15 October 2024

ASX Announcement

2024 ANNUAL GENERAL MEETING | REGION GROUP (ASX: RGN)

Attached are the following presentations which will be presented on Tuesday, 15 October 2024 at the 2024 Annual General Meeting:

- Chair's address and presentation to the meeting; and
- CEO's address and presentation to the meeting.

This document has been authorised to be released to the ASX by the Company Secretary of RGN.

ENDS

Media, Institutional investor and analysts, contact:

Evan Walsh	Nicolette Brice
Chief Financial Officer	General Manager – Investor Relations
Region Group	Region Group
(02) 8243 4900	(02) 8243 4900

Security holders should contact the RGN Information Line on 1300 318 976 with any queries.

Chair's Address (slide 3)

My presentation today will cover the following:

- Region's financial performance;
- Key priorities and outlook;
- Financial, value creation and growth opportunities; and
- Governance matters.

Financial performance (slide 4)

We are committed to delivering defensive, resilient cash flows to support secure and growing long term distributions to our security holders.

Region's Adjusted Funds from Operations, or AFFO, was 13.6 cents per security which is an 11.1% decrease compared to 15.3 cents per security in FY23. The decrease in AFFO per security is primarily due to an increase in our weighted average cost of debt from 3.4% to 4.3%.

Notwithstanding the macroeconomic conditions of continued rising inflation, Region was able to achieve 3% comparable net operating income growth.

Distributions to security holders totalled $159.2 million, or 13.7 cents per security.

At the end of FY23, Region identified approximately $200 million of non-core retail shopping centres for potential divestment. Since then, Region has successfully sold eight centres for $177 million at an average passing yield of 5.3% with a further divestment contracted that is scheduled to settle in December 2024, completing our disposal program. The proceeds of the divestments were reinvested into higher yielding opportunities which I will touch on in more detail later on.

Despite a quieter period for acquisitions, Region remains ambitious to grow the portfolio. Our shopping centres form an essential part of daily life for many Australians and in May, we were pleased to acquire Cooleman Court which has extended our reach into the Canberra community for the first time. The neighbourhood centre is anchored by Woolworths and Aldi supermarkets with Woolworths currently upgrading and expanding its store.

Over the year, our portfolio weighted average capitalisation rate softened from 5.85% to 6.07% which drove a like-for-like fair value loss on the revaluation of investment properties of $74.4 million. Despite the revaluation loss and accounting for divestments, Region recorded an accounting profit of $17.3 million.

Total Shareholder Return (slide 5)

Whilst increased cost of debt and inflation has impacted the Group more recently, Region has delivered a 206% total shareholder return since inception in 2012. This performance is in line with the index.

Key priorities and outlook (slide 6)

I'll now turn to our key priorities and outlook.

At the heart of our strategy is our customers. 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. We know that through delivering 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.

(slide 7)

Our operational priority is to generate sustainable Net Operating Income from our core business. We will do this by:

- Securing rental growth from our specialty and mini major tenants;
- Leveraging our scale to maintain controllable expenses;
- Working with our supermarket tenants to strengthen their offering and generate turnover rent;
- Investing into our existing assets to enhance the customer experience and drive tenant sales; and
- Continuing on our path toward net zero (scope 1 and scope 2) by FY30.

Financial, value creation and growth opportunities (slide 8)

Our balance sheet is strong and positioned for growth. At 30 June 2024, our gearing was 32.9% and we had $262.4 million of cash and undrawn facilities available. Following the refinance of two bank facilities in FY24, we are pleased to note that we have no debt expiring until FY27.

At June 2024, 94% of our debt was hedged and we have increased our hedging to 96% in FY25 to further mitigate our earnings from the potential for increasing interest rates.

As I previously mentioned, Region has nearly completed a capital recycling program with $177 million of properties divested to date, with one remaining property divestment to be settled in December. The proceeds from these divestments have been and will continue to be reinvested into strategic opportunities such as acquisitions, developments, partnering with our supermarkets, sustainability and reinvesting into our existing portfolio.

This year construction continued on the 11,000 square metre expansion of Delacombe Town Centre in Ballarat, Victoria which will deliver a large format retail precinct to complement the existing sub-regional shopping centre. The project is estimated to be completed in December 2024.

Region is committed to investing with our supermarkets to drive sales growth and turnover rent. At the end of FY24, we have 78 direct to boot and e-commerce facilities across our portfolio with a further six currently being commissioned.

Finally, our centre repositioning project is underway. These projects align to our purpose, supporting better communities through life's essentials, by focusing on the right tenant mix, category curation, space optimisation and importantly our customer experience to drive asset value.

Governance Matters (slide 9)

The Board remains committed to our key objective, which is to deliver secure and sustainable earnings and distributions, which grow over time.

And importantly we believe we have the right management team to deliver that outcome to security holders.

As foreshadowed by Belinda Robson at the 2022 AGM, she will not be standing for re-election at next year's AGM having joined the Board at the time of listing in 2012. The Board has commenced a search for a new Director which is very well progressed, and we expect to be able to make an announcement about the appointment shortly.

Finally, on behalf of your Board and management team, I thank you all for your continuing support.

I will now hand over to Anthony.

CEO's Address (slide 10)

Good afternoon, Ladies and Gentlemen. My name is Anthony Mellowes, and I am the Chief Executive Officer of Region Group.

This afternoon I will run through some of our key achievements for FY24 and provide an update on our outlook for FY25.

FY24 Highlights (slide 11)

- We delivered Funds from Operations of 15.4 cents per security, a decrease of 9.2% on the prior financial year.
- Distribution paid to security holders was 13.7 cents per security, representing a payout ratio of 101% of Adjusted Funds From Operations (AFFO).
- With portfolio valuations stabilising during the second half of the year, we were able to achieve a statutory profit after tax of $17.3 million as compared to the statutory loss after tax of $123.6 million in the prior year.
- Our operational performance was very strong during the year with occupancy increasing to 98.1%, a record number of leasing deals completed at 4.0% average uplifts and resilient non-discretionary specialty sales.
- Our pro-forma gearing was 32.3%, which is at the lower end of our target range of 30-40% with a weighted average cost of debt of 4.3% per annum.

- We have now completed our $200 million disposal program, with $177 million sold or contracted up to 30 June and another $22 million recently contracted.

Portfolio overview (slide 12)

As at 30 June 2024, our portfolio comprised of 13 sub-regional and 79 neighbourhood retail properties located in all states and territories across Australia.

We also manage an additional seven neighbourhood retail properties located across four states on behalf of Metro Fund 1, a joint venture partnership with a global institutional investor.

Since 30 June 2024, we have completed the divestment of 3 centres which formed part of the capital recycling program touched on by Steve, bringing our total portfolio to 96 properties under management. We have also entered into an unconditional contract to divest a further centre in December 2024 at an 8.5% premium to book value.

Nearly half of Region’s income is from Anchor tenants such as Woolworths, Coles, Kmart, Big W and Aldi. These are long leases with an average weighted expiry of more than seven years which contributes to rental income security.

In recognition of the importance of our anchor tenants to Region’s business we continue to partner with Woolworths and Coles in facilitating direct to boot and click ‘n’ collect convenience opportunities. Online sales are included in 97% of our supermarket turnover rent calculations and as these supermarket sales grow, we will be well positioned for future rental growth.

Operational performance as at 30 June 2024 (slide 13)

Our portfolio of convenience-based retail centres has proved resilient with its high-quality mix of supermarket anchor retail partners and focus on non-discretionary specialties.

In FY24, comparable Moving Annual Turnover (MAT) sales growth was 2.5% for the portfolio. Our supermarkets continue to perform well with sales growth at 3.0% which is in line with long-term averages for the sector. We have 50 anchor tenant leases in turnover rent with an additional 24 anchor tenant leases within 10% of threshold.

Region has also strategically benefited from its focus on non-discretionary specialty tenants. This means that our shopping centres offer goods and services that are fundamental to the everyday lives of our customers, regardless of economic conditions.

We focus on having the right tenant mix for everyday essentials. This means that we have specialty tenants such as food, hair dressing, gyms, post offices, and pharmacies and healthcare offerings to complement your shop at the supermarket.

By incorporating these tenants into the portfolio, we ensure a steady stream of foot traffic and stable revenue, as these businesses are less susceptible to economic downturns compared to discretionary retailers. The diversification helps mitigate risk and provides a solid foundation for consistent performance.

This was evident this year and sales figures reinforced the resilience of our non-discretionary specialty tenants despite fluctuating market conditions. This year, sales grew by 4.1% in this non-discretionary specialty category and productivity increased by 4%.

Our tenant health remains strong with occupancy costs stable at 8.8% and arrears at 1% of billings as at 30 June 2024.

A combination of these factors have assisted our leasing team in achieving strong results. All of our leasing is done in house and during the year we completed a record 552 leasing deals.

We retained 83% of our tenants upon expiry during the year and achieved an average uplift of 5.2% on renewal deals.

The total average increase across all specialty leasing deals was 4.0% and specialty vacancy rates improved from 5.0% to 4.7% which is our lowest specialty vacancy rate since FY16.

Sustainability (slide 14)

During the year we re-evaluated our sustainability strategy to prioritise the long-term resilience of Region and its sustainable future. As a result, we reaffirmed our emphasis on the following pillars:

- Climate,
- Nature,
- Essentially Local,
- Diversity & Inclusion, and
- Health, Safety & Wellbeing.

We also introduced the additional pillars of Procurement, and Transparency & Accountability.

Each of these pillars demonstrate Region's values and commitment to deliver positive change.

At Region, we accept that climate change is happening and is influenced by human activity. We recognise the need to play our part in reducing carbon emissions and energy usage, to help reduce the climate risks to our centres and local communities.

We have made significant progress towards our sustainability goals and targets as we continue to support Australian communities by providing access to fast and easy essentials at a place nearby.

- To date, Region has solar panels installed and operational at 29 centres totalling 16.1 mega watts across the portfolio with an additional 8 sites currently under construction.
- During the period we have also confirmed our Net Zero Scope 1 and 2 greenhouse gas emissions strategy beyond FY26, thereby reconfirming our plan to achieve Net Zero Scope 1 and 2 greenhouse gas emissions by FY30.

To emphasise the importance of renewable energy sources for our business, we have included an emissions reduction target in the FY24 and FY25 executive short-term incentive plans.

We are essentially local and together, we build thriving communities. With shopping centres across all states and territories, our performance is significantly influenced by the economic sustainability of our varied communities. Our goal is to be a trusted and positive contributor to the communities we operate in to support prosperity and create long-term value for all of our stakeholders.

In FY24, we held 844 stronger communities events at our centres, an increase from 555 in the prior year. These initiatives address local community needs and support the biggest social and environmental issues facing Australian communities.

Region is pleased to announce the renewal of our partnership with The Smith Family for an additional three years. Since our collaboration began in 2020, Region has proudly invested over $360,000 to support the education of young Australians facing disadvantage. This ongoing partnership underscores our dedication to creating meaningful change and fostering opportunities for a brighter future within the communities we serve.

With respect to Diversity & Inclusion, our shopping centres serve Australians of every background, and it is important to Region that this diversity is reflected in our workforce. This year we maintained a gender diverse workforce and Board.

We are committed and open regarding our climate responsibilities. With the introduction of sustainability reporting standards and mandatory reporting requirements, it is imperative to provide clear and comprehensive disclosures related to our climate risks and opportunities. Embracing transparency ensures stakeholders have access to accurate information.

We plan to fully align with the Australian Sustainability Reporting Standards by FY27, while focusing on governance, financial impacts and uplifting controls in relation to climate risks and opportunities in FY25.

Key Priorities and Outlook (slide 15)

Region's strategy of delivering defensive, resilient cash flows to support secure and growing long term distributions to our security holders has remained unchanged since listing on the ASX.

The outlook for neighbourhood non-discretionary retail is particularly promising, bolstered by several key factors shaping the Australian market.

First, Australia's growing population is driving an increase in demand for essential goods and services. As more people move to regional areas and suburban neighbourhoods, the need for convenient access to non-discretionary items such as groceries, healthcare, and everyday necessities intensifies.

Second, the current landscape of increased construction costs is constraining supply of new retail spaces. As a result, the limited supply of new retail spaces enhances the value and appeal of existing centres.

Together, these factors contribute to a robust outlook for neighbourhood non-discretionary retail. The combination of population growth and constrained new supply ensures that existing retail centres are well-positioned to benefit from sustained demand and potentially higher occupancy rates.

Our priority is to continue to deliver comparable net operating income growth while serving our local communities for their everyday needs. The first tranche of our centre repositioning projects is underway, where we plan to spend $35 million across three centres. In FY25, we will continue to reinvest in our centres through these projects which align with our purpose, supporting better communities through life's essentials, by focusing on the right tenancy mix, category curation and space and customer experience optimisation to drive asset value.

Our balance sheet is strong and positioned for growth with gearing at the lower end of our target range and interest rate headwinds are limited in FY25 with 96% of our debt hedged for the year. Over the next year, we will maintain a disciplined approach to acquisitions and any other transactions.

A few months ago, we were pleased to announce the establishment of Metro Fund 2 with a global institutional investor as our joint venture partner. This transaction will double our funds under management to almost $700 million and our focus during FY25 is stabilising this new fund with our joint venture partner.

Finally, we will continue to invest in our centres and with our anchor retail partners to provide the best offering to the local communities we serve.

Thank you for your time this afternoon.

I will now hand back to Steve.

Region GROUP

Annual General Meeting Presentation

Tuesday, 15 October 2024

Essentially Local

Agenda

1. Chair's Address
2. CEO's Address
3. Formal Business
4. General Questions

Chair's Address

Steven Crane

1. Financial performance
2. Key priorities and outlook
3. Financial, value creation and growth opportunities
4. Governance matters

Financial performance

Deliver secure and sustainable earnings and distributions, which grow over time

For the year ended 30 June 2024:

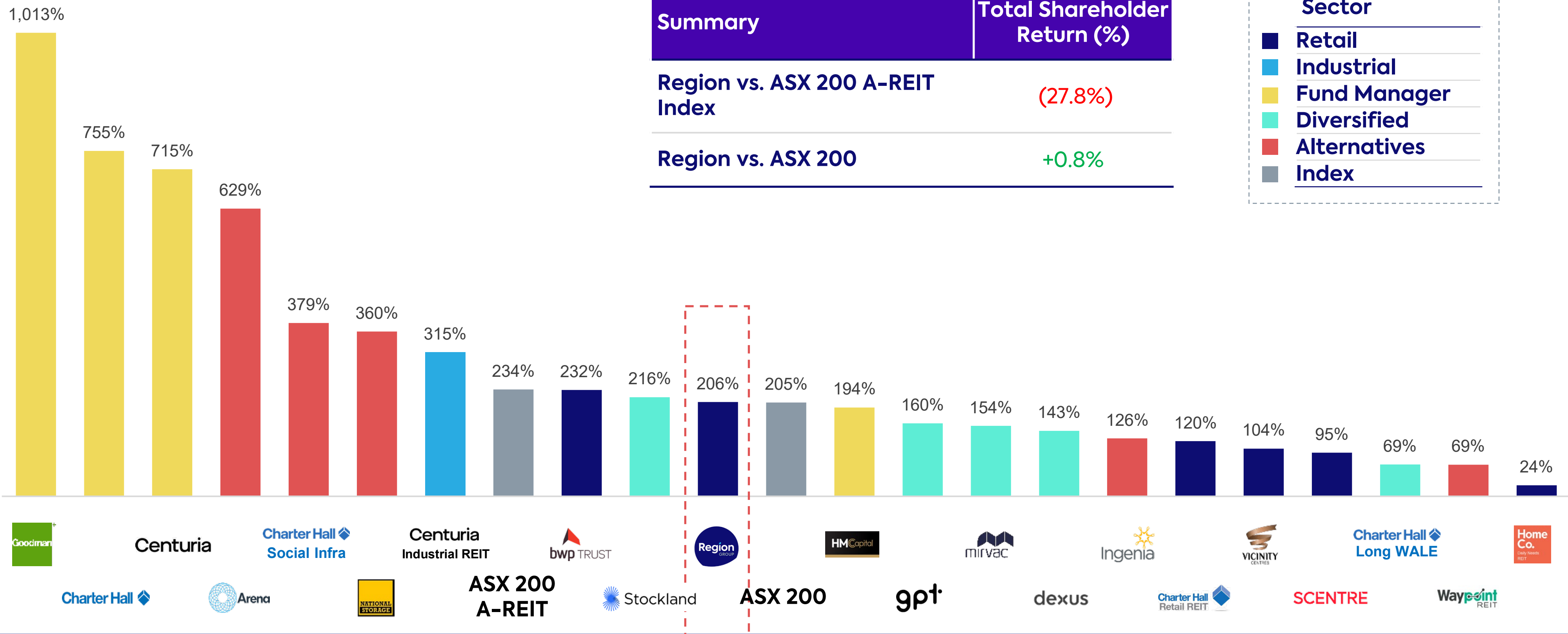
- AFFO of 13.6 cents per security, down from 15.3 cents per security in FY23
- Weighted average cost of debt increased to 4.3%, up from 3.4% in FY23
- Comparable NOI growth of 3.0%
- Distribution of $159.2 million or 13.7 cents per security
- Divestment of $177 million non-core, lower yielding properties
- Acquisition of Cooleman Court, ACT for $74.0m
- Statutory profit of $17.3 million

Total Shareholder Return – ASX 200 A-REIT Performance

Region Group is the second best performing ASX 200 Retail A-REIT between 26 November 2012 and 30 September 2024 (~206%) on a total shareholder return basis

ASX 200 A-REIT Total Shareholder Return (%)

Summary	Total Shareholder Return (%)
Region vs. ASX 200 A-REIT Index	(27.8%)
Region vs. ASX 200	+0.8%



Market Cap (A$bn)	70.7	7.6	1.7	1.6	1.1	3.5	2.0	n.a.	2.7	12.5	2.7	n.a.	3.1	9.5	8.5	8.2	2.1	2.1	10.1	19.0	2.9	1.8	2.6

Source: FactSet. Market data for period between 26 November 2012 and 30 September 2024. Market cap as at 30 September 2024.

Notes: TSR for HMC commences from listing date 14-Oct-19, TSR for HDN commences from listing date 23-Nov-20, TSR for NSR commences from listing date of 19-Dec-13, TSR for CLW commences from listing date 8-Nov-16, TSR for WPR commences from listing date 3-Aug-16, TSR for ARF commences from listing date 13-Jun-13, TSR for INA commences from listing date 1-Jul-14, TSR for SCG commences from listing date 25-Jun-14, TSR for CIP commences from listing date 13-Dec-12.

Our strategy

Defensive, resilient cash flows to support secure and growing long term distributions to our 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

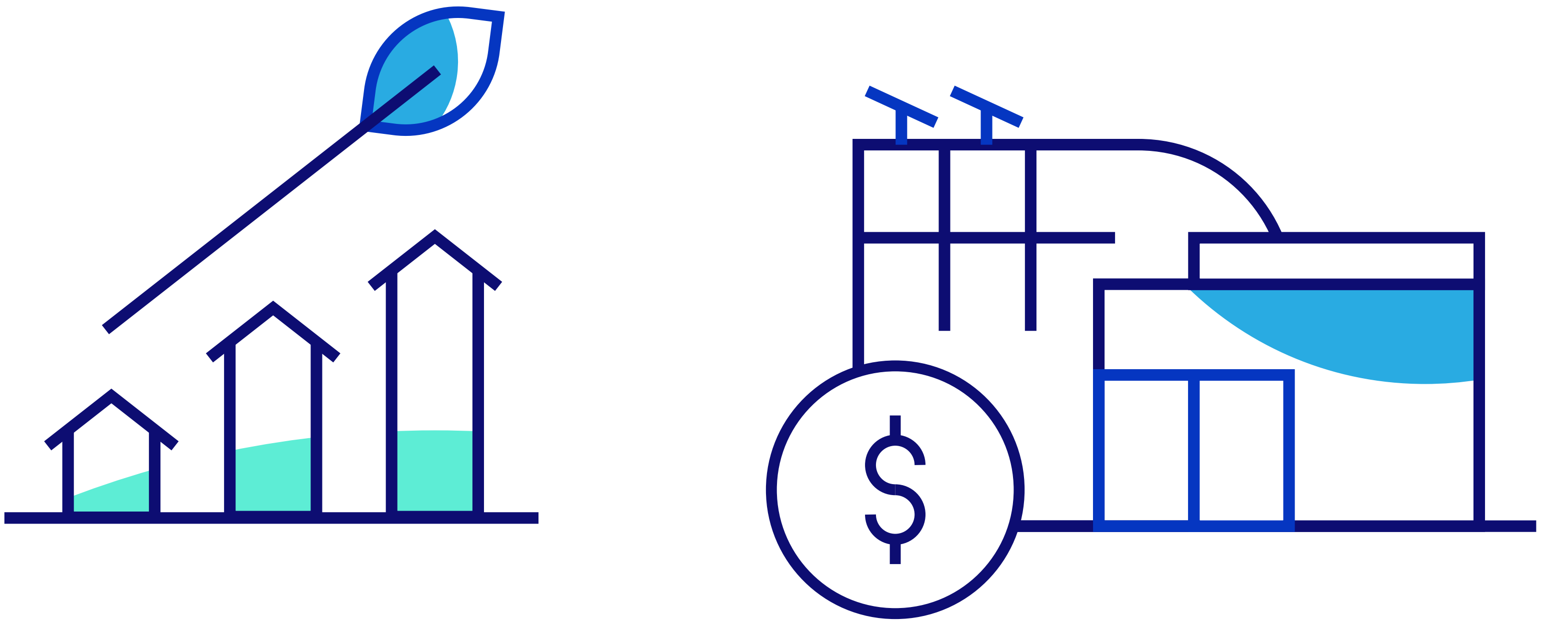
Key priorities and outlook

Our focus is serving our local communities for their everyday needs

Operational

Generating sustainable Net Operating Income growth by:

- Securing rental income growth from our specialty and mini major tenants
- Leveraging our scale to maintain controllable expenses
- Working with our supermarket tenants to strengthen their offering and generate turnover rent
- Investing into our existing assets to enhance the customer experience and drive tenant sales
- Continuing our path toward net zero (scope 1 and scope 2) by FY30



Financial, value creation and growth opportunities

Governance Matters

Chair's Address

CEO's Address

Anthony Mellowes

1. FY24 Highlights
2. Portfolio overview
3. Operational performance
4. Sustainability
5. Key priorities and outlook

Region GROUP

FY24 Highlights

Financial Performance

FFO per security	AFFO per security	Distribution per security	Statutory net profit/(loss) after tax
15.4 cps	13.6 cps	13.7 cps	$17.3m
vs 16.9 cps[1]	vs 15.3 cps[1]	101% payout of AFFO	vs ($123.6m)[1]

Operational Performance

Portfolio occupancy	Record number of completed leasing deals	Average specialty leasing spreads	Non-discretionary specialty MAT growth
98.1%	552	4.0%	4.1%

Capital Management

Capital recycled[2]	Liquidity	Pro forma gearing	WACD
$176.7m	$262.4m	32.3%	4.3% pa
into accretive opportunities	cash and undrawn debt capacity	at lower end of target 30-40% range	with 94.2% hedged debt

1. Compared to FY23
2. Capital recycled includes non-core properties divested since May 2023 and assets held for sale at 30 June 2024

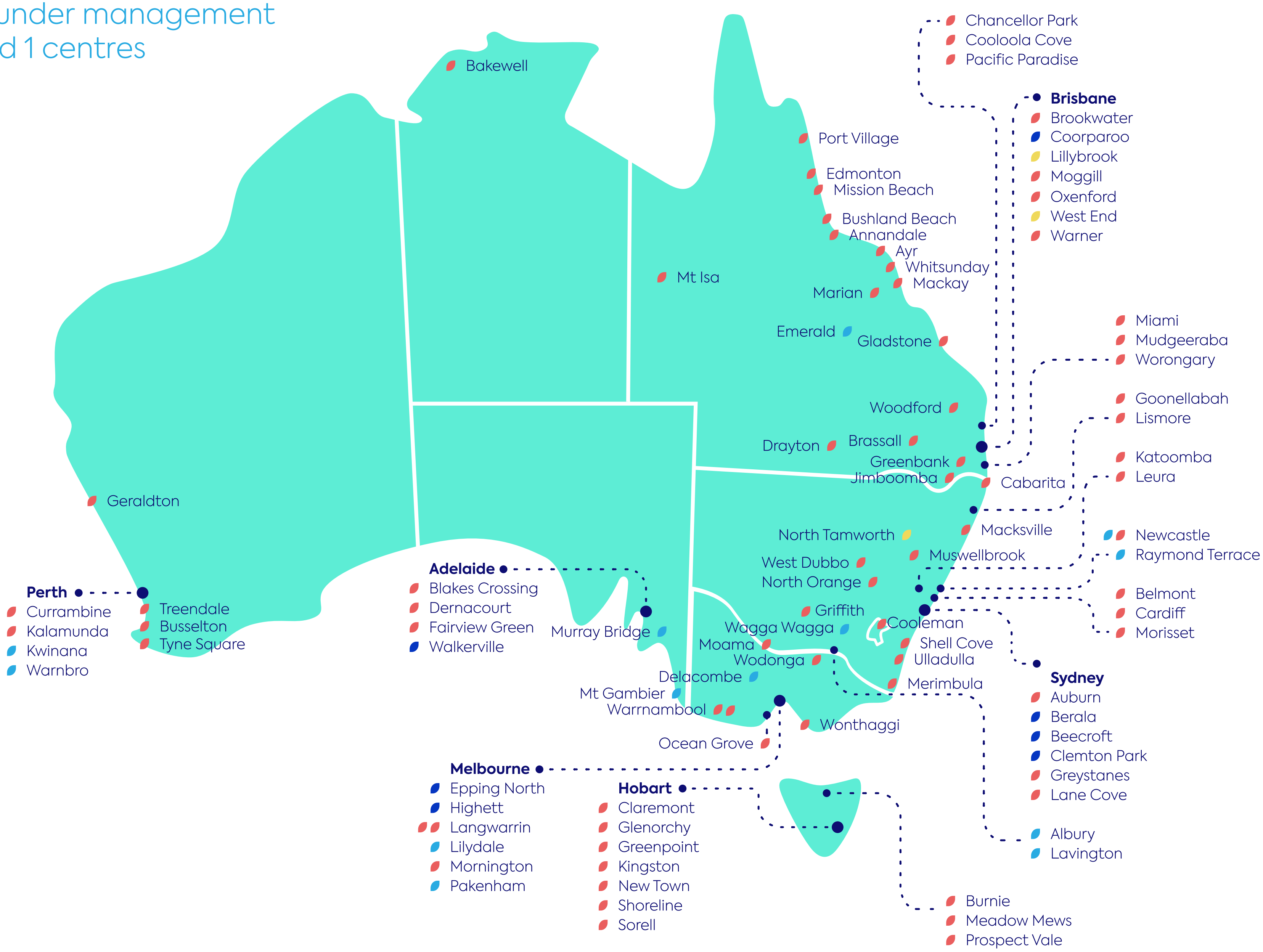
Region GROUP

Portfolio overview as at 30 June 2024

99 retail properties under management including Metro Fund 1 centres

Key

- Sub-regional
- Neighbourhood
- Metro Fund 1
- Sold – approaching settlement



Operational performance as at 30 June 2024

Resilient sales and record leasing

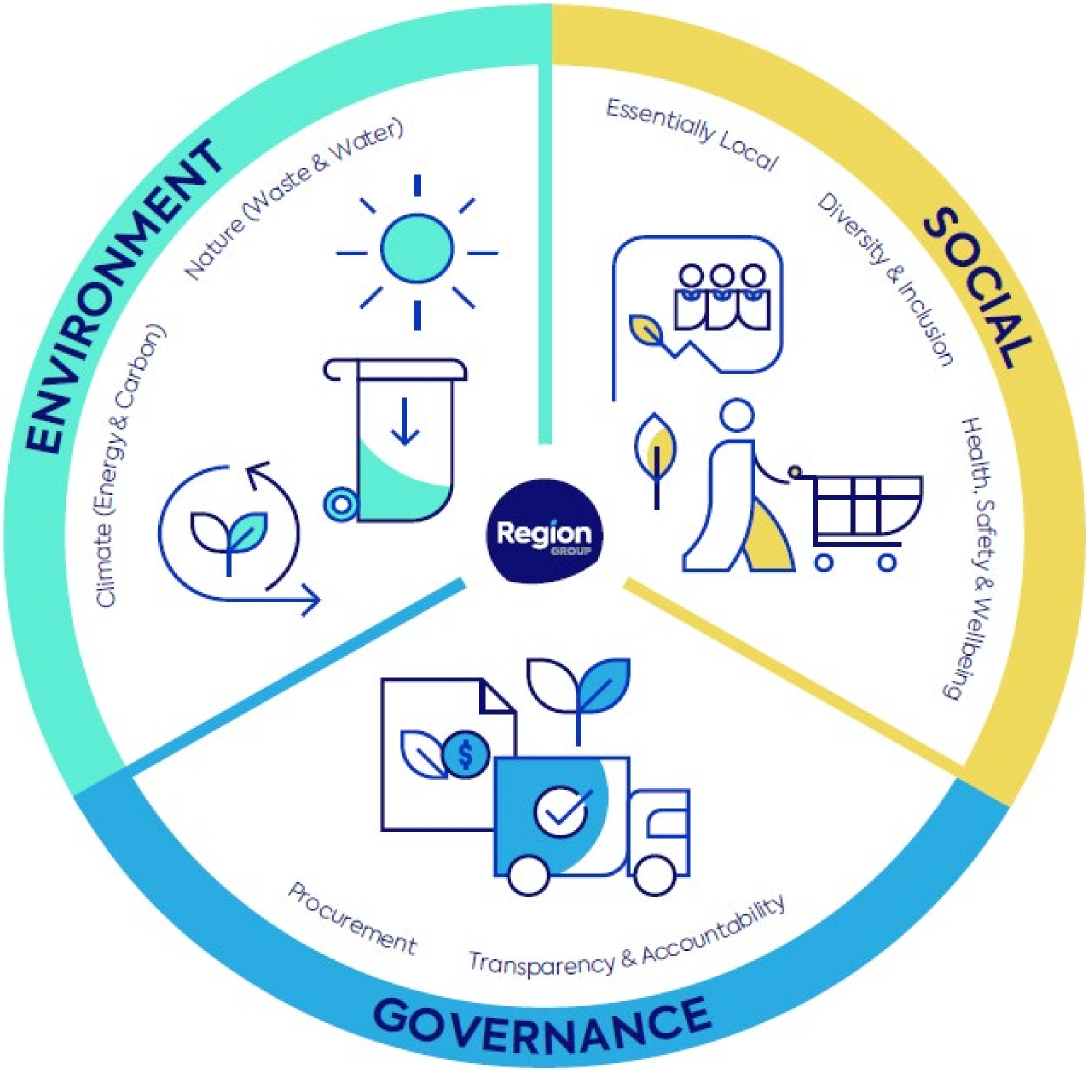
Defensive convenience based portfolio drives resilient operating performance

- Total portfolio sales growth of 2.5%
- Supermarket sales growth of 3.0% with 50 anchor tenants in turnover rent
- Non-discretionary specialty sales growth of 4.1% with increased sales productivity of 4%
- Occupancy costs remain stable at 8.8%
- Tenant health remains sound with arrears at 1.0% of billings
- 552 leasing deals completed at an average 4.0% uplift
- Specialty vacancy improved from 5.0% to 4.7%
- Strong tenant retention of 83%

Refreshed Sustainability Strategy

Introducing an increased focus on Governance, particularly Procurement and Transparency & Accountability

These pillars demonstrate Region Group's values and commitment to deliver positive change.



Key priorities and outlook

Key priorities/ outlook

- Non-discretionary retail remains resilient with comparable NOI growth despite elevated expense growth
- Limited interest rate headwinds with 96% of debt hedged in FY25
- Balance sheet is supported with valuations stabilised and gearing at the lower end of our target range
- Continue to invest in our centres, maintain a disciplined approach to acquisitions and non-core divestments and explore funds management growth