

New CEO and CFO to bring more growth to RGN?

Company/ASX Code	The Region Group (RGN)
AGM time and date	Tuesday, 21 October 2025 at 2pm (Sydney)
Location	Marble Room, Paradox Sydney (formerly Radisson Blu Plaza Hotel), 27 O'Connell St Sydney
Registry	MUFG Corporate Market Services
Type of meeting	Hybrid
Monitor	Lewis Gomes
Pre-AGM Meeting	Steven Crane - Board Chair and Angus James - Chair of Remuneration Committee

Monitor Shareholding: Individuals or their associates involved in the preparation of this voting intention have a shareholding in this company.

1. How we to vote

No.	Resolution description	Voting
1	Adoption of the Remuneration Report	For
2	Re-election of Independent Director – Steven Crane	For
3	Re-election of Independent Director – Michael Herring	For
4	Election of Independent Director – Rhonda Jane (Jane) Lloyd	For
5	Approval of issues under the Executive Incentive Plan	For
6	Issue of Short-Term Incentive Rights under the Executive Incentive Plan to the Chief Executive Officer, Anthony Mellowes	For
7	Issue of Long-Term Incentive Rights under the Executive Incentive Plan to the Chief Executive Officer, Anthony Mellowes	For
8	Appointment of new Auditor	For

2. Summary

- Operational performance continues to be sound but modest growth prevails
- Falling interest rates have seen re-ratings of REIT's including RGN and a welcomed uplift in security price
- Appointment of a new CEO and CFO could bring stronger growth opportunities
- Director re-elections and election are not controversial and will be supported by the ASA
- Executive remuneration seen as reasonable notwithstanding considerable sign-on awards to new KMP

3. Matters Considered

Financial performance

- Statutory net profit after tax of \$212.5m (\$17.3 million in FY24)
- Funds From Operations (FFO) \$179.9 million (\$178.4 million in FY24)
- Adjusted FFO (AFFO) per security of 13.7 cps (13.6 cps in FY24)
- Distributions per security of 13.7 cps same as FY24
- \$5.2 billion of assets under management up from \$4.8 billion in FY24
- Net tangible assets (NTA) per security of \$2.47 up 2.1% on FY24
- Weighted average market capitalisation rate dropped slightly to 5.97% with positive fair value of investment properties being up \$71.7 million.
- Balance sheet gearing of 32.5% which is at the lower end of target range of 30-40%
- Weighted average cost of debt stable at 4.3% over FY25 while net interest expense increased to \$64.7 million from \$62.8 million at the end of FY24
- Security buy-back totalled 2.2 million securities at average price of \$2.30 for a total consideration of \$5.0 million

Reductions in interest rates saw an upturn in property valuations in the latter half of the financial year after a number of years of downward revisions as interest rates rose from historic lows. Average leasing spreads were again positive at 3.7% and comparable net operating income (NOI) growth was 3.2% this year. The loss of two specialty store operators through administration left a gap in rental income and a slight drop in occupancy rates. The security distribution of 13.7 cps for FY25 remained unchanged from FY24 and still well below the 15.2 cps achieved in FY23. The focus on supermarkets and non-discretionary retail (approximately 88% of total rental income) continues to provide a solid basis for continuing operational outcomes.

RGN owns 87 retail properties with supermarkets being the most important tenant sector. The total owned portfolio was valued at \$4.374 billion. During FY25, there was a \$64.5 million acquisition of Kallo Town Centre (about 30km north of Melbourne's CBD) and six non-core and one Bunnings disposals valued at a total of \$228 million. There was \$75

million of capital expenditure while funds under management through the two Metro Funds (jointly held with a global institutional investor) more than doubled to \$711 million.

The outlook for FY26 is for AFFO per security of 14.0 cents and a distribution payout ratio of approximately 100% of AFFO.

Along with other REIT's, the security price of RGN improved significantly over the latter half of FY25 from \$2.08 in early January to \$2.28 on 30 June 2025 and \$2.46 on 12 September 2025. This improvement has reduced the security discount to NTA down to almost zero from about 12% a year earlier.

5 Year Summary

As at 30 June	2025	2023	2022	2021	2021
Statutory Profit (\$m)	212.5	17.3	(123.6)	487.1	462.9
Funds from Operations (FFO) (\$m)	179.9	178.4	192.5	192.7	159.0
Share price (\$)	2.28	2.10	2.27	2.75	2.52
Distribution (cents)	13.7	13.7	15.2	15.2	12.4
Simple TSR (%)	15.1	(1.5)	(11.9)	15.2	21.3
FFO/Security (cents)	15.5	15.38	16.94	17.40	14.76
CEO total remuneration, actual (\$m)	2.658	2.520	2.096	2.03	2.37

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance issues, key board or senior management changes

At end FY25, the board comprised three male and four female non-executive directors all of whom except for one new director (Ms Lloyd) held securities equivalent to or in excess of each director's annual base fees. There were two Executive KMP, the CEO and the CFO, both male but overall staffing is approximately 40% male and 60% female out of a total complement of 82 staff.

Ms Jane Lloyd was appointed to the board in November 2024 while Ms Belinda Robson (appointed September 2012) will retire at the end of the upcoming AGM. Evan Walsh had been appointed CFO in 2024 but ceased to be with RGN in April 2025 and was replaced by David Salmon in April 2025 from his prior role of deputy CFO with Scentre Group.

Post end of FY25, the CEO Anthony Mellows announced his intention to retire in early 2026 and a new CEO, Greg Chubb, has been secured and is expected to take up the role around March 2026. Greg has over 30 years of experience across retail, commercial real estate funds and REIT operations. His current role is COO of Hong Kong-based Link REIT and prior to that he was Retail CEO and executive director of Charter Hall Retail REIT (listed on the ASX as CQR). He has also held various leadership roles at Coles

Supermarkets, Mirvac and Lend Lease. The combination of Greg and David promises to bring some much-needed experience and vigour to RGN to grow its operations and develop more capital partner opportunities. It is hoped that new leadership will bring more of a growth perception amongst shareholders rather than being seen as primarily an income stock.

RGN includes a director skills matrix in its Corporate Governance Statement and also provides the usual bio-descriptions which enable such matters to be assessed. The board has a good mix of financial, legal, property and retail experience. New director Jane Lloyd brings particularly strong experience in local and international property markets across commercial, retail and residential sectors. <https://regiongroup.au/wp-content/uploads/2025/08/FY25-Corporate-Governance-Statement.pdf>

RGN recently tendered its audit services and selected KPMG after having Deloitte provide these services since listing in 2012.

Sustainability

The company continues to progress its solar and sustainability strategies which are detailed in the FY25 Sustainability Report along with many other initiatives. There was an investment of \$14.0 million in sustainability initiatives and RGN completed the installation of another 5.6MW of solar PV bringing its total capacity to 21.7MW across 33 centres. A further 3.3MW is in design or construction with a target of 25MW of solar PV by FY26. RGN has a net zero goal for Scope 1 and 2 emissions by FY30. Aspects relating to Scope 3 emissions are currently being developed but in the meeting with ASA, the company noted that the new requirements for addressing Scope 3 emissions for a property company such as RGN are quite onerous and, arguably, of little overall community benefit.

It is noted that carbon emissions targets are included as part of the STI's for executives.

4. Summary of Voting Intentions for AGM

Resolution 1 - Adoption of the Remuneration Report

Details of the remuneration framework for FY25 and FY26 are presented in the Annual Report and the Notice of Meeting. The FY26 framework for the CEO is summarised in Appendix 1. The CEO and CFO were each granted an increase of 3% on their FY25 fixed remuneration after a recent benchmarking exercise. The STI and LTI plans for FY26 are largely unchanged from FY25 with the following exceptions: the STI metrics have been adjusted to reduce the weighting of AFFO and add a new measure aimed at reducing the specialty vacancy rate while the LTI for AFFO starts at 30% for threshold rather than 50%. The remuneration seems reasonable and well controlled.

The sign-on award for Mr Salmon are rights to securities to the value of \$787,500 being the approximate value of the rights lost when he left his previous employer. These rights will vest into securities in four equal tranches over the next 4 years to 2028.

For the non-executive directors (NED's), the base and committee fees are unchanged for FY26. The total fee pool remains unchanged at \$1.6 million per year while the total NED fees payable is expected to decrease following the retirement of Belinda Robson.

Resolution 2 - Re-election of Independent Director Steven Crane

Steven was first appointed as an independent director in December 2018 and has been Chairman of the Board since December 2022 and Chair of the Nomination Committee since August 2022. He has a professional background in financial services and has strong

independent director experience with a wide range of listed and unlisted organisations including APA and NIB. Further details are provided in the Notice of Meeting.

Resolution 3 - Re-election of Independent Director Michael Herring

Michael was appointed to the board as an independent director in August 2022. His professional background is in legal and financial services and he held several senior positions with Macquarie Group including General Counsel. He has no other listed company directorships. Further details are provided in the Notice of Meeting.

Resolution 4 - Election of Independent Director Rhonda Jane (Jane) Lloyd

Jane was appointed to the board in November 2024 and is an experienced property industry executive having worked in both Australia and overseas. She previously held senior management positions with Stockland and Dexu. Further details are provided in the Notice of Meeting.

Resolution 5 – Approval of issues under Executive Incentive Plan

This resolution, if passed, gives the board more leeway in granting security rights to executives covered by STI, LTI and sign-on awards. A similar resolution was passed in November 2022 and since then a total of 4,186,531 rights have been awarded and the same number of stapled securities have been issued under the Executive Incentive Plan. This resolution gives the board another 3 years from the next AGM to grant similar rights to executives up to a total of 12 million rights. The resolution notes that the 12 million rights is a maximum and it is not the intention of the board to grant this number over the next three years. This resolution is largely procedural, and the ASA will support it other than questioning the need for 12 million rights to be given as the maximum. The ASA would have thought a lesser number somewhat above what the board expects to grant would be more appropriate. Further details are provided in the Notice of Meeting.

Resolution 6 - Issue of Short-Term Incentive Rights under the Executive Incentive Plan to the Chief Executive Officer - Anthony Mellowes

The resolution seeks security holder approval for the grant to the CEO of 185,422 STI rights as part of his short-term incentive award for FY25 being half of his awarded STI (66.0% of STI maximum being 110% of FR) noting that the other half of the awarded STI is paid in cash and is not subject to this resolution. The grant is valued at \$451,255 at \$2.4334 per security being the VWAP for the 5 trading days following the release of the FY25 full year results for RGN.

Resolution 7 - Issue of Long-Term Incentive Rights under the Executive Incentive Plan to the Chief Executive Officer - Anthony Mellowes

The resolution seeks security holder approval for the grant to the CEO of 631,423 rights as part of his long-term incentive award being a grant valued at \$1,536,505 at \$2.4334 per security. The grant value is based on the maximum available LTI of 120% of the fixed remuneration for FY26 of \$1.280 million.

Resolution 8 – Appointment of Auditor

After a tender process, RGN resolved to appoint KPMG as auditor and to remove Deloitte as the current auditor. As yet, RGN has not received the consent of ASIC to the appointment of KPMG so this resolution is contingent on receiving this approval. There are no known reasons to doubt that this approval will be forthcoming.

Note - The ASA considers it appropriate to vote all undirected proxies in favour of all relevant resolutions as per the proposed voting summary.

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Appendix 1

Remuneration framework for FY26

CEO Rem. Framework	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1,280,421	34	1,280,421	30
STI - Cash	469,952	12	704,232	17
STI - Equity	469,952	12	704,232	17
LTI	1,536,505	42	1,536,505	36
Total	3,738,830	100	4,225,390	100

*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.