region Group and Region Retail Trust in estimating the fair values. These include the following assumptions:<br>• Capitalisation rates: are subjective and fluctuate with the prevailing market transactions.<br>• Other assumptions: net operating income ("NOI") in conjunction with discount rate and percentage rent inclusion are subjective due to the specific nature and characteristics of individual investment properties. | Together with our property valuation specialists, our procedures included, but were not limited to:<br>• Assessing management's process over investment property valuations and the oversight applied by the directors;<br>• Assessing for indications of management bias in the valuation outcomes;<br>• Assessing the independence, competence and objectivity of the external valuers and the scope limitations included in their reports;<br>• Inspecting a selection of properties;<br>• Holding discussions with management and a selection of their external valuers to obtain an understanding of portfolio movements and their assessment of the impact of current market trends on property valuations;<br>• Performing further audit procedures, on a sample of properties using a risk-based approach, across externally and internally valued properties, such as:<br>▪ Assessing the integrity of the information used in the valuation models by agreeing key inputs such as NOI to underlying records and source evidence;<br>▪ Assessing the capitalisation rates and discount rates with reference to external market trends and transactions and challenging whether those assumptions where appropriate;<br>▪ Assessing the forecasts used in the valuation models with reference to current financial results such as revenues and expenses, capital expenditure requirements, vacancy rates and lease renewals;<br>▪ Performing a retrospective analysis of NOI forecasts to evaluate the accuracy of management's ability to forecast; and<br>▪ Assessing the mathematical accuracy of the models.<br>▪ Evaluating available market information through to the date of our audit report to consider whether there is any evidence that contradicts the reported fair value and evaluating the impact on our audit results.<br>▪ Evaluating the adequacy of the disclosures included in Note B1 to the financial statements. |

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in Region Group's annual report for the year ended 30 June 2025, but does not include the financial reports and our auditor's report thereon.
Our opinion on the financial reports does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Reports*

The directors are responsible:

- For the preparation of the financial reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of Region Group and Region Retail Trust in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial reports in accordance with the *Corporation Act 2001*, including giving a true and fair view of the financial position and performance of Region Group and Region Retail Trust, and are free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of Region Group and Region Retail Trust to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Region Group and Region Retail Trust or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Reports*

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Region Group and Region Retail Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Region Group and Region Retail Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Region Group and Region Retail Trust to cease to continue as going concerns.

Deloitte.

- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform Region Group and Region Retail Trust's audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Region Group and Region Retail Trust as a basis for forming an opinion on Region Group and Region Retail Trust's financial reports. We are responsible for the direction, supervision and review of the audit work performed for purposes of Region Group and Region Retail Trust audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Region Group and Region Retail Trust's financial reports of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

*Opinion on the Remuneration Report*

We have audited sections 1 to 4 of the Remuneration Report included in pages 41 to 71 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Region Group, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Responsible Entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Yvonne van Wijk
Partner
Chartered Accountants
Sydney, 18 August 2025

Delacombe Town Centre, VIC

# Historical Key Metrics

| RGN GROUP METRICS AT 30 JUNE | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| **EARNINGS/PROFIT AND LOSS** | | | | | |
| Gross Property Income ($m) | 290.6 | 347.4 | 373.6 | 373.5 | 377.5 |
| Net Profit/(Loss) after Tax ($m) | 462.9 | 487.1 | (123.6) | 17.3 | 212.5 |
| Funds from Operations ($m) | 159.0 | 192.7 | 192.5 | 178.4 | 179.9 |
| FFO (cents per security) | 14.8 | 17.4 | 16.9 | 15.4 | 15.5 |
| Adjusted Funds from Operations ($m) | 135.8 | 169.5 | 173.9 | 157.7 | 159.0 |
| AFFO (cents per security) | 12.6 | 15.3 | 15.3 | 13.6 | 13.7 |
| Distribution ($m) | 133.8 | 169.2 | 173.4 | 159.2 | 159.1 |
| Distribution (cents per security) | 12.4 | 15.2 | 15.2 | 13.7 | 13.7 |
| Management Expense Ratio (%) | 0.41% | 0.38% | 0.38% | 0.34% | 0.34% |
| **BALANCE SHEET** | | | | | |
| Net Tangible Assets ($ per security) | $2.52 | $2.81 | $2.55 | $2.42 | $2.47 |
| Net Tangible Assets ($m) | 2,724.8 | 3,133.9 | 2,928.0 | 2,814.5 | 2,864.7 |
| Share Price at 30 June ($ per security) | $2.52 | $2.75 | $2.27 | $2.10 | $2.20 |
| Closing Securities on Issue (million) | 1,080.0 | 1,116.3 | 1,148.9 | 1,161.8 | 1,160.7 |
| Market Capitalisation ($m) | $2,722 | $3,070 | $2,608 | $2,440 | $2,554 |
| Acquisitions (excluding transaction costs) ($m) | 452.4 | 347.5 | 180.0 | 89.0 | 64.5 |
| Disposals ($m) | – | 307.6 | 23.5 | 67.7 | 227.5 |
| **DEBT METRICS** | | | | | |
| Gearing | 31.3% | 28.3% | 31.3% | 32.9% | 32.5% |
| Weighted Average Cost of Debt | 2.4% | 2.5% | 3.4% | 4.3% | 4.3% |
| Interest Bearing Liabilities ($m) | 1,331.5 | 1,376.4 | 1,523.4 | 1,565.4 | 1,559.9 |
| Average Debt Maturity (years) | 5.3 | 5.3 | 4.4 | 4.9 | 4.3 |
| % of Debt Fixed/Hedged | 50.8% | 69.6% | 79.7% | 94.2% | 96.7% |
| Average Hedge Maturity (years) | 3.0 | 4.9 | 2.3 | 2.7 | 2.8 |

| RGN GROUP METRICS AT 30 JUNE | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| **PORTFOLIO METRICS** | | | | | |
| Number of Properties | 92 | 91 | 95 | 92 | 87 |
| Weighted Average Cap Rate | 5.90% | 5.43% | 5.85% | 6.07% | 5.97% |
| Portfolio Occupancy | 97.4% | 98.1% | 97.8% | 98.1% | 97.5% |
| Specialty Vacancy | 5.1% | 5.0% | 5.0% | 4.7% | 5.4% |
| Portfolio WALE (by GLA) Years | 7.2 | 6.7 | 6.2 | 5.1 | 4.9 |
| Anchor WALE (by GLA) Years | 9.3 | 8.2 | 7.6 | 7.1 | 6.5 |
| Comparable NOI Growth | ND[1] | 3.3% | 4.3% | 3.0% | 3.2% |
| Supermarket MAT Growth | 3.2% | 2.4% | 3.4% | 3.0% | 3.3% |
| Anchors in Turnover Rent | 42 | 47 | 59 | 50 | 54 |
| Specialty MAT Growth | 9.7% | 0.4% | 7.5% | 1.4% | 3.0% |
| Specialty Occupancy Cost | 8.6% | 8.7% | 8.7% | 8.8% | 9.7% |
| Specialty Rent psm | $793 | $793 | $818 | $880 | $919 |
| Specialty Productivity | $9,954 | $9,865 | $10,342 | $10,759 | $10,024 |
| Number of Specialty Renewals | 198 | 133 | 267 | 303 | 247 |
| – Retention | 73% | 86% | 82% | 83% | 81% |
| – Specialty Renewals GLA | 24,864 | 20,391 | 29,506 | 34,447 | 24,563 |
| – Specialty Re-leasing Spreads (renewals) | (1.5%) | 3.5% | 4.7% | 5.2% | 2.6% |
| – Average Incentives on Renewals (months) | 0.2 | 0.2 | 0.2 | 0.4 | 0.5 |
| Number of Specialty New Leases | 127 | 119 | 126 | 149 | 125 |
| – Specialty New Leases GLA | 13,844 | 18,466 | 12,526 | 14,792 | 13,010 |
| – Average Uplift on New Leases | 1.9% | (0.2%) | 1.2% | 1.6% | 6.1% |
| – Average Incentives on New Leases (months) | 10.8 | 10.4 | 10.0 | 9.6 | 11.2 |

1. Not disclosed

# Security Analysis

## DISTRIBUTION OF EQUITY SECURITIES AS AT 25 JULY 2025

| RANGES | INVESTORS | SECURITIES | % ISSUED CAPITAL |
|---|---|---|---|
| 1 to 1,000 | 31,032 | 12,215,579 | 1.05 |
| 1,001 to 5,000 | 7,899 | 20,599,114 | 1.77 |
| 5,001 to 10,000 | 4,846 | 35,811,869 | 3.09 |
| 10,001 to 100,000 | 5,198 | 117,219,400 | 10.10 |
| 100,001 and Over | 149 | 974,845,810 | 83.99 |
| **TOTAL** | **49,124** | **1,160,691,772** | **100.00** |

RGN only has ordinary stapled securities on issue, and at 25 July 2025 there was a total of 49,124 holders.

The total number of security holders with less than a marketable parcel of securities (using the closing price for RGN securities on 25 July 2025) is 4,804 and they hold 427,573 securities.

## SUBSTANTIAL SECURITY HOLDER NOTICES AS AT 25 JULY 2025

| ORDINARY SECURITIES | DATE OF CHANGE | SECURITIES HELD | % |
|---|---|---|---|
| The Vanguard Group, Inc | 9/12/2019 | 93,195,570 | 10.00% |
| State Street Corporation and subsidiaries | 4/04/2025 | 98,889,144 | 8.50% |
| BlackRock Inc. and subsidiaries | 17/06/2025 | 73,247,166 | 6.30% |

## VOTING RIGHTS AS AT 25 JULY 2025

The voting rights attaching to ordinary stapled securities (being the only class of equity securities RGN has on issue) are:

- On a show of hands, each member of a registered scheme has one vote; and
- On a poll, each member of the scheme has one vote for each dollar of the value of the total interests they have in the scheme.

## ON MARKET BUY-BACK

On 3 April 2025 RGN announced an on-market securities buy-back program for up to $100 million starting on 22 April 2025 for 12 months. As at 30 June 2025, RGN has purchased 2,158,930 securities at an average price of $2.30.

As at the date of this report the buy-back program is still open.

## TOP 20 REGISTERED EQUITY SECURITY HOLDERS AT 25 JULY 2025

| NAME | SECURITIES | % OF SECURITIES |
|---|---|---|
| HSBC Custody Nominees (Australia) Limited | 357,682,975 | 30.82 |
| J P Morgan Nominees Australia Pty Limited | 232,823,426 | 20.06 |
| Citicorp Nominees Pty Limited | 207,376,359 | 17.87 |
| BNP Paribas Noms Pty Ltd | 33,176,509 | 2.86 |
| BNP Paribas Nominees Pty Ltd <Agency Lending A/C> | 26,771,986 | 2.31 |
| Australian Foundation Investment Company Limited | 16,000,000 | 1.38 |
| HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C> | 12,808,091 | 1.10 |
| National Nominees Limited | 11,555,007 | 1.00 |
| Djerriwarrh Investments Limited | 10,901,352 | 0.94 |
| Mirrabooka Investments Limited | 6,245,000 | 0.54 |
| Netwealth Investments Limited <Wrap Services A/C> | 5,056,090 | 0.44 |
| HSBC Custody Nominees (Australia) Limited | 3,823,029 | 0.33 |
| AMCIL Limited | 3,250,000 | 0.28 |
| BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd> | 2,942,339 | 0.25 |
| IOOF Investment Services Limited <IPS Superfund A/C> | 2,025,583 | 0.17 |
| BNP Paribas Noms (NZ) Ltd | 1,854,938 | 0.16 |
| Karatal Holdings Pty Ltd | 1,821,936 | 0.16 |
| UBS Nominees Pty Ltd | 1,748,342 | 0.15 |
| Netwealth Investments Limited <Super Services A/C> | 1,675,944 | 0.14 |
| AKAT Investments Pty Ltd <TAG Family No 2 A/C> | 1,400,000 | 0.12 |
| **TOTAL** | **940,938,906** | **81.08** |
| Balance of register | 219,752,866 | 18.92 |
| **GRAND TOTAL** | **1,160,691,772** | **100.00** |

# Directory



**Region Management Trust ARSN 160 612 626**
**Region Retail Trust ARSN 160 612 788**

### Responsible Entity

Region RE Limited ABN 47 158 809 851

AFSL 426603

### Registered Office/Principal Office

Region Group
Level 6,
50 Pitt Street
Sydney NSW 2000
Australia

Phone + 61 2 8243 4900

### Securities Exchange Listing

Region Group (RGN or the Group) is listed on the ASX.

ASX code: RGN

### Directors

Steven Crane

Michael Herring

Angus James

Beth Laughton

Jane Lloyd (from 12 November 2024)

Antoinette Milis

Belinda Robson

Anthony Mellowes

### Company Secretary

Erica Rees

### Auditor

Deloitte Touche Tohmatsu,
Quay Quarter Tower
50 Bridge Street,
Sydney NSW 2000
Australia

### Corporate Governance

RGN's FY25 Corporate Governance Statement outlines the governance systems in effect in the Reporting Period by reference to the ASX Corporate Governance Principles and Recommendations, and it can be found on RGN's website at: regiongroup.au/about-us/corporate-governance.

### Company Website

All security holders can access important information on the Group's website at regiongroup.au. It includes all presentations, webcasts, market updates and ASX announcements and links to the online registry, as well as this Annual Report.

RGN only sends printed copies of the Annual Report to security holders that have elected to receive a hard copy. In the interests of sustainability and reducing paper consumption, we strongly encourage security holders to download the electronic version of this report.

### Annual Taxation Statement

RGN sends an annual taxation statement to security holders at the end of August each year. This statement provides a breakdown of the tax components of the Group's distribution of the preceding financial year. It also contains important information for completing security holder taxation returns, and security holders should retain this as part of their taxation records.

### Contact The Registry

Security holders seeking information about their holding or distribution payments can contact the registry.

1300 318 976 (toll free within Australia)

+ 61 1300 318 976 (outside of Australia)

**The Registrar**
MUFG CORPORATE MARKETS (AU) LIMITED
Liberty Place
Level 41
161 Castlereagh St
Sydney NSW 2000
Australia

### Complaints

In accordance with RGN's complaints handling procedure, if you wish to make a complaint, please forward your correspondence to:

**Compliance Officer**
Region Group
Level 6,
50 Pitt Street
Sydney NSW 2000
Australia

Or by email to: admin@regiongroup.au

### Security Holder Register Details

You can visit the register at au.investorcentre.mpms.mufg.com/login to view your holdings, access information and make changes. Log in using your SRN or HIN and the postcode of your registered address.

RGN encourages security holders to update their personal details on the register, including providing a tax file number (TFN) or Australian business number (ABN), and an email address to receive electronic communication. We will make all future distribution payments by direct credit, so we also ask that security holders provide their banking details.

On the online register, you can:

- Check your current balance
- Choose your preferred annual report options
- Update your address details
- Provide your email address
- Provide or update your banking instructions
- Register your TFN or ABN
- Check transaction and distribution history
- Download a variety of instruction forms
- Subscribe to email announcements


Marketplace Warner, QLD

Region RE Limited ABN 47 158 809 851