Region GROUP

FY24 Annual Report

Supporting better communities through life's essentials.

Cooleman Court, ACT

Contents

Meeting of Security Holders

This year's AGM will start at 2pm (AEDT) on Tuesday 15 October 2024. For further information, visit www.regiongroup.au/agm/

Corporate Calendar

15 October 2024	Meeting of security holders
December 2024	Estimated interim distribution announcement and securities trade ex-distribution
January 2025	Interim distribution payment
February 2025	Interim results announcement
June 2025	Estimated final distribution announcement and securities trade ex-distribution
August 2025	Full year results announcement
August 2025	Final distribution payment
August 2025	Annual tax statement

Security Holders Register Details

You can view your holdings, access information and make changes by visiting investorcentre.linkgroup.com/Login/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 92 convenience-based retail properties, valued at $4,368 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.

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

Our portfolio benefits from long leases to Woolworths and Coles Group Limited (Coles), which act as our anchor retail partner at more than 96% of our properties.

OUR PURPOSE

Our ambition to do better for the communities we operate in, our people, retail partners and security holders inspired us to think deeper. In 2022, ten years after the creation of SCA Property Group, we became Region with a clear purpose: supporting better communities through life's essentials.

We have defined critical pathways to our success – our people, our customers, our environment and our security holders. We believe in owning a portfolio of properties 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.

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

At the heart of our strategy are 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.

Operating responsibly is of great importance to our business, our communities and our security holders, and we are well placed in delivering our environmental, social and governance commitments.

The value of our business is more than its physical properties. It lies in the wellbeing of our people and the prosperity of our retailers as we work together to provide for the essential needs of our customers. 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 values are what guide us in how we deliver on our ambition.

ACHIEVEMENT

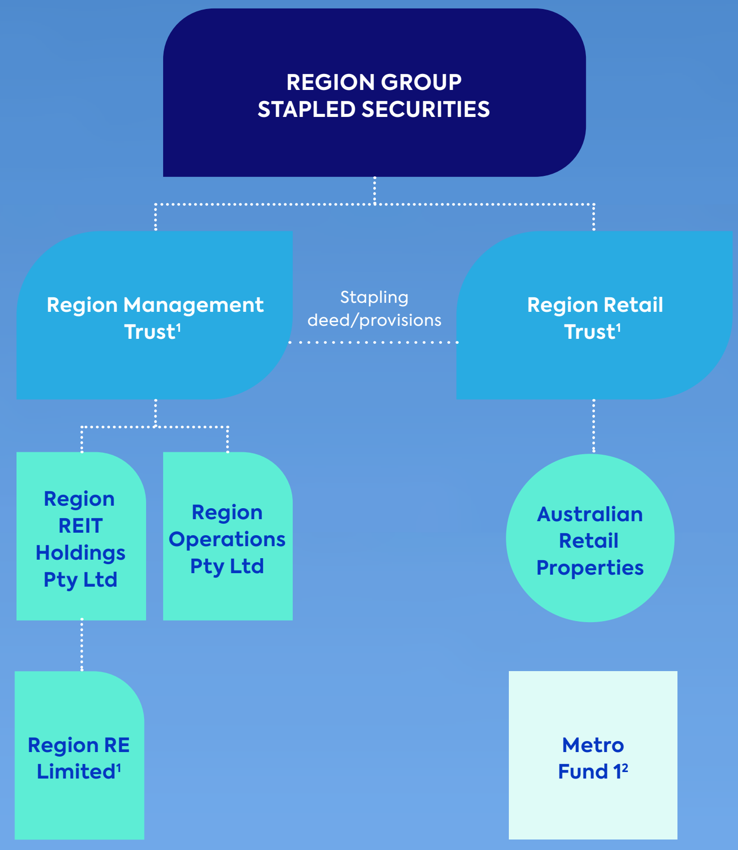
Innovation
We embrace doing things differently to get people what they need, when and how they want it.

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 (Metro Fund 1)

Delacombe Town Centre, VIC

Our FY24 Performance Highlights

FUNDS FROM OPERATIONS (PER SECURITY)

15.4¢
per security

DISTRIBUTION (PER SECURITY)

13.7¢
per security

COMPARABLE NOI GROWTH

3.0%

The Gateway Shopping Centre, VIC

OPERATIONAL

RESILIENT PORTFOLIO PERFORMANCE

Record number of completed leasing deals
552

Portfolio occupancy
98.1%

FINANCIAL

DISCIPLINED CAPITAL MANAGEMENT

WACD
4.3%pa
with 94.2% hedged debt

PRO FORMA GEARING
32.3%
at lower end of target 30-40% range

LIQUIDITY
$262.4m
cash and undrawn debt capacity

VALUE CREATION AND GROWTH

RECYCLING CAPITAL INTO ACCRETIVE OPPORTUNITIES

FOR SALE

$176.7m
divestment of non-core properties
(since May 2023)

$34.1m
value-add capital expenditure
(spent in FY24)

$74m
acquisition of Cooleman Court, ACT
(at an implied initial yield of 6.73%)

$394m
establishment of Metro Fund 2 with six new centres
(in September 2024)

A message from our Chair and CEO

On behalf of our fellow Directors, we are pleased to deliver our annual report for FY24. 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 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. As at 30 June 2024, our portfolio MAT growth was driven by 3.0% supermarket and 4.1% non-discretionary specialty sales growth.

Non-discretionary retail partners generated 88% of the gross rent and the portfolio weighted average lease expiry is strong at 5.1 years. Our retail partner's health remains sound with arrears at 1.0% of billings.

Our leasing activity has driven higher occupancy at 98.1% and improved specialty vacancy of 4.7%. The team achieved a record number of 552 leasing deals in FY24 at an average uplift of 4.0% and delivered increased average annual fixed rent reviews at 4.1%.

Sustainability

Prioritising our long-term resilience and sustained future remains paramount. In FY24, we completed an evaluation of our sustainability strategy to ensure it continues to focus on these ambitions. As a result, we introduced an increased focus on Governance including Procurement, and Transparency & Accountability.

We have continued to progress on our sustainability targets, with 16.1MW of solar PV across 29 sites installed and operational at the end of FY24. We expect to reach our Net Zero (Scope 1 and 2) target by FY30, and as we progress our program, we are improving the data availability for our Scope 3 greenhouse gas emissions.

Essentially Local, our social impact pillar, is fundamental to how we deliver on our purpose. We have made a positive impact through our continued partnership with The Smith Family, where we have supported 208 students as part of their Learning for Life program. We are proud to have the opportunity to positively contribute to the prosperity of the local communities we operate in, with our teams implementing Local Community Engagement Plans resulting in more than 800 events held across our centres.

Finally, we have embarked on our journey towards being fully aligned with the proposed Australian Sustainability Reporting Standards by FY27.

More details around our sustainability framework and progress towards our commitments are set out in our FY24 Sustainability Report.

Financial Performance

Despite inflationary pressures on property expenses, we achieved:

- FFO 15.4 cps
- AFFO 13.6 cps
- Distribution 13.7 cps – in line with AFFO
- Comparable NOI growth of 3.0%

Looking forward, we have mitigated our exposure to interest rates in FY25 and FY26 through our hedging activity. During the year we entered into $300m of interest rate swaps at zero cost and issued a 7-year, $300m Medium Term Note (MTN). The MTN orderbook was 4.6x oversubscribed, which allowed us to achieve a margin of 1.45%.

Following these transactions, we are 96% hedged in FY25 and 82% hedged in FY26.

Our balance sheet is well positioned for growth with market capitalisation rates stabilising during the second half of the year, pro forma gearing of 32.3% at the lower end of our target range and $262.4m of available liquidity.

Value Creation and Growth Opportunities

We have substantially completed our capital recycling program where we divested $176.7m of non-core, lower yielding retail centres since May 2023 at an average passing yield of 5.3%. Proceeds have been reinvested into accretive opportunities such as the $74.0m acquisition of Cooleman Court at an implied initial yield of 6.73%, and reinvestments into our existing portfolio, with any surplus proceeds temporarily used to reduce debt.

Our first tranche of centre repositioning projects is underway, where we plan to spend $35m across three centres to enhance the customer experience and drive asset value. We will also continue to co-invest with our supermarket retail partners to roll out their e-commerce facilities. Finally, we are well progressed on the development of Delacombe Town Centre stage 2, which is expected to be completed in December 2024.

Anthony Mellowes (left) and Steven Crane (right)

The Next 12 Months

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 FY25 will continue to be on:

- Serving our local communities for their everyday needs
- Partnering with our anchor retailers to improve their online offer
- Reinvesting in our centres to drive portfolio value
- Curating our portfolio based on our disciplined investment criteria and growing our funds under management
- Executing on our sustainability strategy

The productivity of our portfolio is positioned to increase, with continued strong population growth and limited new supply of retail space. With our planned centre reinvestment program and our low specialty occupancy cost, this provides the opportunity to increase specialty rents.

We are pleased to announce the establishment of Metro Fund 2 in August 2024 with a global institutional partner, which more than doubles our funds under management. The management rights for this new fund were acquired at zero cost and consists of six new centres totalling $394m at a cap rate of 5.7%. We are focused on completing this transaction as well as remaining disciplined with growth plans in Metro Fund 1.

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 2024

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

Our portfolio comprises of 13 sub-regional and 79 neighbourhood retail properties located in all states and territories across Australia. During the year, we divested four and acquired one retail property as part of our capital recycling program, with an additional three held for sale at 30 June 2024.

We also manage an additional seven neighbourhood retail properties located across four states on behalf of Metro Fund 1, bringing our total portfolio to 99 retail properties under management.

Key

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

Our Property Portfolio continued

PORTFOLIO OVERVIEW

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

92
owned retail properties

2,109
number of speciality retailers

$4,368 million
total owned portfolio value

794,425 sqm
gross lettable area

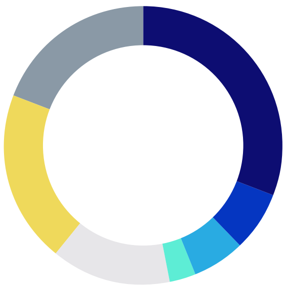
2,488,771 sqm
land

5.1 years
weighted average lease expiry[1]

Tenants by Category (by gross rent)

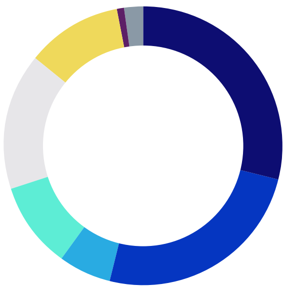
- Specialties/Mini Majors **53%**
- Woolworths Group **28%**
- Coles Group **11%**
- Wesfarmers Group **5%**
- Other Anchors **3%**

Specialty / Mini Major Tenants (by gross rent)



- Food and Liquor **31%**
- Pharmacy and Healthcare[2] **20%**
- Services[3] **19%**
- Other Retail[4] **14%**
- Apparel **7%**
- Discount Variety **6%**
- Petrol **3%**

Geographic Diversification (by value)



- NSW **29%**
- QLD **25%**
- SA **6%**
- TAS **10%**
- VIC **16%**
- WA **11%**
- NT **1%**
- ACT **2%**

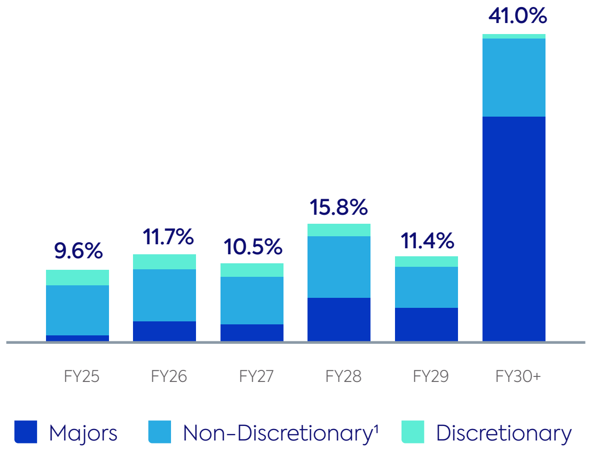
1. Weighted average lease expiry (WALE) years by gross rent
2. Pharmacy & Healthcare includes pharmacies, medical centres/doctors, dentists, optometrists, audiologists and other healthcare service tenancies
3. Services includes hairdressing, dry cleaners, gyms/fitness centres, banks, post office and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

Our Retail Partners

The resilience of our portfolio is largely driven by our non-discretionary retail partners.

Our portfolio comprises of convenience-based retail properties with a strong weighting to non-discretionary retail categories. Proactive leasing deals have reduced prior anticipated FY25 expiries from 11.1% to 9.6%. Anchor retail partners represent 47% of gross rent, with the remaining 53% of gross rent coming from specialty and mini major retail partners.

Overall lease expiry (% of gross income)



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

Belmont Shopping Centre, 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 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 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

Bentons Square, VIC

ELEVATING OUR CORE PORTFOLIO

We believe that access to life's essentials enables and inspires communities to thrive and grow. This belief drives our continued focus on optimising our portfolio through partnering with our supermarket retail partners to enhance their e-commerce experience, elevating our portfolio composition through our considered divestment program of lower yielding properties, and deploying recycled capital into accretive opportunities that drive portfolio performance.

DISCIPLINED CAPITAL MANAGEMENT

We maintain a conservative approach to managing our balance sheet by focusing on diversified funding sources and maintaining appropriate level of gearing within our target range of 30-40%.

OPERATING SUSTAINABLY

Operating sustainably is key and how we deliver on our purpose. We continue to build on our strategy as we place greater focus on Governance, particularly Procurement, and Transparency & Accountability across our business operations and our commitment to positively impact the communities in which we operate.

SCALING FUNDS MANAGEMENT

Our funds management platform through Metro Fund 1 and the establishment of Metro Fund 2 provides growth opportunities through acquisitions in the medium to long term.

Our Performance

FINANCIAL PERFORMANCE

Resilient Portfolio Performance

Our underlying FFO per security was stable compared to the prior year, driven by a 3.0% increase in comparable NOI. However, this growth was outweighed by the increase in cost of debt driven by the increase in market interest rates and headwinds from inflationary pressures.

Balance Sheet Positioned for Growth

Cap rates in the convenience-based sector have stabilised and our conservative balance sheet provides the flexibility for growth opportunities.

As at 30 June 2024, we have $4.8 billion Assets Under Management, which includes the recent $74.0 million acquisition of Cooleman Court, ACT, and $67.7 million disposal of non-core retail properties during the period.

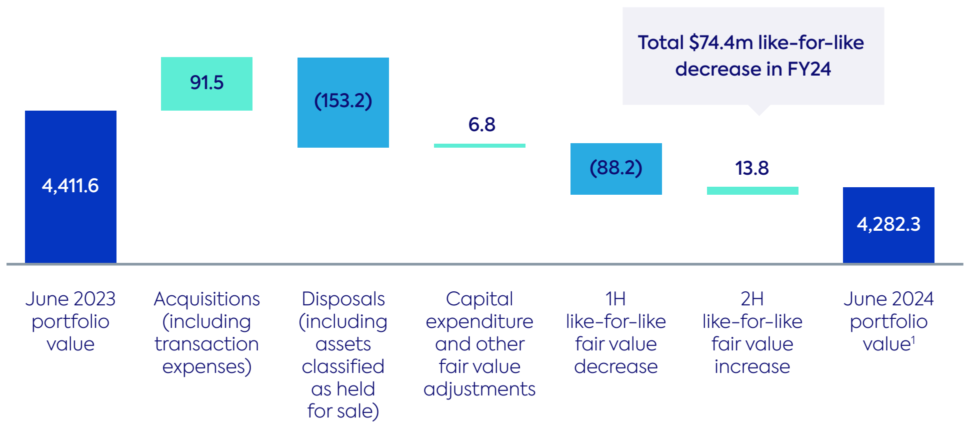
Our gearing remains at the lower end of our 30-40% target range, sitting at 32.9%, and we have increased our liquidity with $262.4 million cash and undrawn debt capacity as at 30 June 2024, enabling us to remain agile in our pursuit for growth.

Property Valuations Stabilised

During the year, our portfolio valuation was impacted by a $74.4 million like-for-like fair value decrease. However, our income growth and stable cap rates drove a like-for-like fair value increase of $13.8 million in the second half of FY24.

The portfolio has a weighted average capitalisation rate of 6.07%, a 3bps movement since December 2023.

Portfolio Value ($m)

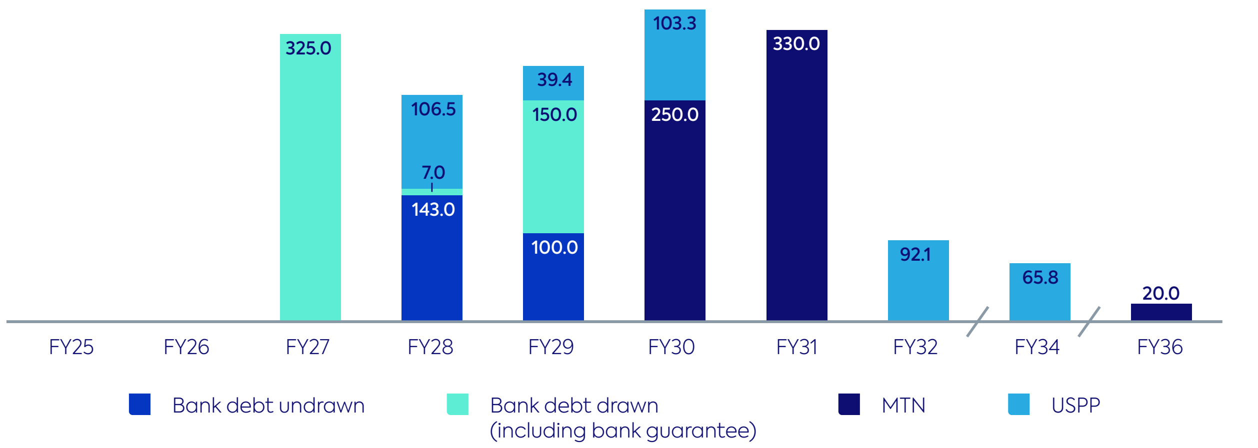


1. Excluding assets held for sale at 30 June 2024

Proactive Capital Management

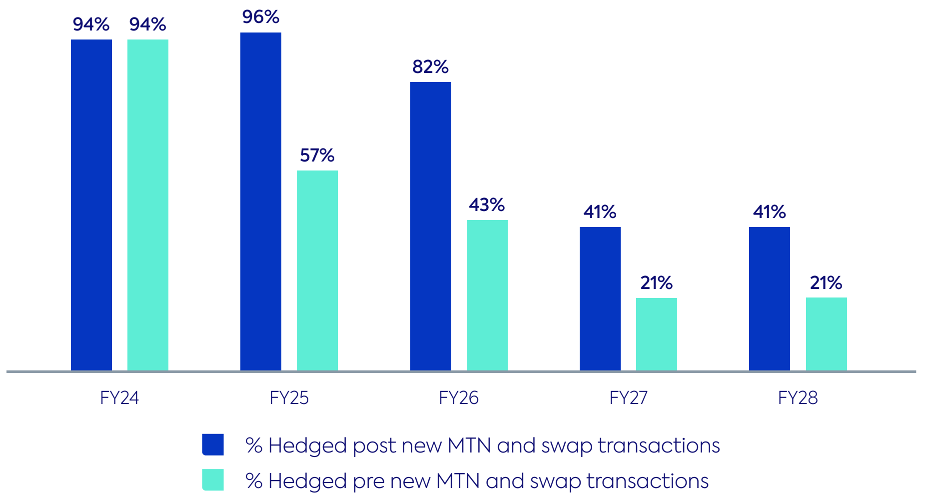
FY24 capital management activity provides a secure platform for growth.

Debt Facilities Expiry Profile ($m)



During the year, we increased the amount of fixed debt to mitigate the impact from increased interest rates going forward. This comprises of 94.2% of debt fixed / hedged in FY24 and 96% in FY25. We entered into an additional $300 million of interest rate swaps and issued a new 7-year, $300 million Medium Term Note (MTN) at a coupon of 5.55% including a margin of 1.45%.

Hedge Expiry Profile Based on Debt Drawn ($m)



Total specialty sales productivity increased to $10,759 sqm, compared to $10,342 sqm as at 30 June 2023. This has contributed to an increase in average specialty occupancy cost at 8.8%, compared to 8.7% as at 30 June 2023.

Ocean Grove Marketplace, VIC

OPERATIONAL PERFORMANCE

Portfolio Sales Growth Remains Strong

In FY24, comparable Moving Annual Turnover (MAT) sales growth was 2.5% for the portfolio, with resilient MAT sales growth driven by supermarkets at 3.0% and non-discretionary retail partners at 4.1%.

Total portfolio comparable MAT growth by category

	30 JUN 2024[1]	30 JUN 2023
Supermarkets	3.0%	3.4%
Discount Department Stores	1.1%	9.4%
Mini Majors	2.9%	2.2%
Non-discretionary Specialties	4.1%	8.2%
Discretionary Specialties	(4.0%)	7.1%
Total	**2.5%**	**4.5%**

Record Leasing Activity Driving Rental Income Security and Portfolio Occupancy

A total of 552 deals were completed in FY24, which has equated to 100,698 sqm of GLA leased. This resulted in an increase in portfolio occupancy from 97.8% to 98.1%, and a reduction in specialty tenant vacancy from 5.0% to 4.7% during the year.

We achieved 4.1% average annual fixed rent reviews and reduced retail partners on holdover from 3.7% to 2.2% of gross rent. The average uplift was 4.0% for specialty leasing deals, including 5.2% for renewals and 1.6% for new deals.

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

Specialty Tenant Key Leasing Metrics

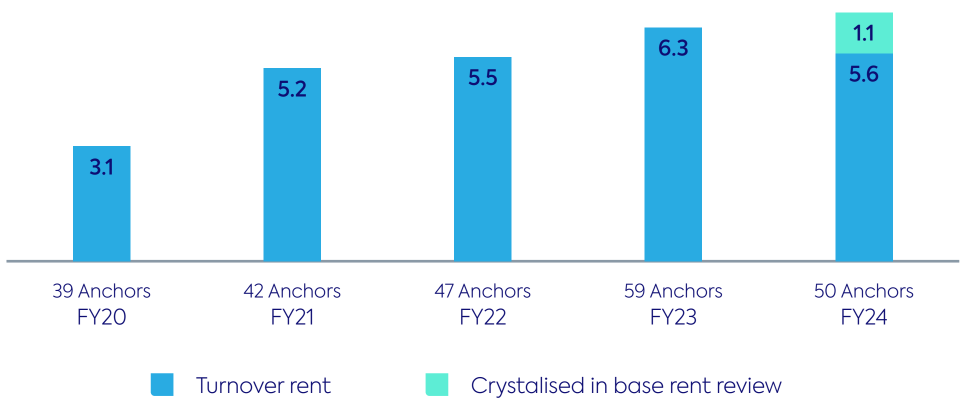
RENEWALS	12 MONTHS TO 30 JUN 2024	12 MONTHS TO 30 JUN 2023
Number	303	267
Retention (%)	83%	82%
GLA (sqm)	34,447	29,506
Average uplift (%)	5.2%	4.7%
Incentive (months)	0.4	0.2
NEW LEASES	**12 MONTHS TO 30 JUN 2024**	**12 MONTHS TO 30 JUN 2023**
Number	149	126
GLA (sqm)	14,792	12,526
Average uplift (%)	1.6%	1.2%
Incentive (months)	9.6	10.0

Partnering with our Anchor Tenants to Drive Sales

We continue to invest with our anchor retail partners on e-commerce facilities to drive sales and turnover rent. Nine facilities were completed in FY24 with a further six facilities currently being commissioned. We are one of the largest landlords of Woolworths and Coles with 60 and 31 stores respectively. Of these stores, 97% have online sales included in turnover rent.

As at 30 June 2024, 50 anchors generated turnover rent valued at $5.6 million, with a further 24 anchors within 10% of the threshold. During the year, $1.1 million of turnover rent was crystalised into base rent.

Anchor Turnover Rent ($m)



Soda Factory, QLD

SUSTAINABILITY

The FY24 Sustainability Report encompasses all owned and managed properties. Our convenience-based retail properties 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 properties 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 property, our teams strive to ensure our centres serve an essential role in their communities: working together with local people on local issues, supporting community initiatives and volunteering in community projects.

A progress update against the sustainability commitments we made can be found in the FY24 Sustainability Report.

Marketplace Warner, QLD

FY24 Sustainability Highlights

$5.2M
investment in solar PV generation, representing 7.9MW of new solar PV capacity

16.1MW
of solar PV across 29 sites installed and operational by the end of FY24

6
property climate change impact assessments completed

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

ASRS
working towards ASRS alignment by FY27 mandatory deadline

208
students supported through our partnership with The Smith Family

844
Stronger Communities events or initiatives held

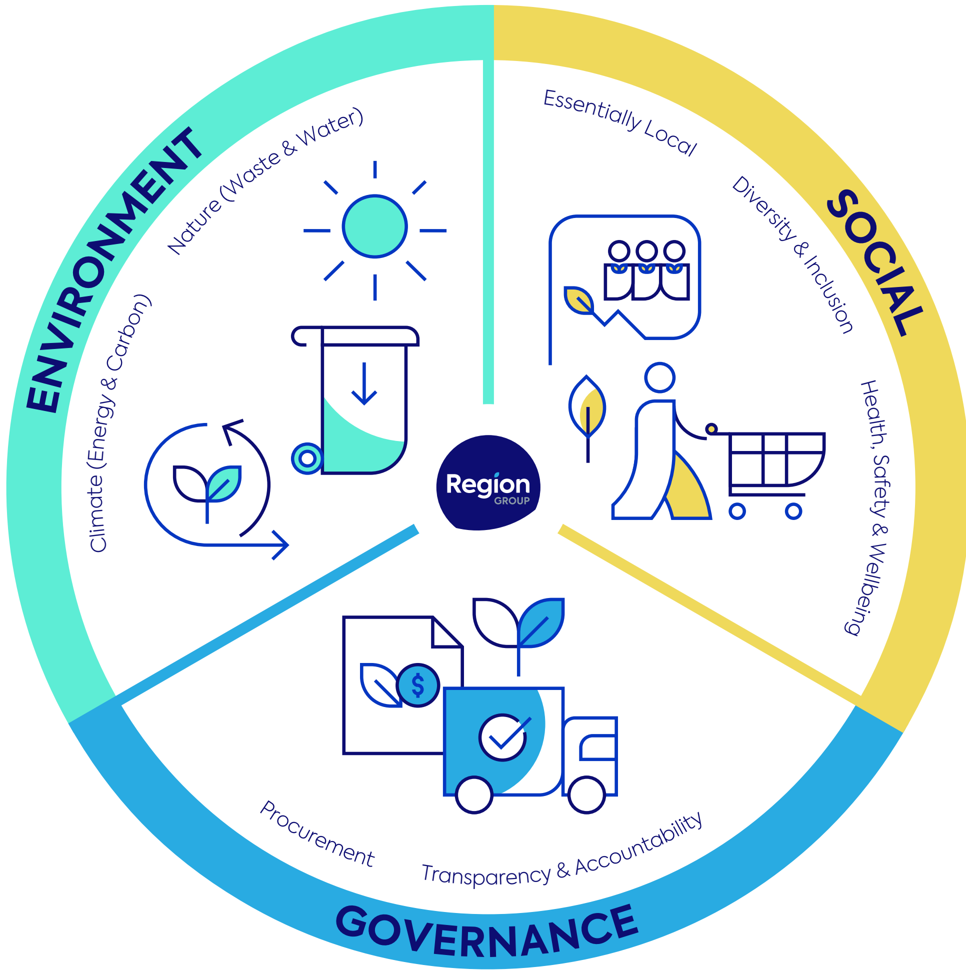
Our Sustainability Strategy and Approach

During the year we re-evaluated our sustainability strategy to prioritise the long-term resilience of our sustainable future. As a result, we reaffirmed our emphasis on Climate, Nature, Essentially Local, Diversity & Inclusion, and Health, Safety & Wellbeing, while introducing an increased focus on Procurement, and Transparency & Accountability.

These pillars demonstrate our values and commitment to deliver positive change.

We're maintaining momentum on our sustainability commitments, and we are pleased with our continued investment in solar PV generation. In FY23, we set the target of 20MW of solar PV installed or under construction by FY24 (on our path towards 25MW by FY26). We are currently tracking ahead of schedule, with 22.8MW installed, under construction or in design across 37 properties. At the same time, we are rolling out embedded networks at a number of these sites, thereby improving data availability for our Scope 3 GHG emissions reporting.

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 four 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. Additionally, we have been involved in a number of community events and local initiatives.



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.

16.1MW across 29 sites installed and operational by the end of FY24

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 across 6 Western Australian centres
- 100% LED lighting installed in all centres

FY23

- 5.3MW solar PV generation capacity installed or under construction across 9 centres
- 0.8MW solar PV added through acquisitions
- Commenced new embedded network roll-outs
- Investigated the feasibility of large-scale onsite electricity storage

FY24

- 7.9MW solar PV generation installed, under construction or in design across 13 sites
- Continue embedded network roll-outs where solar PV is installed
- Install LED lighting to new property acquisitions
- Complete energy efficiency audit at Auburn Central
- Reduced our consumption by 20% compared to FY19 on a like for like basis

FY25

- Install at least 2.2MW solar PV generation capacity
- Continue embedded network roll-outs where solar PV is installed
- Perform a review at our highest gas usage centres
- Evaluation of the economic viability of installing batteries

FY26

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

FY27 – FY28

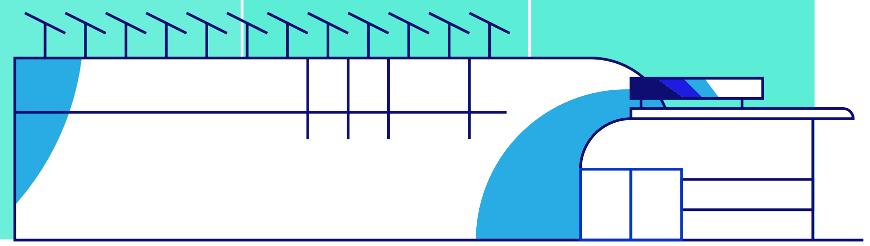
- Commence electrification of our highest gas usage centres

FY30

- Reduce 10% of gas through electrification by FY30
- 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



We remain the largest owner of convenience-based centres with a proven transactional track record.

VALUE CREATION AND GROWTH OPPORTUNITIES

Enhancing Portfolio Quality by Redeploying Capital into Accretive Opportunities

Divest non-core properties to enhance the portfolio

Reinvest into higher yielding opportunities with any surplus proceeds temporarily used to reduce debt balances

$176.7m of disposals since May 2023 at an average passing yield of 5.3%

$74.0m acquisition of Cooleman Court at an implied initial yield of 6.73%

$34.1m value-add capital expenditure in FY24 with a target yield of 6-10%

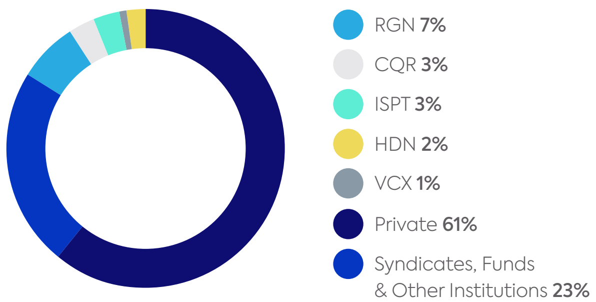
$68.6m debt repayment which was accretive compared to the marginal cost of debt

Portfolio Composition Approach

We remain the largest owner of convenience-based centres with a proven transactional track record.

- 7% share of the market which is dominated by private owners
- Strong relationship with Woolworths and Coles being their largest landlords
- Average of six acquisitions at over $200 million annually over the past ten years
- Acquisition of land adjacent to the existing Delacombe Town Centre investment property for $15.0m and Cooleman Court for $74.0 million

Ownership of Convenience-Based Centres



Centre Repositioning – *Life's Essentials Reimagined*

Our capital investment is underway across three centres – Lavington Square, NSW, Miami One, QLD, and Pakenham Marketplace, VIC. These projects align to our purpose, supporting better communities through life's essentials, by focusing on the right tenant mix, category curation, and space and customer experience optimisation to drive asset value.


Lavington Square, NSW[1]

Delacombe Town Centre – Stage 2 Development

Delacombe Town Centre is located in Ballarat, Victoria's third largest city and falls within the Ballarat West Growth Area. Construction continued on the 11,000m² expansion, which will deliver a large format retail precinct to complement the existing sub-regional shopping centre. The $31.5 million project is estimated to be completed in December 2024.


Delacombe Town Centre, VIC[1]

Investing with our Supermarket Retail Partners to Drive Sales Growth and Turnover Rent

As at 30 June 2024, we have 78 direct to boot and e-commerce facilities across our supermarkets. Over the past 12 months nine facilities were completed, with a further six facilities currently being commissioned. Region invests approximately $10 million annually in partnership with our anchor retail partners.

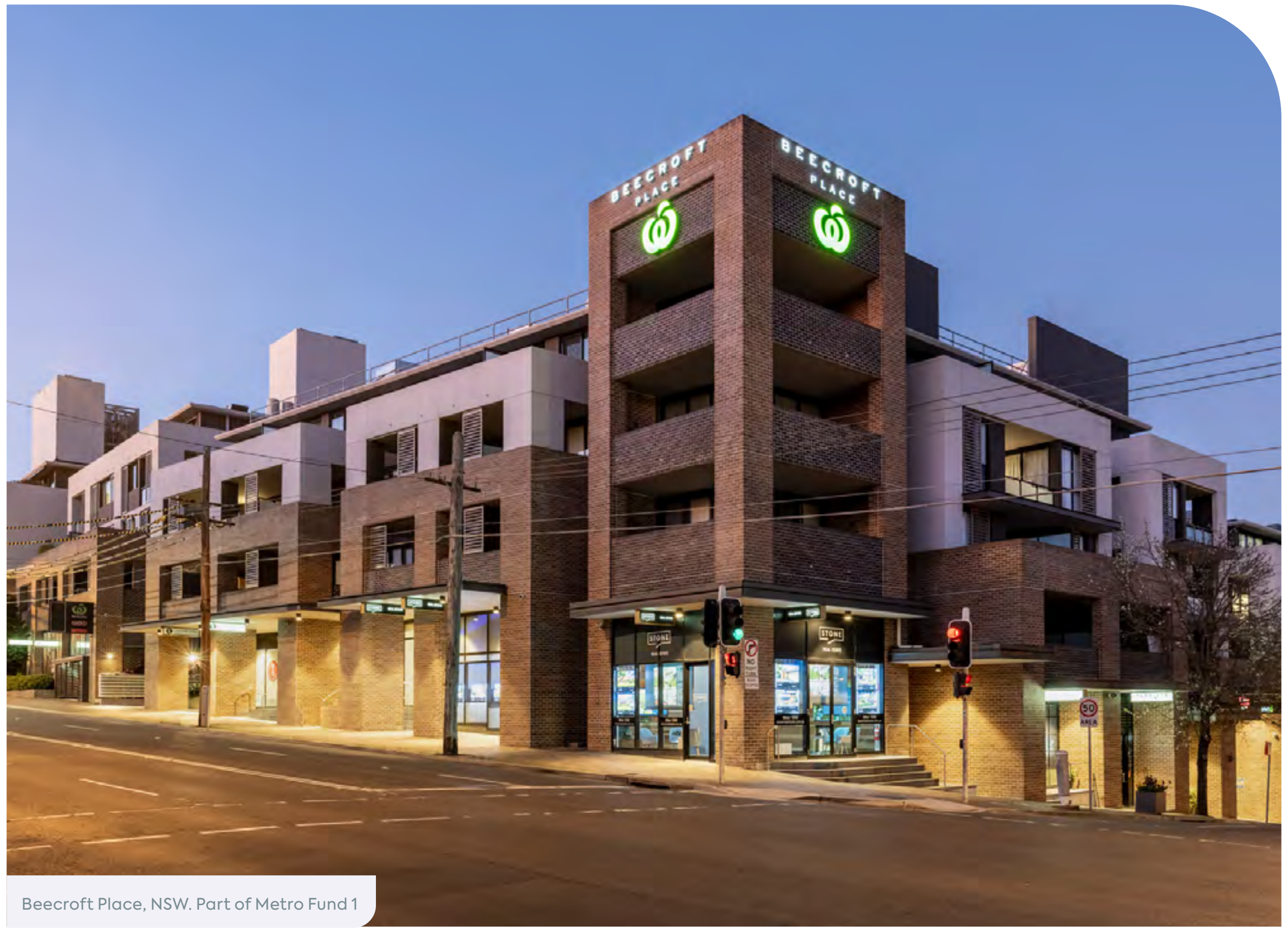
Mudgeeraba Market Shopping Centre, QLD

1. Artist rendering, subject to change

Growth through Acquisitions and Expansion of our Funds Management Platform

With seven centres totalling $295 million and a $750 million target size, Metro Fund 1 has additional capacity to grow with our joint venture partner. We are also pleased to announce the acquisition of Metro Fund 2 management rights for zero consideration, which increases our funds under management to $689 million.

	METRO FUND 1	METRO FUND 2 from Sept 2024
$689m assets under management with further investment capacity	7 centres totalling **$295m** with $750m target size	6 centres totalling **$394m**
Metropolitan neighbourhood centres	**Targeting** Sydney and Melbourne	**Located** across Australia
Capital structure	**80% global institutional investor / 20% RGN** with RGN appointed Investment and Property Manager	



Beecroft Place, NSW. Part of Metro Fund 1

Metro Fund 2 Properties

Cameron Park Plaza, NSW

Melbourne Square, VIC

Byford Village, WA

West Village, QLD

Omnia Potts Point, NSW

Spring Farm Shopping Centre, NSW

Directors' Report

Fairview Green, SA

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 2024 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) and Chair and Non-Executive Director of nib holdings limited (Non-Executive Director from September 2010 and Chair from October 2011 to July 2021).
Special responsibilities and other positions held:	Chair of Nomination Committee. 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 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), Non-Executive Director of Foodland Associated (2003-2005), Deputy Chair of Australian Chamber Orchestra and Director of Sunnyfield Association. Mr Crane brings specific skills in the following areas: • Funds management • Investment banking including M&A and capital markets • Finance and accounting including audit • Remuneration • 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. 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 is also a former director and chair of the Skin and Cancer Foundation Australia. Mr Herring brings specific skills in the following areas: • Investment banking, M&A, capital markets and corporate finance • Risk and compliance • Corporate governance • Tax • Litigation • Leveraged leasing
Qualifications:	B. Com, 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. 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. Mr James brings specific skills in the following areas: • Investment banking, M&A, capital markets, strategy and corporate finance • Capital management, including debt, derivatives and equity raising • Funds management • 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 the 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). Ms Laughton brings specific skills in the following areas: • Property investment and funds management • M&A and equity capital markets • Finance and accounting/audit • Corporate governance • Retail • Remuneration • Risk management and sustainability
Qualifications:	BEcon, FCA and FAICD.

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 the Nomination Committee and Investment Committee. 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: • 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 • M&A • Risk management • Corporate governance • International experience • Stakeholder engagement • 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 Security Limited (March 2023 to current).
Special responsibilities and other positions held:	Chair of the Investment Committee, Member of Nomination Committee and Remuneration Committee. 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. Ms Robson brings specific skills in the following areas: • 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

	• Retail industry, investor and consumer sentiment experience and the way in which retail formats should and can evolve to capitalise on sector opportunities • Corporate governance • Remuneration • 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 Investment Committee, SCA Metro Convenience Shopping Centre Fund (Metro Fund) Investment Committee and Director of Region Unlisted Retail Fund Pty Limited 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. 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. Mr Mellowes brings specific skills in the following areas: • Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management and funds management • Retail experience spanning all retail asset classes • M&A and capital markets • Equity placements
Qualifications:	Bachelor of Financial Administration and Macquarie Graduate School of Management's Strategic Management Program.

Mr Mark Fleming

Executive Director (appointed 26 May 2015; retired 26 September 2023) and Chief Operating Officer and Head of Funds Management and Strategy (COO) (appointed 1 September 2022; resigned 24 December 2023).

Independent:	No.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	In addition to being an Executive Director (until 26 September 2023) and COO (until 24 December 2023), Mr Fleming was a member of the Metro Fund Investment Committee. Other positions held unrelated to the Group include Trustee of the Royal Botanical Gardens & Domain Trust.
Other experience:	Mr Fleming was Chief Financial Officer (CFO) of Treasury Wine Estates from 2011 to 2013. Mr Fleming worked in various roles at Woolworths Limited from 2003 to 2011. Prior to Woolworths Limited, Mr Fleming worked in investment banking at UBS, Goldman Sachs and Bankers Trust. Mr Fleming brought specific skills in the following areas: • Investment banking, M&A, capital markets, strategy, and corporate finance • Capital management, including debt, derivatives and equity raising • Real estate expertise, particularly in retail, including valuations and funds management • Listed company CFO experience, including treasury, tax, accounting/financial control/audit, corporate governance/risk management/compliance, systems, stakeholder engagement/investor relations
Qualifications:	LLB, BEcon (First Class Honours), CPA.

Directors' Report
For the year ended 30 June 2024

Company secretary

Ms Erica Rees

Chief Legal and Investment Officer (appointed 1 March 2024) and Company Secretary (appointed 5 February 2020)

Experience:	Ms Rees is an experienced funds and property lawyer with over 15 years' experience in legal practice including property transactions, property developments, leasing, funds management, corporate and debt. Ms Rees joined Region Group in late 2012 and was previously a Senior Associate in a national law firm.
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 2023	Net movement increase / (decrease)	Number of stapled securities at date of this report	Number of unvested performance rights at date of this report
S Crane	250,000	50,000	300,000	–
M Herring	70,000	50,000	120,000	–
A James	95,936	3,255	99,191	–
B Laughton	55,995	6,899	62,894	–
A Milis	27,837	20,000	47,837	–
B Robson	62,495	–	62,495	–
A Mellowes	1,229,410	264,936	1,494,346	2,187,031
M Fleming[1]	390,000	(390,000)	–	–

[1] M Fleming resigned on 26 September 2023 and therefore the number of stapled securities is shown as nil at the date of this report.

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)	12
Audit, Risk Management and Compliance Committee (ARMCC)	7
Remuneration Committee (Remuneration)	4
Nomination Committee (Nomination)	3
Investment Committee (Investment)	6

	Board		ARMCC			Remuneration			Nomination			Investment[1]		
Director	A	B	A	B	C	A	B	C	A	B	C	A	B	C
S Crane	12	12	–	–	7	–	–	4	3	3	–	–	–	5
M Herring	12	12	7	7	–	–	–	4	3	3	–	6	6	–
A James	12	12	7	7	–	4	4	–	3	3	–	6	6	–
B Laughton	12	12	7	7	–	4	4	–	3	3	–	–	–	3
A Milis	12	12	–	–	7	–	–	4	3	3	–	6	6	–
B Robson	12	12	–	–	6	4	4	–	3	3	–	6	6	–
A Mellowes	12	12	–	–	7	–	–	4	–	–	3	6	6	–
M Fleming	3	3	–	–	1	–	–	1	–	–	1	–	–	3

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.
[1] Evan Walsh, Chief Financial Officer, is a member of the Investment Committee.

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 2024.

3. Investment property portfolio

At 30 June 2024 the investment property portfolio consisted of 89 convenience based retail properties valued at $4,282.3 million (30 June 2023: 95 convenience based retail properties valued at $4,411.6 million) and three retail properties classified as held for sale valued at $85.5 million (30 June 2023: nil).

Acquisitions

In July 2023, the Group acquired land adjacent to the existing Delacombe Town Centre investment property for $15.0 million (excluding transaction expenses and settlement adjustments).

The Group also entered into a Development Management Agreement which involves the construction of an online sales fulfilment facility to support the existing shopping centre with an expected completion cost of $31.5 million.

In May 2024, the Group acquired Cooleman Court for $74.0 million (excluding transaction expenses and settlement adjustments).

Disposals

During the year, the Group completed the sale of the following properties for $67.7 million. Details of these properties are listed below.

Property	Settlement date	Sale price ($m)
Collingwood Park Shopping Centre	December 2023	15.3
Mt Warren Park Shopping Centre	December 2023	18.0
Drouin Central	January 2024	20.4
Riverside Plaza	May 2024	14.0
		67.7

During the year, the Group also contracted to sell the following properties for $85.5 million which were classified as investment properties held for sale at 30 June 2024. Details of these properties are listed below.

Property	Contract date	Expected settlement date	Sale price ($m)[1]
Soda Factory West End	June 2024	August 2024	42.0
Northgate Tamworth Shopping Centre[2]	June 2024	August 2024	18.3
Lillybrook Shopping Village	June 2024	September 2024	25.2
			85.5

[1] *.Excluding transaction expenses and settlement adjustments.*
[2] *Northgate Tamworth Shopping Centre settled on 5 August 2024.*

Revaluations

During the year, all investment properties were internally valued with over 43% also independently valued. The weighted average market capitalisation rate (cap rate) of the portfolio at 30 June 2024 was 6.07% (30 June 2023: 5.85%).

Directors' Report
For the year ended 30 June 2024

The movement in the carrying value of the investment properties during the period resulted from the acquisition of the land adjacent to Delacombe Town Centre and Cooleman Court, offset by disposals, reclassification of investment properties to held for sale and a reduction in the fair value primarily due to the expansion of cap rates.

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 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Net profit/(loss) after tax	$m	17.3	(123.6)	16.9	(124.9)
Basic earnings/(loss) per security	(cents per security)	1.49	(10.87)	1.46	(10.99)
Diluted earnings/(loss) per security	(cents per security)	1.48	(10.87)	1.45	(10.99)
Funds from operations	$m	178.4	192.5	178.0	191.2
Funds from operations per security	(cents per security)	15.38	16.94	15.35	16.82
Adjusted funds from operations	$m	157.7	173.9	157.3	172.6
Adjusted funds from operations per security	(cents per security)	13.60	15.30	13.56	15.19
Distributions paid and payable to security holders	$m	159.2	173.4	159.2	173.4
Distributions per security	(cents per security)	13.70	15.20	13.70	15.20
Net tangible assets	($ per security)	2.42	2.55	2.41	2.54
Weighted average number of securities used as the denominator in calculating basic earnings per security	(millions of securities)	1,159.7	1,136.6	1,159.7	1,136.6
Weighted average number of securities used as the denominator in calculating diluted earnings per security	(millions of securities)	1,165.1	1,136.6	1,165.1	1,136.6

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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Net profit/(loss) after tax (statutory)	**17.3**	(123.6)	**16.9**	(124.9)
Adjustments for specific non-cash items				
Revaluation of investment properties	**123.3**	264.1	**123.3**	264.1
Net loss on financial instruments	**11.5**	36.9	**11.5**	36.9
Share of net loss from associates relating to non-cash items	**4.8**	3.8	**4.8**	3.8
Straight-lining of rental income and amortisation of lease incentives	**9.4**	10.7	**9.4**	10.7
Other non-cash items	**3.6**	3.9	**3.6**	3.9
Other adjustments				
Technology project expenses	**7.8**	3.4	**7.8**	3.4
Net insurance proceeds	**(4.1)**	(8.1)	**(4.1)**	(8.1)
Other expenses	**4.8**	1.4	**4.8**	1.4
Funds from Operations	**178.4**	192.5	**178.0**	191.2
Maintenance capital expenditure	**(8.6)**	(8.4)	**(8.6)**	(8.4)
Leasing incentives and costs	**(12.1)**	(10.2)	**(12.1)**	(10.2)
Adjusted Funds from Operations	**157.7**	173.9	**157.3**	172.6

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 in place for the distribution declared in June 2023 (paid in August 2023), which resulted in $26.8 million being raised through the issue of 11.8 million securities at $2.27 per security.

The DRP was suspended for the distribution declared in December 2023 (paid in January 2024) and June 2024 (to be paid in August 2024).

Other equity movements

During the year 1,122,025 securities were issued in respect of executive compensation plans and 31,188 for employee compensation plans for nil consideration.

6. Significant changes and developments during the year

Investment properties – acquisitions and disposals

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

Capital management

There was a significant increase in finance expenses, with the weighted average cost of debt increasing from 3.4% for the year ending 30 June 2023 to 4.3% for the year ending 30 June 2024, due to favourable interest rate swaps expiring and a significant movement in market interest rates.

In August 2023, the Group entered into two callable interest rate swaps for $250.0 million and $150.0 million with a one year non call period to August 2024, thereafter callable by the banks until expiry in August 2026.

In November 2023 the Group restructured its interest rate hedge portfolio at zero cost. While maintaining interest rate hedging levels in FY24, the restructuring increased the Group's hedging position around 25% in FY25 and around 25% in FY26.

The Group has no debt expiries in FY25. During FY24, two bank facilities were refinanced and a new facility was entered into with a Big 4 Australian bank. In March 2024, the Group issued a 7-year Medium Term Note (MTN) with a face value of $300.0 million and coupon of 5.55%. The average debt facility maturity of the Group at 30 June 2024 was 4.9 years (30 June 2023: 4.4 years).

Gearing

The Group maintains its gearing levels within its target range of 30 - 40%, with gearing of 32.9% at 30 June 2024 (30 June 2023: 31.3%).

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
Strategic		
Economic slowdown	Economic slowdown leading to lower retail sales at our centres may make tenant trading conditions less attractive. 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 has a geographically dispersed portfolio, insurance and obtains climate risk assessments for potential acquisitions.
Financial		
Increase in cost of or access to capital	An increase in the cost of capital will be detrimental as capital is required to meet Region's ongoing liquidity and funding requirements. The inability to replace existing debt or raise new capital at an acceptable cost will limit growth opportunities. A failure to comply with debt covenants or maintain investment grade credit rating could impact Region's ability to raise capital.	Region has no debt expiring until FY27, has diversified sources of debt in place and an interest rate hedging strategy to mitigate the increase in cost of debt. Region's Capital & Liquidity Risk Management Policy ensures regular reporting and forecasting of compliance with debt covenants and liquidity including stress testing. Region's cost of debt is linked to maintaining its investment grade credit rating. Maintaining this rating is part of the executive Key Management Personnel short term incentive targets for FY25. Region has a strong track record of raising equity in the past and has also recycled capital through investment property sales.
Reduction in property valuations	A decrease in property valuations will lower net tangible assets and increase gearing.	The Group's gearing could be impacted if capital expenditure is not matched by sufficient valuation increase however, the committed expenditure is low relative to the portfolio value. Region could also manage gearing through the sale of investment properties.
Increases in property expenses	An increase in expenses from inflation (including the cost of labour, security, cleaning and centre management) will have a negative impact on net operating	The majority of tenant leases require the tenants to contribute to property expenses which mitigates the risk to Region. Region also undertakes a procurement process for long-term fixed contracts to ensure that competitive pricing is achieved and expenses are effectively managed.

Risk category	Description and effect	How Region manages and mitigates the risk
	income and overall earnings growth.	
Operational		
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.
Outsourced service provider does not perform	We rely on a number of key service providers to support the management of our properties and other aspects of our business. Unsatisfactory performance of a key service provider could result in damage to our reputation and / or loss to security holders.	Region has in place appropriate supervision and regular monitoring of key service providers. This includes ensuring that they are appropriately qualified, trained and have appropriate insurance.
Regulatory		
Changes in legislation or regulation	Emerging views on landlord tenant relationships could introduce structural change in retail tenancy mix or limitations on the ability to collect rent on a timely basis.	The Group is an active member of relevant industry bodies that engage with government at various levels of policy and reform. This enables us 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 retain and attract a motivated and high-performing workforce to deliver on our strategy while supporting our values	The Group 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. Some of the additional emerging risks are:

- Cyber risk
- An increase in tenant arrears due to economic conditions and inflation
- Global political issues
- Property risk management from increased asset management activity across a greater number of properties
- Changes in the supermarket regulatory or competitive environment

8. Weather events

For the year ending 30 June 2024, $4.5 million (30 June 2023: $11.0 million) was received from insurers in relation to adverse weather events in 2022, particularly flooding on the east coast of Australia, with Lismore Central Shopping Centre the most heavily impacted. Of the amount received, $0.3 million relates to loss of income and $0.1 million relates to incremental non-recurring property expenses and have been included in AFFO.

9. 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

Directors' Report
For the year ended 30 June 2024

- 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.

10. 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.

11. 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 FY24 the Group:

- Invested $5.8 million in sustainability initiatives such as the installation of solar PV, building management systems, and embedded networks
- Completed six property climate risk assessments
- Achieved a 5.5 star NABERS rating for the corporate office
- Continued to increase its GRESB rating
- Maintained a 40:40:20 gender split, and
- 208 students supported through our partnership with The Smith Family

The Group has also set itself 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 FY24 Sustainability Report which has been lodged with the ASX and can be found on the Group's website at https://regiongroup.au/sustainability/.

12. 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*, 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.

13. 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 70.

Directors' Report
For the year ended 30 June 2024

14. 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*.

The Directors are of the opinion that the services disclosed in note D6 of the Financial Statement 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.

15. Subsequent events

On 31 July 2024, the Group announced that it has reached an in principle implementation agreement with a global institutional investor to establish Metro Fund 2 (the Fund). Region Group will hold a 20% equity interest in the Fund which will have $394.0 million assets under management, with the terms being broadly consistent with the existing Metro Fund 1. It is expected that establishment of the Fund will take place before the end of August 2024.

In August 2024, the Group completed the sale of Northgate Tamworth Shopping Centre for $18.3 million.

Since the end of the year, the Directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in this report or the Consolidated Financial Statements that 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.

16. 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
12 August 2024

Remuneration Report

Mount Gambier Marketplace, SA

Region Group

Remuneration Report for the Financial Year ending 30 June 2024

Letter from the Chair of the Remuneration Committee

I am pleased to present the Remuneration Report of Region Group for the Financial Year ending 30 June 2024. This Report sets out our approach to remuneration including for our Executive KMP and their remuneration outcomes.

Remuneration outcomes for FY24

A significant part (40% weighting) of the FY24 Short-Term Incentive (STI) is linked to adjusted funds from operations per security (AFFOPS). This measure was not met due mainly to the rising cost of debt and the inflationary impact on property expenses. Other STI hurdles of comparable net operating income growth (30% weighting), carbon emissions reduction (scope 1 & 2 greenhouse gas emissions) (10% weighting) and Personal (20% weighting) were met in full or part, such that the overall STI awarded for the Chief Executive Officer (CEO) was 43% and the Chief Financial Officer (CFO) was 37% of maximum STI opportunity.

The FY21 Long-Term Incentive (LTI) was tested shortly after the end of FY23. The tranche in relation to the relative total security holder return (weighted at 60%) was only partially met such that this tranche was awarded at 6.9% of maximum opportunity. The AFFOPS tranche, weighted at 40%, was achieved at maximum and this tranche was awarded at 100%. After allowing for the different weightings and achievements of the FY21 LTI tranches, the LTI's awarded were overall at 44.1% of maximum LTI opportunity.

Key Management Personnel remuneration changes in FY24

The Executive Key Management Personnel (KMP), CEO and CFO received a 4.0% increase in their total fixed remuneration from 1 October 2023 and Non-Executive Directors received a 3.0% increase from 1 January 2024.

Executive Key Management Personnel changes in FY24

Mark Fleming, resigned as the Group's Chief Operating Officer in FY24 and retired as an Executive Director from all Region entities. He ceased being an Executive KMP on 26 September 2023. This role has not been replaced.

FY25 and beyond

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 is below the comparable peer group and this has been taken into consideration for FY25 Executive KMP remuneration decisions.

Angus James
Chair, Remuneration Committee

Remuneration Report
For the year ended 30 June 2024

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, 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 on page 69.*

1. Remuneration Snapshot

1.1 Remuneration Overview

<table>
<tr><th>Key questions</th><th>Our approach</th><th>Further information</th></tr>
<tr><td>1. Were there any fixed pay increases in FY24?</td><td>The Chief Executive Officer (CEO), Anthony Mellowes, and the Chief Financial Officer (CFO), Evan Walsh, were awarded a Total Fixed Remuneration (TFR) increase of 4.0% on and from 1 October 2023. In FY23 Mr Mellowes was awarded a TFR increase of 3.0% and Mr Walsh was appointed as CFO.</td><td></td></tr>
<tr><td>2. Were any changes made to the remuneration structure in FY24?</td><td>
There was no change to the CEO's Short-Term Incentive (STI) or Long-Term Incentive (LTI) % opportunity during the period.
There was no change to the CFO's STI opportunity during the period. When Mr Walsh was appointed CFO part way through FY23, no change was made to Mr Walsh's LTI opportunity. An adjustment was therefore made to increase the LTI opportunity for FY24 to reflect his CFO responsibilities for the full year.
<table>
<tr><th>Executive KMP</th><th>FY23 STI % of TFR</th><th>FY24 STI % of TFR</th><th>FY23 LTI % of TFR</th><th>FY24 LTI % of TFR</th></tr>
<tr><td>Anthony Mellowes</td><td>110%</td><td>110%</td><td>120%</td><td>120%</td></tr>
<tr><td>Evan Walsh</td><td>70%</td><td>70%</td><td>30%[1]</td><td>50%</td></tr>
<tr><td>Mark Fleming[2]</td><td>90%</td><td>0%</td><td>100%</td><td>0%</td></tr>
</table>
1. Due to Mr Walsh's appointment to CFO part way through the previous period, his LTI opportunity in FY23 was a percentage of his TFR in the role of Head of Finance and Technology.
2. Mark Fleming retired as Executive Director and ceased being a Key Management Personnel (KMP) on 26 September 2023. The Board determined his eligibility for FY24 STI and LTI would be forfeited.
</td><td>Sections 3.1 and 3.3</td></tr>
<tr><td>3. Were there any changes to performance measures?</td><td>
The hurdles and metrics set for FY24 remained the same as FY23.
The FY24 STI hurdles were:

Adjusted funds from operations per security (AFFOPS) – 40%;
Comparable net operating income (NOI) growth – 30%;
Carbon emissions reduction (scope 1 & 2 greenhouse gas (GHG) emissions) – 10%; and
Personal – 20%.

The FY24 LTI hurdles were the same as for FY23, being relative total security holder return (TSR) (60% weighting) and AFFOPS growth (40% weighting). The metrics were the same as for FY23, with the exception of the AFFOPS growth threshold and maximum changing from 2.0% and 4.0% respectively in FY23 to 3.0% and 5.0% respectively in FY24 as a reflection of the operating environment.
</td><td>Section 3.1</td></tr>
<tr><td>4. What is the FY24 STI payout to Executive Key Management Personnel and why?</td><td>The overall STI awarded for the CEO was 43% and the CFO was 37% of maximum STI opportunity. The total STI performance pool awarded to Executive Key Management Personnel (KMP) for FY24 was $682,694 (FY23: $1,422,820).</td><td>Section 3.3</td></tr>
</table>

<table>
<tr><th>Key questions</th><th>Our approach</th><th>Further information</th></tr>
<tr><td></td><td>
50% of the STI award will be paid in cash to be paid in September 2024 and 50% will be granted by way of deferred equity (subject to security holder approval (where appropriate)).
The payout ratio is a direct function of RGN's and individual Executive KMP performance in FY24, which saw Executive KMP deliver the following:

AFFOPS of 13.6 cents per security;
Comparable NOI growth of 3.0%; and
Reducing carbon emissions (scope 1 & 2 GHG emissions) by investing in additional solar photovoltaic (PV) generation by completion of solar PV installations of 1.2MW at five sites, bringing total installation to 16MW at 29 sites.

</td><td></td></tr>
<tr><td>5. Did any LTI awards vest in FY24?</td><td>
FY20 LTI awards vested in August 2023. The FY20 performance hurdles were weighted as follows:

Relative TSR against the constituents of the S&P/ASX 200 A-REIT Index (33.33% of grant);
Specified funds from operations per security (FFOPS) growth (33.33% of grant); and
Specified return on equity (ROE) (33.33% of grant).

The FY20 LTI performance period for the FFOPS and ROE performance conditions ended on 30 June 2022, and the performance period for the relative TSR performance condition ended on 30 September 2022. Performance was tested after the performance conditions ended and was consequently assessed as 100% payout for the relative TSR and ROE tranches. The FFOPS tranche was assessed as slightly above threshold. This resulted in a 68.2% payout of the total FY20 LTI maximum opportunity for the Executive KMP, with the awards vested in August 2023.
Further details of the performance period and metrics were set out in Sections 3.3 and 3.5 of the FY20 Remuneration Report, and details of actual performance against metrics were set out in Sections 1.1 and 1.3 of the FY23 Remuneration Report.
</td><td></td></tr>
<tr><td>6. Were any LTI awards tested in FY24?</td><td>
The FY21 LTI performance hurdles were tested in FY24. These hurdles were:

Relative TSR against the constituents of the S&P/ASX 200 A-REIT Index (60.0% of grant); and
Specified AFFOPS growth (40.0% of grant).

The FY21 LTI performance period for the AFFOPS ended on 30 June 2023, and the performance period for the relative TSR performance condition ended on 30 September 2023. Performance was tested after the performance conditions ended, and was consequently assessed as 100% payout for the AFFOPS tranche while the relative TSR tranche was assessed as slightly above threshold for the relative TSR tranche. This resulted in a 44.1% payout of the
</td><td></td></tr>
</table>

Key questions	Our approach	Further information
	total FY21 LTI maximum opportunity for Executive KMP, with the awards expected to vest following the date of this Report.	
7. Did the Board exercise discretion when considering Executive KMP awards in FY24?	The Board did not exercise discretion in determining the FY24 awards to Executive KMP.	
8. Were any changes made to NED fees in FY24?	NED base and Committee fees were increased by 3.0% from 1 January 2024. Total NED remuneration payable in FY24 was $1,259,661, up from $1,199,770 in FY23 due to the full-year appointment of Michael Herring and Antoinette Milis and the timing of Philip Clark's retirement in November 2022. There was no change to the maximum aggregate NED fee pool, remaining at $1,600,000 p.a.	
Remuneration Framework		
9. 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
10. 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. The Board determined that it was not necessary to exercise discretion in FY24.	
11. What portion of remuneration is at-risk?	STI and LTI awards are variable with performance and are therefore considered at-risk. For FY24: • 69.9% of the CEO's total remuneration opportunity (TRO) was at-risk; and • 54.8% of the CFO's TRO was at-risk.	Section 3.2
12. 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.	

Key questions	Our approach	Further information
13. Do all Board members, including Executive Directors and Executive KMP hold securities in RGN?	Yes, all members of the RGN Board, including the Executive Directors, hold securities in RGN. RGN has a minimum security holding requirements policy (MSRP) that applies to all KMP. In summary, the MSRP requires: • NEDs to hold the equivalent of one year's base fees in securities within 3 years of appointment or adoption of the MSRP (May 2023), whichever is later; and • Executive KMP to hold the equivalent of one year's TFR in securities. There is no timeframe for accumulation and no requirement to acquire on-market. However, Executive KMP are not permitted to sell any STI or LTI securities awarded until such time as the minimum security holding threshold is met.	
14. How does the Remuneration Framework mitigate against excessive risk taking by Executives to generate remuneration outcomes?	Risk is managed at various points in the Remuneration Framework through: • Part deferral of STI awards for Executive KMP with the vesting of STI rights deferred for one year; • LTI performance hurdles that reflect the long-term performance of RGN, measured over a three-year performance period with a further one-year deferral; • 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 • 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.	
15. 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)		
16. What are the STI performance measures that determine if the STI vests?	The FY24 performance measures were: • AFFO per security – 40%; • Comparable NOI growth – 30%; • Carbon emissions reduction (scope 1 & 2 GHG emissions) – 10%; and • Personal – 20%. These performance measures were chosen as they are directly linked to RGN's strategic objectives.	Sections 3.1 and 3.3

Key questions	Our approach	Further information
17. 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. 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 FY24 results.	Section 3.1
18. Are STI payments capped?	Yes, the total maximum STI opportunity as a percentage of TFR is as follows: • CEO – 110% of TFR; and • CFO – 70% of TFR.	Section 3.1
19. Are distributions paid on unvested STI awards?	No distributions are paid on unvested STI awards. On vesting, each deferred STI 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 over the one-year STI deferral period.	Section 3.1
20. Have any adjustments, positive or negative, been made to the STI payments?	No adjustments were made to the FY24 STI payments.	Section 3.3
Long-Term Incentives (LTIs)		
21. What are the performance measures that determine if the LTI awards vest?	FY24 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: • Relative TSR against the constituents of the S&P/ASX 200 A-REIT Index (60% of grant) with the performance period being 1 October 2023 to 30 September 2026; and • AFFOPS growth for the year to 30 June 2026 (40% of grant). These performance conditions were chosen as they are directly linked to RGN's strategic objectives.	Sections 3.1 and 3.5
22. Does the LTI have re-testing?	No, there is no re-testing.	
23. Are distributions paid on unvested LTI awards?	No distributions are paid on unvested LTI awards throughout the performance period. 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	Section 3.1

Key questions	Our approach	Further information
	would have been paid in respect of those stapled securities since the grant date.	
24. 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.	
25. 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.	
Executive KMP Agreements		
26. 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

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 consolidated entity, directly or indirectly, including any Director of an entity (whether Executive or otherwise) of the consolidated entity. KMP includes Directors of Region RE Limited and may include other Executives of RGN.

Name	Position at 30 June 2024	Board appointment date
Non-Executive Directors (NEDs)		
Steven Crane	Chair – Board Chair – Nomination Committee	13 December 2018
Belinda Robson	Chair – Investment Committee Member – Remuneration Committee Member – Nomination Committee	27 September 2012
Beth Laughton	Chair – Audit, Risk Management and Compliance Committee Member – Remuneration Committee Member – Nomination Committee	13 December 2018
Angus James	Chair – Remuneration Committee Member – Investment Committee Member – Nomination Committee Member – Audit, Risk Management and Compliance Committee	9 December 2021
Michael Herring	Member – Investment Committee Member – Nomination Committee Member – Audit, Risk Management and Compliance Committee	18 August 2022
Antoinette Milis	Member – Investment Committee Member – Nomination Committee	8 December 2022
Executive Directors[1]		
Anthony Mellowes	Chief Executive Officer Member – Investment Committee	Appointed as Director from 2 October 2012 Appointed as Chief Executive Officer from 1 July 2013
Other Executives		
Evan Walsh	Chief Financial Officer Member – Investment Committee	Appointed as Chief Financial Officer from 12 December 2022

[1] Mark Fleming, appointed Executive Director from 26 May 2015 and Chief Operating Officer (COO) from 1 September 2022. Mark Fleming retired as Executive Director and ceased being a KMP on 26 September 2023.

1.3 Actual remuneration earned in respect of FY24

The table below sets out the actual value of remuneration earned by each Executive KMP during FY24. 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 STI and LTI 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;
- Cash STI – the non-deferred portion of STI to be paid in September 2024 in recognition of performance during FY24; and
- Equity that vested during the year 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. The remaining 50% of the STI awarded for FY24 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 2024.

1.3.1 Actual remuneration earned in FY24

Executive KMP		Fixed remuneration including superannuation $[1]	Cash STI $[2]	Deferred STI equity number securities[3]	Deferred STI vested equity value $[4]	LTI vested equity number securities[5]	LTI vested equity value $[6]	Other remuneration $[7]	Total remuneration $[8]
Anthony Mellowes	2024	1,119,250	267,273	211,193	451,953	318,522	681,637	–	2,520,113
	2023	1,078,738	406,407	186,843	502,608	40,234	108,229	–	2,095,982
Evan Walsh	2024	566,500	74,074	–	–	–	–	–	640,574
	2023	299,217	72,443	–	–	–	–	–	371,660
Mark Fleming[7]	2024	181,279	–	105,622	226,031	153,069	327,568	538,812	1,273,690
	2023	754,250	232,560	89,727	241,366	18,418	49,544	–	1,277,720
Total	2024	1,867,029	341,347	316,815	677,984	471,591	1,009,205	538,812	4,434,377
	2023	2,132,205	711,410	276,570	743,974	58,652	157,773	–	3,745,362

1. *Fixed remuneration comprises fixed remuneration including superannuation contributions.*
2. *Cash STI payments are paid in September after the end of the financial year to which they are attributed.*
3. *Deferred STI vested equity securities were issued on 25 August 2023 in respect of the financial year ending 30 June 2022. For the prior year STI vested equity was issued on 24 August 2022 in respect of the financial year ending 30 June 2021.*
4. *Value of STI is calculated by reference to the $2.14 closing price on the day of issue, which was 25 August 2023. For FY23, the closing price was $2.69 on the day of issue, which was 24 August 2022. This price does not represent the value for financial reporting.*
5. *LTI vested securities were issued on 25 August 2023 in respect of the plans issued in FY20. For the prior year, LTI vested securities were issued on 24 August 2022 in respect of plans issued in FY19.*
6. *The LTI vested value is calculated by reference to the $2.14 closing price on the day of issue, which was 25 August 2023. For FY23, the closing price was $2.69 on the day of issue, which was 24 August 2022. The respective closing price does not represent the value for financial reporting.*
7. *Mark Fleming retired as Executive Director and ceased being a 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 remuneration above.*
8. *Total remuneration is made up of fixed remuneration, including Superannuation plus cash STI, Deferred STI vested equity value and LTI vested equity value.*

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 remuneration is aligned over time to market levels.

- The quantum and mix of each Executive's TRO takes into account a range of factors including that Executive'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 Executives 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's 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 the CFO, the majority of their at-risk pay is 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 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 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 2024

How remuneration decisions are made

Remuneration of all 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 opportunities 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. 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 peer group for the testing of the relative TSR hurdle of the FY21 LTI following changes in the composition of the articulated peer group 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*) in relation to any Executive KMP during FY24.

3. Executive KMP Remuneration

3.1 How remuneration was structured in FY24

The RGN Executive KMP remuneration structure comprised a combination of fixed remuneration plus performance or "at-risk" 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 Fringe Benefits Tax (FBT). 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 4% were made to TFR during the year for the CEO and CFO.

The Board believes that the FY24 remuneration structure is aligned with business strategy and security holder interests, and is appropriate to ensure Executive retention.

STIs – 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 FY24.
Instrument	50% of the actual STI award is delivered in cash, and 50% in the form of deferred rights to securities in RGN. 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 FY24 full year results. 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 FY24 strategic priorities for RGN as detailed in this Report. Award payout levels have been calibrated between threshold (minimum expected performance), and maximum (exceptional performance, which is significantly above agreed threshold and/or guidance). Maximum STI opportunities for each Executive are as follows: • CEO – 110% of TFR; and • CFO – 70% of TFR. 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	40%	Focuses Executives on delivering AFFOPS, as well as active operational and capital management in the context of RGN's adopted risk profile
Numeric	Comparable NOI growth	30%	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 carbon (scope 1 and 2 GHG emissions) in our operations by FY30
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

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Performance schedule – AFFOPS	% of relevant STI award that vests	
	Threshold	**Maximum**
	0%	Vests on a straight-line basis between 0% at threshold and 100% at maximum
Performance schedule – Comparable NOI growth	% of relevant STI award that vests	
	Threshold	**Maximum**
	0%	Vests on a straight-line basis between 0% at threshold and 100% at maximum
Performance schedule – Carbon emissions reduction (scope 1 & 2 GHG emissions)	% of relevant STI award that vests	
	Threshold	**Maximum**
	0%	Vests on a straight-line basis between 0% at threshold and 100% at maximum

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. The Board chose not to exercise discretion to vary the FY24 STI payments.
Deferral	STI rights are subject to a one-year deferral. Refer to Section 1.1 for further information on the one-year deferral.
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. 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: • A material misstatement or omission in the Financial Statements of RGN; • If actions or inactions seriously damage RGN's reputation or put RGN at significant risk; • If AFFO is not maintained in the deferral period; and/or • A material abnormal occurrence results in an unintended increase in the award.
Hedging	Participants are prohibited from hedging their unvested deferred rights.

LTIs – FY24 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 FY24.
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 FY24	The number of performance rights granted to Executives in FY24 is as follows: • Anthony Mellowes – 620,034 LTI rights; and • Evan Walsh – 130,760 LTI rights.
Grant price	The 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 2023 full year results, being $2.1872.

Performance hurdles	Relative TSR (Tranche 1 – 60%)	AFFOPS (Tranche 2 – 40%)
	Measures RGN's relative TSR performance over the Tranche 1 performance period (being from 1 October 2023 to 30 September 2026) relative to the TSR for the constituents of the S&P/ASX 200 A-REIT Index over that same period.	This condition requires RGN's AFFOPS growth for the year to 30 June 2026 to exceed a certain level as detailed below.

Vesting schedule – Relative TSR	Weighting: 60%	Position of RGN relative to the constituents of the S&P/ASX 200 A-REIT Index	% of Tranche 1 LTI rights that vest
	At or below threshold	Less than or equal to 50th percentile	0%
	Between threshold and maximum	Between 50.1th 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	Weighting 40%	AFFOPS growth for the year to 30 June 2026	% of Tranche 2 LTI rights that vest
	At or below threshold	Less than or equal to 3.0% p.a.	0%
	Between threshold and maximum	Between 3.0% and 5.0% p.a.	Vest on a straight-line basis between 0% at threshold and 100% at maximum
	Maximum	At or above 5.0% 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 2027 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. 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. These circumstances include, but are not limited to: • A material misstatement or omission in the Financial Statements of RGN; • If actions or inactions seriously damage RGN's reputation or put RGN at significant risk; • If AFFO is not maintained; and/or • A material abnormal occurrence results in an unintended increase in the award.
Hedging	Participants are prohibited from hedging their unvested performance rights.

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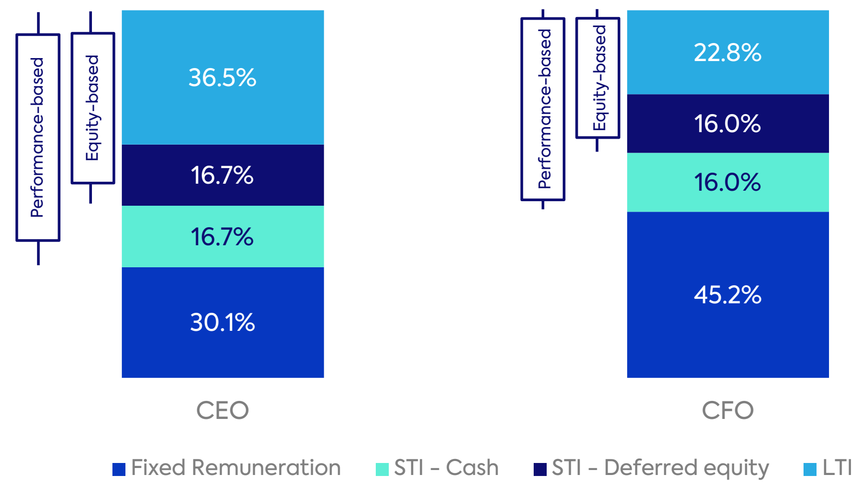
3.2 Executive KMP remuneration at RGN

The Board believes that RGN's remuneration structure, design and mix should align and motivate a talented Executive team with security holder interests.

RGN's Executive remuneration is performance-based, equity-based and multi-year focused. The graph below sets out the FY24 remuneration structure and mix for each Executive KMP at Maximum.



3.3 FY24 STI outcomes

RGN's financial performance directly affects STI award outcomes, as 80% of the maximum STI opportunity for each Executive is based on the achievement of numerical performance conditions: AFFOPS, comparable NOI growth and carbon emissions reduction (scope 1 & 2 GHG emissions).

STI is awarded annually based on the achievement of the relevant performance conditions. The weighting of these performance conditions reflects RGN's FY24 strategic drivers of reducing our carbon emissions (scope 1 & 2 GHG emissions), maximising AFFOPS and comparable NOI. 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.

The hurdles for FY24 STI did not change and continued to align with RGN's strategic objectives and supporting the FY30 net zero (scope 1 and 2) target. Details of FY23 and FY24 STI's are set out in the table below.

Performance conditions	FY23	FY24
AFFOPS	40%	40%
Comparable NOI growth	30%	30%
Carbon emissions reduction (scope 1 & 2 GHG emissions)	10%	10%
Strategic (personal component)	20%	20%
Total	100%	100%

The Remuneration Committee assessed performance against each performance condition to determine STI vesting outcomes for FY24. The following table sets out RGN's performance highlights, and the resulting STI outcomes:

Weighting of total STI award	Measure	FY24 performance highlights
40%	**AFFOPS** This condition rewards performance where AFFOPS as shown in RGN's FY24 results released to the ASX exceeds specified levels. 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 includes rising or relatively higher interest rates and inflationary pressures on costs including their potential adverse impact on RGN's distributions. This is a proxy for operating cash flow and drives distributions per security.	AFFOPS was 13.6 cents, representing a reduction from 15.3 cents in FY23. Performance was assessed at below threshold.
30%	**Comparable NOI growth** This condition rewards performance where the growth (as a percentage) in property portfolio cash 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 3.0%, which was assessed at above threshold but below maximum.
10%	**Carbon emissions reduction** This condition rewards performance where the CO2 reduction in scope 1 and 2 GHG emissions exceeds specified levels. This KPI was selected to support RGN's target to achieve net zero carbon (scope 1 and 2 GHG emissions) in our operations by FY30.	Emissions reduction 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. These factors include: • (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. • (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. 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 FY24, which is expected to be paid in September 2024.

STI outcomes (at 30 June 2024)				
	STI max (% of Fixed Remuneration)	Actual STI (% max)	STI forfeited (% max)	Actual STI cash (total) ($)
Anthony Mellowes	110.0%	43.0%	57.0%	267,273
Evan Walsh	70.0%	37.0%	63.0%	74,074

Mark Fleming retired as Executive Director and ceased being a KMP on 26 September 2023. The Board determined his eligibility for FY24 STI would be forfeited.

Actual STI cash represents 50% of the actual STI awarded for FY24. The remaining 50% of the actual STI awarded for FY24 will be issued as deferred rights in accordance with Section 3.1, subject to security holder approval (where appropriate) at the 2024 AGM.

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3.4 Past financial performance

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

3.4.1 Past financial performance

	FY24 Results	FY23 Results	FY22 Results	FY21 Results	FY20 Results
Statutory profit/(loss) (after tax)	**$17.3m**	($123.6m)	$487.1m	$462.9m	$85.5m
Statutory profit/(loss) (after tax) cents per security	**1.5**	(10.9)	44.0	43.0	8.9
FFO	**$178.4m**	$192.5m	$192.7m	$159.0m	$140.8m
FFO cents per security	**15.38**	16.94	17.40	14.76	14.65
AFFO	**$157.7m**	$173.9m	$169.5m	$135.8m	$124.3m
AFFO cents per security	**13.60**	15.30	15.30	12.61	12.94
Distributions paid and payable (cents per security)	**13.70**	15.20	15.20	12.40	12.50
Net tangible assets per security	**$2.42**	$2.55	$2.81	$2.52	$2.22
Security price (at 30 June)	**$2.10**	$2.27	$2.75	$2.52	$2.18
Management Expense Ratio (MER) %	**0.34%**	0.38%	0.38%	0.41%	0.38%

3.5 LTI grants in FY24

The following table presents the LTI grants to Executives made during FY24 that are due to vest on or after 1 July 2027, subject to performance conditions. The maximum total value of the LTI 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 Relative TSR, 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 LTI grants in FY24

2024	LTI max as % of fixed remuneration	Performance measure	Number of performance rights granted[1]	Fair value per performance right ($)	Maximum total value of grant ($)
Anthony Mellowes	120%	Relative TSR	372,020	1.01	375,741
		AFFOPS	248,014	2.08	515,868
Total			620,034		891,609
Evan Walsh	50%	Relative TSR	78,456	1.01	79,241
		AFFOPS	52,304	2.08	108,792
Total			130,760		188,033

1. The LTI maximum incentive was $1,356,139 for Mr Mellowes (120% of his TFR), and $286,000 for Mr Walsh (50% of his TFR). 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 2023 full year results, being $2.1872.

2. Mark Fleming retired as Executive Director and ceased being a KMP on 26 September 2023. The Board determined his eligibility for FY24 LTI would be forfeited.

3.5.2 Performance rights granted during the year

Type and eligibility	Vesting conditions[1]	Security price at grant date[3]	Grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair value at grant date[3]
STI (FY24) (Mr Mellowes)	Non-market	$2.08	Sep-23	Jul-24	Jul-25	$621,564	$0.95 per $1.00
STI (FY24) (Mr Walsh)	Non-market	$2.08	Sep-23	Jul-24	Jul-25	$200,200	$0.95 per $1.00
LTI (FY24-FY26) (Tranche 1) (Mr Mellowes)	Relative TSR[2]	$2.08	Sep-23	Sep-26	Jul-27	372,020	$1.01 per security
LTI (FY24-FY26) (Tranche 2) (Mr Mellowes)	Non-market	$2.08	Sep-23	Jun-26	Jul-27	248,014	$2.08 per security
LTI (FY24-FY26) (Tranche 1) (Mr Walsh)	Relative TSR[2]	$2.08	Sep-23	Sep-26	Jul-27	78,456	$1.01 per security
LTI (FY24-FY26) (Tranche 2) (Mr Walsh)	Non-market	$2.08	Sep-23	Jun-26	Jul-27	52,304	$2.08 per security

1. *Service and non-market conditions include numeric and strategic targets along with a deferred vesting period.*
2. *Relative TSR is Relative total security holder return measured against the constituents of the S&P/ASX 200 A-REIT Index.*
3. *Refer to 3.5.1 LTI grants in FY24 Note 1 for the calculation of maximum number of stapled securities to be issued for LTIs.*

The Group recognises the fair value at the grant date of equity-settled securities above 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 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	21.2%
Distribution yield	6.6%
Risk-free interest rate	3.9%

3.6 Total remuneration earned in FY24

3.6.1 Potential remuneration granted at 30 June 2024

	Maximum potential cash STI			Maximum potential equity STI			Maximum potential equity LTI		
Executive KMP	% of TFR[2]	$[1]	% of total potential rem	% of TFR	$[1]	% of total potential rem	% of TFR	$[3]	% of total potential rem
Anthony Mellowes, CEO	55%	621,564	19%	55%[2]	590,486	18%	120%	891,609	28%
Evan Walsh, CFO	35%	200,200	17%	35%[2]	190,190	17%	50%	188,033	16%

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 FY24, Mr Mellowes' STI opportunity was 110% of his TFR and Mr Walsh's STI opportunity was 70% 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. *Refer to Maximum total value of grant ($) at 3.5.1 LTI grants. All of the LTI awarded in equity and the dollar values shown here represent the fair value under AASB 2 of equity instruments granted.*

The following is the actual remuneration paid or accrued during the financial year to 30 June 2024, 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

Executive KMP		Salary & fees $[1]	Cash bonus $[2]	Total $	Super $	Long service leave $	Share-based payments $[3]	Other benefits $[4]	Total $
Anthony Mellowes, CEO	**2024**	**1,091,750**	**267,273**	**1,359,023**	**27,500**	**25,626**	**824,482**	**-**	**2,236,631**
	2023	1,051,238	406,407	1,457,645	27,500	22,404	915,235	-	2,422,784
Evan Walsh, CFO	**2024**	**539,101**	**74,074**	**613,175**	**27,399**	**9,652**	**93,591**	**-**	**743,817**
	2023	286,571	72,443	359,014	12,646	11,584	56,375	-	439,619
Mark Fleming, COO[4]	**2024**	**174,429**	**-**	**174,429**	**6,850**	**3,069**	**75,308**	**538,812**	**798,468**
	2023	727,216	232,560	959,776	27,034	17,288	474,502	-	1,478,600
Total	**2024**	**1,805,280**	**341,347**	**2,146,627**	**61,749**	**38,347**	**993,381**	**538,812**	**3,778,916**
	2023	2,065,025	711,410	2,776,435	67,180	51,276	1,446,112	-	4,341,003

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 2024 under the STI Plan for performance over the 2024 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 equity and LTI equity. Please refer to the following table for additional details of the share-based payments.*
4. *Mark Fleming retired as Executive Director and ceased being a KMP on 26 September 2023. The Board determined his eligibility for FY24 STI and LTI would be forfeited. 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 2024, 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, are presented below.

3.6.3 Performance-based component of actual remuneration in FY24

	Actual cash STI		Actual equity STI		Actual equity LTI		Total equity STI and LTI
Executive KMP	$	% of total rem	$	% of total rem	$	% of total rem	$
Anthony Mellowes, CEO	267,273	11%	310,472	12%	514,010	20%	824,482
Evan Walsh, CFO	74,074	12%	64,214	10%	29,377	4%	93,591
Mark Fleming, COO[1]	-	0%	23,054	2%	52,254	4%	75,308

1. *Mark Fleming retired as Executive Director and ceased being a KMP on 26 September 2023. The Board determined his eligibility for FY24 STI and LTI would be forfeited.*

3.6.4 Equity holdings of Executive KMP

Executive KMP	Held at 1 July 2023	Vested during the year	Changes during the year	Held at 30 June 2024	Number of unvested rights as at 30 June 2024	Total interest in RGN securities
Anthony Mellowes, CEO	1,229,410	529,715	(264,779)	**1,494,346**	2,187,031	3,681,377
Evan Walsh, CFO	-	-	-	**-**	233,884	233,884
Mark Fleming, COO[1]	390,000	258,691	(648,691)	**-**	-	-

1. *Mark Fleming retired as Executive Director and ceased being a KMP on 26 September 2023. As such, his closing balance has been adjusted to reflect no further holdings as a KMP.*

3.7 Service agreements for Executive KMP

There were no changes to the service agreements for Executives in FY24.

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).

The key terms of the service agreements for the Executives are summarised as follows:

Executive Director, Chief Executive Officer: Anthony Mellowes

Contract duration	Commenced 1 July 2013, open-ended.
TFR at 30 June 2024	$1,130,116. 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 FY24 that included: • **FY24 STI: Maximum opportunity:** 110% of TFR • **FY24 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: Evan Walsh

Contract duration	Commenced 11 December 2022, open-ended.
TFR at 30 June 2024	$572,000. 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 FY24 that included: • **FY24 STI: Maximum opportunity:** 70% of TFR • **FY24 LTI: Maximum opportunity:** 50% 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	RGN can elect to make a payment of TFR in lieu of the notice period by RGN or the Executive, as applicable. 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. 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. 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. 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 p.a.

NED base and Committee fees were increased by 3% from 1 January 2024.

Total NED remuneration payable in FY24 was $1,259,661, up from $1,199,770 in FY23 due to the full-year appointment of Michael Herring and Antoinette Milis and the timing of Philip Clark's retirement in November 2022.

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

4.2 Total remuneration for Non-Executive Directors

Non-Executive Director Board and Committee fees

	Board		ARMCC		Remuneration		Investment		Nomination[1]	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Chair	$355,140	**$370,310**	$25,945	**$27,054**	$25,945	**$27,054**	$25,945	**$27,054**	–	**–**
Member	$136,793	**$142,636**	$15,567	**$16,232**	$15,567	**$16,232**	$15,567	**$16,232**	–	**–**

[1] *The Nomination Committee no longer attracts fees.*

Total remuneration for Non-Executive Directors

Non-Executive Director	Financial year	Director fees $	Superannuation $	Committee fees $	Total $
Philip Clark AO	**2024**	**–**	**–**	**–**	**–**
	2023	134,270	11,878	–	146,148
Steven Crane	**2024**	**337,518**	**27,399**	**–**	**364,917**
	2023	244,512	21,292	4,948	270,752
Michael Herring	**2024**	**126,630**	**17,100**	**28,821**	**172,551**
	2023	108,119	13,936	24,608	146,663
Angus James	**2024**	**137,128**	**4,862**	**57,220**	**199,210**
	2023	123,794	18,110	48,683	190,587
Beth Laughton	**2024**	**126,630**	**18,156**	**38,428**	**183,214**
	2023	123,794	16,943	37,568	178,305
Antoinette Milis	**2024**	**126,630**	**15,514**	**14,411**	**156,555**
	2023	70,656	8,263	8,041	86,960
Belinda Robson	**2024**	**126,630**	**18,156**	**38,428**	**183,214**
	2023	123,794	17,138	39,423	180,355
Total	**2024**	**981,166**	**101,187**	**177,308**	**1,259,661**
	2023	928,939	107,560	163,271	1,199,770

4.3 Non-Executive Director security holdings

Non-Executive Director	Held at 30 June 2023	Changes during the year	Held at 30 June 2024
Steven Crane	250,000	50,000	**300,000**
Michael Herring	70,000	50,000	**120,000**
Angus James	95,936	3,255	**99,191**
Beth Laughton	55,995	6,899	**62,894**
Antoinette Milis	27,837	20,000	**47,837**
Belinda Robson	62,495	–	**62,495**

Remuneration Report
For the year ended 30 June 2024

5. Additional Information

5.1 FY25 Strategy

FY25 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 FY25 strategic objectives, 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 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 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 (scope 1 & 2 GHG emissions)	10%	10%
Capital management and deployment	–	10%
Growth in external funds under management	–	10%
Strategic (personal component)	20%	20%
Total	100%	100%

As a Director of Region RE Limited, securities may only be acquired under the incentive plan by Mr Mellowes (instead of the equivalent cash value at the time of vesting) if security holders approve the issue. Any securities granted to Mr Mellowes will be deferred for one year consistent with FY24.

FY25 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 2028, being four years from the commencement of the performance period.

The performance conditions for the FY25 LTI are as follows:

Relative TSR performance condition – weighting 60% (Relative TSR Tranche)

For FY25, Region has chosen to measure the Relative TSR 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.

Therefore, the FY25 Relative TSR measure is based on a peer group taken from the S&P/ASX 200 A-REIT index which comprises:

- BWP Trust (ASX: BWP)
- Centuria Industrial REIT (ASX: CIP)
- Charter Hall Long WALE REIT (ASX: CLW)
- Charter Hall Retail REIT (ASX: CQR)
- Charter Hall Social Infrastructure REIT (ASX: CQE)
- 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 Relative TSR Tranche will vest on the following basis:

	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	% of total LTI rights that vest
At or below Threshold	Less than or equal to 50th percentile	0%	0%
Between Threshold and Maximum	Between 50.1th percentile and 75th percentile	Vest on a straight-line basis between 50% at threshold and 100% at maximum	Vest on a straight-line basis between 30% at threshold and 60% at maximum
Maximum	At or above 75th percentile	100%	60%

AFFOPS performance condition – weighting 40% (AFFOPS Tranche)

The FY25 "base point" for measuring the rate of AFFOPS growth is 13.6 cents per security.

The FY25 LTI AFFOPS growth performance threshold of greater than 2.0% p.a is lower than the FY24 LTI AFFOPS threshold of greater than 3.0% p.a.. This is recognising the more difficult operating conditions that Region currently operates in. The FY25 LTI AFFOPS threshold is also consistent with the threshold (and maximum) that were set for the FY23 LTI AFFOPS performance conditions.

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 2027	% of Tranche 2 LTI rights that vest	% of total LTI rights that vest
At or below Threshold	Less than or equal to 2.0% p.a.	0%	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	Vest on a straight-line basis between 0% at threshold and 40% at maximum
Maximum	At or above 4.0% p.a.	100%	40%

Remuneration Report
For the year ended 30 June 2024

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 on page 37 of 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	**MSRP** means Minimum Security Holding Requirements 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)	**STI** means Short Term Incentive
FBT means Fringe Benefits Tax	**TFR** means total fixed remuneration
FFO means Funds from Operations	**TRO** means total remuneration opportunity
FFOPS means Funds from Operations per Security	**TSR** means total security holder return
GHG means green house gas	

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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

12 August 2024

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 ("Region Group") and Region Retail Trust for the year ended 30 June 2024, 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 Wijk

Yvonne van Wijk
Partner
Chartered Accountants

Consolidated Financial Statements

Ooralea Shopping Centre, QLD

Consolidated Statements of Comprehensive Income

For the year ended 30 June 2024

	Notes	Region Group		Retail Trust	
		30 Jun 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Income					
Rental income		323.3	316.7	323.3	316.7
Recoveries and recharge income		50.2	45.9	50.2	45.9
Funds management income	A1	1.3	2.6	–	–
Fund-through development income		1.1	–	1.1	–
Distribution income		–	0.9	–	0.9
Insurance income	A1	4.5	11.0	4.5	11.0
		380.4	377.1	379.1	374.5
Expenses					
Property expenses		(132.5)	(124.6)	(132.5)	(124.6)
Corporate expenses		(16.4)	(18.8)	(15.7)	(18.0)
Technology project expenses		(7.8)	(3.4)	(7.8)	(3.4)
		223.7	230.3	223.1	228.5
Other expenses		(4.8)	(1.4)	(4.8)	(1.4)
Interest income		1.0	0.5	1.0	0.5
Finance expenses	C3	(63.8)	(49.1)	(63.8)	(49.1)
Unrealised gain/(loss) including change in fair value through profit or loss					
– Investment properties	B1	(123.3)	(264.1)	(123.3)	(264.1)
– Derivatives		(11.6)	(23.2)	(11.6)	(23.2)
– Foreign exchange	C2	0.1	(13.7)	0.1	(13.7)
– Share of loss from associates	B2	(3.8)	(2.4)	(3.8)	(2.4)
Net profit/(loss) before tax		17.5	(123.1)	16.9	(124.9)
Tax	D1	(0.2)	(0.5)	–	–
Net profit/(loss) after tax		17.3	(123.6)	16.9	(124.9)
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss					
Movement on revaluation of investment – fair value through other comprehensive income/(loss)		–	1.2	–	1.2
Total comprehensive income/(loss)		17.3	(122.4)	16.9	(123.7)
Net profit/(loss) after tax attributable to security holders of:					
Region Management Trust		0.4	1.3		
Region Retail Trust (non-controlling interest)		16.9	(124.9)		
Net profit/(loss) after tax		17.3	(123.6)		
Total comprehensive income/(loss) attributable to security holders of:					
Region Management Trust		0.4	1.3		
Region Retail Trust (non-controlling interest)		16.9	(123.7)		
Total comprehensive income/(loss)		17.3	(122.4)		
Distributions per security (cents)	A2	13.70	15.20	13.70	15.20
Weighted average number of securities used as the denominator in calculating basic earnings per security below		1,159.7	1,136.6	1,159.7	1,136.6
Basic earnings/(loss) per security (cents)	A3	1.49	(10.87)	1.46	(10.99)
Weighted average number of securities used as the denominator in calculating diluted earnings per security below		1,165.1	1,136.6	1,165.1	1,136.6
Diluted earnings/(loss) per security (cents)	A3	1.48	(10.87)	1.45	(10.99)
Basic earnings per security (cents) Region Management Trust	A3	0.03	0.12		
Diluted earnings per security (cents) Region Management Trust	A3	0.03	0.12		

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 2024

	Notes	Region Group		Retail Trust	
		30 Jun 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Current assets					
Cash and cash equivalents		19.4	23.8	18.1	22.6
Receivables	D1	21.1	46.4	19.5	45.9
Derivative financial instruments	C4	15.4	8.1	15.4	8.1
Other assets	D1	6.2	8.1	5.5	7.2
		62.1	86.4	58.5	83.8
Investment properties classified as held for sale	B1	85.5	–	85.5	–
Total current assets		147.6	86.4	144.0	83.8
Non-current assets					
Investment properties	B1	4,282.3	4,411.6	4,282.3	4,411.6
Derivative financial instruments	C4	84.4	84.7	84.4	84.7
Investment in associates	B2	24.7	28.5	24.7	28.5
Other assets	D1	12.9	10.8	5.6	5.7
Total non-current assets		4,404.3	4,535.6	4,397.0	4,530.5
Total assets		4,551.9	4,622.0	4,541.0	4,614.3
Current liabilities					
Interest bearing liabilities	C2	–	225.0	–	225.0
Trade and other payables	D1	48.0	57.6	60.6	73.5
Distribution payable	A2	81.4	88.5	81.4	88.5
Derivative financial instruments	C4	13.6	7.8	13.6	7.8
Provisions		3.7	5.0	–	–
Total current liabilities		146.7	383.9	155.6	394.8
Non-current liabilities					
Interest bearing liabilities	C2	1,565.4	1,298.4	1,565.4	1,298.4
Derivative financial instruments	C4	12.8	–	12.8	–
Provisions		0.1	0.1	–	–
Other liabilities	D1	12.4	11.6	6.8	6.6
Total non-current liabilities		1,590.7	1,310.1	1,585.0	1,305.0
Total liabilities		1,737.4	1,694.0	1,740.6	1,699.8
Net assets		2,814.5	2,928.0	2,800.4	2,914.5
Equity					
Contributed equity	C5	11.0	10.8	2,182.8	2,156.3
Reserves	C5	–	–	13.6	11.9
Accumulated profit	C5	3.1	2.7	604.0	746.3
Non-controlling interest		2,800.4	2,914.5	–	–
Total equity		2,814.5	2,928.0	2,800.4	2,914.5

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 2024

		Region Group				
	Notes	Contributed equity $m	Accumulated profit/(loss) $m	Attributable to owners of Parent $m	Non-controlling interests $m	Total equity $m
Balance at 1 July 2023		10.8	2.7	13.5	2,914.5	2,928.0
Net profit after tax for the period	C5	–	0.4	0.4	16.9	17.3
Other comprehensive income for the period, net of tax		–	–	–	–	–
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
Balance at 1 July 2022		10.2	1.4	11.6	3,122.3	3,133.9
Net profit/(loss) after tax for the period		–	1.3	1.3	(124.9)	(123.6)
Other comprehensive income for the period, net of tax	C5	–	–	–	1.2	1.2
Total comprehensive income/(loss) for the period		–	1.3	1.3	(123.7)	(122.4)
Transactions with security holders in their capacity as equity holders:						
Equity issued	C5	0.7	–	0.7	86.2	86.9
Costs associated with equity raising	C5	(0.1)	–	(0.1)	–	(0.1)
Employee share-based payments	C5	–	–	–	3.1	3.1
Distributions paid and payable	A2	–	–	–	(173.4)	(173.4)
		0.6	–	0.6	(84.1)	(83.5)
Balance at 30 June 2023		10.8	2.7	13.5	2,914.5	2,928.0

Consolidated Statements of Changes in Equity

For the year ended 30 June 2024

		Retail Trust				
			Reserves			
	Note	Contributed equity $m	Investment in CQR $m	Share-based payments $m	Accumulated profit/(loss) $m	Total equity $m
Balance at 1 July 2023		2,156.3	–	11.9	746.3	2,914.5
Net profit after tax for the period		–	–	–	16.9	16.9
Other comprehensive income for the period, net of tax	C5	–	–	–	–	–
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
Balance at 1 July 2022		2,070.1	(0.4)	8.8	1,043.8	3,122.3
Net profit after tax for the period		–	–	–	(124.9)	(124.9)
Other comprehensive income for the period, net of tax		–	1.2	–	–	1.2
Total comprehensive income for the period		–	1.2	–	(124.9)	(123.7)
Transactions with security holders in their capacity as equity holders:						
Equity issued	C5	86.2	–	–	–	86.2
Costs associated with equity raising	C5	–	–	–	–	–
Employee share-based payments	C5	–	–	3.1	–	3.1
Other		–	(0.8)	–	0.8	–
Distributions paid and payable	A2	–	–	–	(173.4)	(173.4)
		86.2	(0.8)	3.1	(172.6)	(84.1)
Balance at 30 June 2023		2,156.3	–	11.9	746.3	2,914.5

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 2024

	Notes	Region Group 30 Jun 2024 $m	Region Group 30 Jun 2023 $m	Retail Trust 30 Jun 2024 $m	Retail Trust 30 Jun 2023 $m
Cash flows from operating activities					
Property and other income received		433.1	411.7	432.9	409.3
Insurance proceeds		4.5	11.0	4.5	11.0
Property expenses paid		(146.5)	(151.8)	(146.5)	(151.8)
Distribution received from investment in CQR		–	1.7	–	1.7
Corporate expenses paid		(20.7)	(20.8)	(21.2)	(18.5)
Interest received		1.0	0.5	1.0	0.5
Finance expenses paid		(57.4)	(48.5)	(57.4)	(48.5)
Other expenses paid		(4.8)	(3.2)	(4.8)	(3.2)
Taxes and GST paid		(26.4)	(23.8)	(25.6)	(22.3)
Net cash flow from operating activities	D2	182.8	176.8	182.9	178.2
Cash flows from investing activities					
Payments for investment properties purchased and capital expenditure		(156.6)	(250.7)	(156.6)	(250.7)
Proceeds from investment properties sold		66.0	23.1	66.0	23.1
Proceeds from investment in CQR sold		–	26.7	–	26.7
Investment in associates	B2	–	(6.3)	–	(6.3)
Net cash flow from investing activities		(90.6)	(207.2)	(90.6)	(207.2)
Cash flow from financing activities					
Proceeds from equity raising	C5	26.8	86.9	26.6	86.2
Costs associated with equity raising	C5	(0.1)	(0.1)	(0.1)	–
Proceeds from borrowings	C2	869.0	311.0	869.0	311.0
Repayment of borrowings	C2	(826.0)	(178.0)	(826.0)	(178.0)
Distributions paid	A2	(166.3)	(174.3)	(166.3)	(174.3)
Net cash flow from financing activities		(96.6)	45.5	(96.8)	44.9
Net change in cash held		(4.4)	15.1	(4.5)	15.9
Cash at the beginning of the year		23.8	8.7	22.6	6.7
Cash at the end of the year		19.4	23.8	18.1	22.6

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 2024

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:

- **Group performance** — provides key metrics used to define financial performance
- **Investment assets** — explains the structure of the investment asset portfolio
- **Capital structure** — outlines how the Group manages its capital structure and various financial risks
- **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

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 2024 $m	30 Jun 2023 $m
Within one year	296.8	281.8
1 - 2 years	263.8	251.1
2 - 3 years	231.9	221.9
3 - 4 years	195.3	192.0
4 - 5 years	149.0	159.5
After five years	500.5	574.4
Total undiscounted lease payments receivable	1,637.3	1,680.7

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 the SCA Metro Convenience Shopping Centre Fund (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 2024 $m	30 Jun 2023 $m
Metro Fund	1.3	2.6
	1.3	2.6

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. $99.3 million in rental income (30 June 2023: $99.9 million) was from Woolworths Group Limited and its affiliates and $40.0 million in rental income (30 June 2023: $39.4 million) was from Coles Group Limited and its affiliates.

Insurance income

During the year, $4.5 million (30 June 2023: $11.0 million) has been received from insurers in relation to adverse weather events in 2022, particularly flooding on the east coast of Australia, with Lismore Central Shopping Centre the most heavily impacted.

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
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	
2023 Region Group & Retail Trust			
Interim distribution	7.50	84.9	31 January 2023
Final distribution	7.70	88.5	31 August 2023
	15.20	173.4	

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 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Per stapled security						
Net profit/(loss) after tax for the period ($ million)	17.3	(123.6)	16.9	(124.9)	0.4	1.3
Weighted average number of securities used as the denominator in calculating basic earnings per security below	1,159,681,892	1,136,623,409	1,159,681,892	1,136,623,409	1,159,681,892	1,136,623,409
Basic earnings per security for net profit/(loss) after tax (cents)	1.49	(10.87)	1.46	(10.99)	0.03	0.12
Effect of dilution potential for potential securities	5,439,308	-	5,439,308	-	5,439,308	-
Weighted average number of securities used as the denominator in calculating diluted earnings per security below	1,165,121,200	1,136,623,409	1,165,121,200	1,136,623,409	1,165,121,200	1,136,623,409
Diluted earnings per security for net profit/(loss) after tax (cents)	1.48	(10.87)	1.45	(10.99)	0.03	0.12

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.

a) Reconciliation of carrying amount of the investment properties

	Region Group & Retail Trust	
	30 Jun 2024 $m	30 Jun 2023 $m
Movement in total investment properties		
Opening balance	4,411.6	4,460.9
Acquisitions at cost (including transaction expenses)	91.5	187.0
Disposals	(67.7)	(23.5)
Reclassification to assets classified as held for sale	(85.5)	-
Capital expenditure, rental straight-lining and amortisation	55.7	51.3
Unrealised fair value movement recognised in total comprehensive income	(123.3)	(264.1)
Closing balance	4,282.3	4,411.6

Investment properties

Property type	Market cap rate[1]		Discount rate[2]		Net operating income		Fair value	
	30 Jun 24 %	30 Jun 23 %	30 Jun 24 %	30 Jun 23 %	30 Jun 24 $m	30 Jun 23 $m	30 Jun 24 $m	30 Jun 23 $m
Sub-regional retail properties	6.00 – 7.25	5.50 – 7.00	6.50 – 7.75	6.25 – 7.50	4.8 – 9.8	4.7 – 9.8	1,183.4	1,174.8
Neighbourhood retail properties	5.00 – 7.50	4.75 – 7.50	5.50 – 7.75	5.25 – 8.00	0.5 – 7.7	0.7 – 7.5	3,098.9	3,236.8
Total investment properties							4,282.3	4,411.6

[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.*

Assets classified as held for sale

Prior to 30 June 2024, the Group agreed to sell Soda Factory, Northgate Tamworth Shopping Centre and Lillybrook Shopping Village; therefore, they are classified as assets held for sale for financial reporting purposes. These properties are expected to be settled in August 2024, except for Lillybrook Shopping Village which is expected to settle in September 2024. These property sales are subject to terms that are usual and customary.

b) 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 are 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 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 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.

c) 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 valuation approach that provides an indication of value by converting future cash flows to a single current capital value
DCF method	A method in which a discount rate is applied to future expected income streams to estimate the present value
Market capitalisation rate or cap rate	The approximate return represented by income produced by an investment property, expressed as a percentage
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value
Net operating income	Rental income from contractual 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
2024	Level 3	4,282.3	Income capitalisation and DCF	Cap rate Discount rate	5.00% - 7.50% 5.50% - 7.75%
2023	Level 3	4,411.6	Income capitalisation and DCF	Cap rate Discount rate	4.75% - 7.50% 5.25% - 8.00%

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 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.

Input	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Cap rate	Decrease	Increase
Net operating income	Increase	Decrease

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The following sensitivity analysis shows the effect on profit/loss after tax and on equity, at balance sheet date, of a 50 basis points (bps) increase/decrease in cap rates and a 5% increase/decrease in property net operating income respectively with all other variables held constant.

Sensitivity analysis – Valuation cap rate

30 June 2024	Profit/(loss) after tax and equity	
Region Group & Retail Trust	50 bps increase	50 bps decrease
Investment properties ($m)	(326.1)	384.7

Sensitivity analysis – Valuation net operating income

30 June 2024	Profit/(loss) after tax and Equity	
Region Group & Retail Trust	5% increase	5% decrease
Investment properties ($m)	214.1	(214.1)

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 2024 and 30 June 2023 relates to a 20.0% interest in the Metro Fund.

	Region Group & Retail Trust	
	30 Jun 2024 $m	30 Jun 2023 $m
Movement in investment in associates		
Opening balance	28.5	24.6
Contribution to equity accounted investment	-	6.3
Share of loss after income tax	(3.8)	(2.4)
Closing balance	24.7	28.5

Capital structure

The Group's activities expose it to numerous 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 2024 $m	30 Jun 2023 $m
Bank and syndicated facilities – unsecured		
– AU$ denominated	471.8	503.0
AU$ Medium Term Note (AU$ MTN) – unsecured		
– AU$ denominated	600.0	525.0
US Notes – unsecured		
– US$ denominated (converted to AU$)	449.9	450.0
– AU$ denominated	50.0	50.0
Total unsecured debt outstanding	1,571.7	1,528.0
– Less: unamortised establishment fees, MTN discount and premium	(6.3)	(4.6)
Interest bearing liabilities	1,565.4	1,523.4

At 30 June 2024, the Group's non-current debt is $1,565.4 million (30 June 2023: $1,298.4 million) with no debt expiries in FY25.

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 2024, in addition to the unsecured bank facilities drawn above, $10.2 million was used to support bank guarantees (30 June 2023: $10.1 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 2024 $m	30 Jun 2023 $m
Bank and syndicated debt facilities		
Committed debt facilities available	725.0	875.0
Less: amounts drawn	(471.8)	(503.0)
Less: amounts utilised for bank guarantee	(10.2)	(10.1)
Net financing facilities available	243.0	361.9
Add: cash and cash equivalents	19.4	23.8
Financing capacity available	262.4	385.7

The financing capacity available is identical for the Retail Trust with the exception of cash at bank which is $18.1 million (30 June 2023: $22.6 million) resulting in financing capacity available of $261.1 million (30 June 2023: $384.5 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 2024 are below.

Issue date	Maturity	US$ value	Economic hedged FX rate	AU$ economically hedged value	30 Jun 2024 FX rate	30 Jun 2024 Book value
US$ denominated notes						
Aug-14	Aug-27	100.0	0.9387	106.5	0.6668	**149.9**
Sep-18	Sep-28	30.0	0.7604	39.4	0.6668	**45.0**
Aug-14	Aug-29	50.0	0.9387	53.3	0.6668	**75.0**
Sep-18	Sep-31	70.0	0.7604	92.1	0.6668	**105.0**
Sep-18	Sep-33	50.0	0.7604	65.8	0.6668	**75.0**
Total US$ denominated notes		300.0		357.1		**449.9**
AU$ denominated notes						
Aug-14	Aug-29			50.0		**50.0**
Total AU$ denominated notes				50.0		**50.0**
Total US Notes				407.1		**499.9**

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 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)**

	Region Group		
	Movement in cash and cash equivalents $m	Movement in debt $m	Total $m
Net debt at 30 June 2022	8.7	(1,381.3)	(1,372.6)
Net proceeds from borrowings	15.1	(311.0)	(295.9)
Repayment of borrowings	-	178.0	178.0
Foreign exchange adjustments - USPP	-	(13.7)	(13.7)
Net debt at 30 June 2023	23.8	(1,528.0)	(1,504.2)

[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 $18.1 million (30 June 2023: $22.6 million) resulting in net debt of $1,553.6 million (30 June 2023: $1,505.4 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 2024.

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.

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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 2024 $m	30 Jun 2023 $m
Interest expense – AU$ borrowings (including amortisation of borrowing costs)	**50.3**	43.2
Interest expense – US$ borrowings and derivatives (including cross currency interest rate swaps)	**13.5**	5.9
	63.8	49.1

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 2024 (30 June 2023: 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 cashflows. 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.

(a) 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 and investing and transacting derivatives with multiple counterparties to minimise the Group's exposure to any one counterparty. Wherever possible, for financial investments and economic hedging, the Group only deals with investment-grade counterparties.
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:

			• prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow, including the maturity of its debt portfolio • maintains a liquidity buffer of cash and undrawn debt facilities • 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.

(b) 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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Cash and cash equivalents	19.4	23.8	18.1	22.6
Receivables	21.1	46.4	19.5	45.9
Derivative financial instruments	99.8	92.8	99.8	92.8
	140.3	163.0	137.4	161.3

The maximum exposure of the Group at 30 June 2024 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 for tenants via bank guarantees or other collateral such as security deposits and personal guarantees. The security collateral from tenants is negotiated individually and is typically the equivalent of three to six months of rent payable.

(c) 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.

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
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 $60.6 million which have a maturity of 1 year or less.

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2023					
Region Group					
Trade and other payables	57.6	-	-	-	57.6
Distribution payable	88.5	-	-	-	88.5
Interest bearing liabilities	295.0	123.6	578.6	860.4	1,857.6
	441.1	123.6	578.6	860.4	2,003.7

The Retail Trust is identical to the Group with the exception of trade and other payables of $73.5 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 2024 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 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
30 June 2023					
Region Group & Retail Trust					
Interest rate swaps – net	10.1	6.6	0.7	0.8	18.2
Cross currency interest rate swaps – net	(2.9)	(3.7)	42.6	45.1	81.1
	7.2	2.9	43.3	45.9	99.3

(d) 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 $m
30 June 2024					
Buy US dollar - interest					
Amount (AU$)	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$)	-	-	130.0	170.0	300.0
30 June 2023					
Buy US dollar - interest					
Amount (AU$)	15.8	31.5	27.7	32.6	107.6
Exchange rate	0.8354	0.8381	0.8195	0.7761	0.8141
Amount (US$)	13.2	26.4	22.7	25.3	87.6
Buy US dollar - principal					
Amount (AU$)	-	-	106.5	250.6	357.1
Exchange rate	-	-	0.9387	0.7981	0.8401
Amount (US$)	-	-	100.0	200.0	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 $m
30 June 2024		
Region Group & Retail Trust		
AU$ equivalent of foreign exchange balances denominated in US$	(1.3)	1.6
30 June 2023		
Region Group & Retail Trust		
AU$ equivalent of foreign exchange balances denominated in US$	(1.4)	1.8

(e) 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 $19.4 million and for Retail Trust was $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)

The maturity profile and the weighted average interest rate of the fixed and floating derivatives (notional principal) held at reporting date by both the Group and the Retail Trust for the next five years are summarised below. The Group has entered into forward starting swaps beyond the five year period, which has not been disclosed in this note.

	Jun 2024 $m	Jun 2025 $m	Jun 2026 $m	Jun 2027 $m	Jun 2028 $m
Denominated in AU$					
Interest rate swaps (fixed)	850.0	800.0	600.0	-	-
Average fixed rate	2.82%	3.31%	3.14%	-	-
Interest rate swaps (floating)	350.0	50.0	50.0	50.0	50.0

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2023 follow. Total financial assets exposed to interest rate risk, being cash at bank, for Region Group was $23.8 million and for Retail Trust $22.6 million at 30 June 2023.

	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 $m
30 June 2023						
Financial liabilities						
Interest bearing liabilities						
Denominated in AU$ - floating	5.3%	(503.0)	-	-	-	(503.0)
Denominated in AU$ - fixed (MTN)	3.2%	-	(225.0)	-	(300.0)	(525.0)
Denominated in AU$ - fixed (US Notes)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in US$ - fixed (US Notes)	4.4%	-	-	(150.0)	(300.0)	(450.0)
Total financial liabilities		(503.0)	(225.0)	(150.0)	(650.0)	(1,528.0)

The maturity profile and the weighted average interest rate of the fixed and floating derivatives (notional principal) held at 30 June 2023 by both the Group and the Retail Trust are summarised below.

	Jun 2023 $m	Jun 2024 $m	Jun 2025 $m	Jun 2026 $m	Jun 2027 $m
Denominated in AU$					
Interest rate swaps (fixed)	600.0	450.0	500.0	300.0	–
Weighted average fixed rate	0.72%	2.50%	3.54%	3.36%	–
Interest rate swaps (floating)	50.0	50.0	50.0	50.0	50.0

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 2024		
Region Group & Retail Trust		
Effect of market interest rate movement	(15.1)	12.0
30 June 2023		
Region Group & Retail Trust		
Effect of market interest rate movement	(9.5)	9.6

[1] The aim of the Group's interest rate hedging strategy is to mitigate the impact on Adjusted Funds from Operations 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 Adjusted Funds from Operations.

(f) 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.

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	Region Group	
	30 Jun 2024 $m	30 Jun 2023 $m
Amortised cost		
US Notes	499.9	500.0
AU$ MTN	600.0	525.0
	1,099.9	1,025.0
Fair Value		
US Notes	465.0	444.2
AU$ MTN	550.2	444.8
	1,015.2	889.0

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 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
30 June 2023				
Financial assets carried at fair value				
Interest rate swaps	–	15.6	–	15.6
Cross currency interest rate swaps	–	77.2	–	77.2
	–	92.8	–	92.8
Financial liabilities carried at fair value				
Interest rate swaps	–	7.8	–	7.8
	–	7.8	–	7.8

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

a) Contributed equity

	Region Group		Retail Trust	
	30 Jun 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Contributed equity [1]	**2,234.9**	2,208.1	**2,223.7**	2,197.1
Issue costs	**(41.1)**	(41.0)	**(40.9)**	(40.8)
	2,193.8	2,167.1	**2,182.8**	2,156.3

	Management Trust		Retail Trust	
	30 Jun 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Opening balance	**10.8**	10.2	**2,156.3**	2,070.1
Equity raised through Distribution Reinvestment Plan – August 2022	**-**	0.5	**-**	44.1
Equity raised through Distribution Reinvestment Plan – January 2023	**-**	0.2	**-**	42.1
Equity raised through Distribution Reinvestment Plan – August 2023	**0.2**	-	**26.6**	-
Equity raising costs	**-**	(0.1)	**(0.1)**	-
Closing balance	**11.0**	**10.8**	**2,182.8**	2,156.3
Balance at the end of the period is attributable to security holders of:				
Region Management Trust	**11.0**	10.8		
Region Retail Trust	**2,182.8**	2,156.3		
	2,193.8	2,167.1		

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

Securities on issue

	Region Group & Retail Trust	
	30 Jun 2024 No. of securities	30 Jun 2023 No. of securities
Opening balance	**1,148,893,991**	1,116,286,260
Equity issued for executive security-based compensation arrangements – 24 August 2022	**-**	365,355
Equity raised through Distribution Reinvestment Plan – 31 August 2022	**-**	15,946,947
Equity issued for employee security-based compensation arrangements – 19 December 2022	**-**	22,143
Equity raised through Distribution Reinvestment Plan – 31 January 2023	**-**	16,273,286
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**	-
Closing balance	**1,161,828,648**	1,148,893,991

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.

Notes to the Consolidated Financial Statements
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A total of 1,122,025 securities were issued during the year in respect of executive compensation plans and 31,188 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 in place for the distribution declared in June 2023 (paid in August 2023), which resulted in $26.8 million being raised through the issue of 11.8 million securities at $2.27 per security. This distribution was not underwritten.

The DRP was suspended for the distributions declared in December 2023 (paid in January 2024) and June 2024 (to be paid in August 2024).

b) Reserves (net of income tax)

Share based payment reserve: Refer to Note D3.

	Retail Trust	
	30 Jun 2024 $m	30 Jun 2023 $m
Share based payment reserve	**13.6**	11.9
	13.6	11.9
Movements in reserves		
Share based payment reserve		
Balance at the beginning of the year	**11.9**	8.8
Employee share-based payments	**1.7**	3.1
Closing balance	**13.6**	11.9
Fair value through other comprehensive income (FVTOCI) reserve		
Opening balance	**-**	(0.4)
Revaluation of investment FVTOCI	**-**	1.2
Reclassification to accumulated loss	**-**	(0.8)
Closing balance	**-**	-

c) Accumulated profit

	Region Group		Retail Trust	
	30 Jun 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Opening balance	**749.0**	1,045.2	**746.3**	1,043.8
Net profit/(loss) for the year	**17.3**	(123.6)	**16.9**	(124.9)
Other comprehensive income from disposal of investment in CQR	**-**	0.8	**-**	0.8
Distributions paid and payable (Note A2)	**(159.2)**	(173.4)	**(159.2)**	(173.4)
Closing balance	**607.1**	749.0	**604.0**	746.3
Balance at the end of the year is attributable to security holders of:				
Region Management Trust	**3.1**	2.7		
Region Retail Trust	**604.0**	746.3		
	607.1	749.0		

Other disclosure items

D1 Working capital and other

a) Receivables

Trade and other receivables are carried at original invoice amount, less expected credit loss (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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Rental income receivables	4.1	4.7	4.1	4.7
Other rental income receivables	0.6	2.1	0.6	1.7
Gross rental income receivables	4.7	6.8	4.7	6.4
Rental income deferrals[1]	1.3	2.1	1.3	2.1
Rental income receivables and deferrals	6.0	8.9	6.0	8.5
Allowance for ECL	(1.7)	(1.9)	(1.7)	(1.9)
Net rental income receivables and deferrals	4.3	7.0	4.3	6.6
Accrued rental income receivables[2]	13.0	13.2	13.0	13.2
Other receivables[3]	3.8	26.2	2.2	26.1
Total receivables	21.1	46.4	19.5	45.9

[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 rental income received by external property manager prior to being remitted to Region Group and Retail Trust respectively. Given the nature of these items and history of collectability, no ECL has been provided. As at June 2024, the majority of cash previously held by the external property manager has been remitted to Region Group due to a new arrangement. From July 2024, rental income from tenants will be paid directly to Region Group.

Notes to the Consolidated Financial Statements
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Rental income and other receivables past due[1]

	Region Group					
	30 Jun 2024			30 Jun 2023		
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	6.7%	1.5	0.1	3.4%	2.9	0.1
31-60 days	20.0%	0.5	0.1	25.0%	0.4	0.1
61-90 days	33.3%	0.3	0.1	50.0%	0.4	0.2
91-120 days	50.0%	0.2	0.1	33.3%	0.3	0.1
>120 days	40.9%	2.2	0.9	28.6%	2.8	0.8
Rental income and other receivables - simplified ECL		4.7	1.3		6.8	1.3
Rental income deferrals - specific ECL	30.8%	1.3	0.4	28.6%	2.1	0.6
Total		6.0	1.7		8.9	1.9

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

Expected credit losses

	Region Group					
	30 Jun 2024			30 Jun 2023		
	Collectively assessed $m	Individually assessed $m	Total $m	Collectively assessed $m	Individually assessed $m	Total $m
Opening balance	1.3	0.6	1.9	4.9	3.1	8.0
Remeasurement of loss allowance	0.6	-	0.6	1.1	(0.8)	0.3
Amounts written off	(0.3)	-	(0.3)	(3.7)	(0.2)	(3.9)
Amounts recovered	(0.3)	(0.2)	(0.5)	(1.0)	(1.5)	(2.5)
Closing balance	1.3	0.4	1.7	1.3	0.6	1.9

b) 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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Current				
Trade payables	11.4	13.0	8.7	11.3
Property payables and accruals	15.9	17.8	15.9	17.8
Rent received in advance	4.7	18.2	4.7	18.2
Interest payable	13.1	6.8	13.1	6.8
Other payables	2.9	1.7	2.8	1.3
Trade payables and other creditors	48.0	57.5	45.2	55.4
Income tax payable	-	0.1	-	-
Payables to related parties (Note D3)	-	-	15.4	18.1
Total trade and other payables	48.0	57.6	60.6	73.5

c) 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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Profit/(loss) before income tax	17.5	(123.1)	16.9	(124.9)
Prima facie tax (expense)/benefit at 30%	(5.3)	36.9	(5.1)	37.5
Tax effect of income that is not assessable/deductible in determining taxable profit	5.1	(37.4)	5.1	(37.5)
Tax	(0.2)	(0.5)	-	-

d) Capital commitments

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

	Region Group & Retail Trust	
	30 Jun 2024 $m	30 Jun 2023 $m
Capital commitments	17.0	13.3

In July 2023, the Group acquired land adjacent to the existing Delacombe Town Centre investment property for $15.0 million (excluding transaction expenses) and entered into a Development Management Agreement, which involves the construction of an online sales fulfilment facility with an estimated completion costs of $31.5 million. The 30 June 2023 balance relates to the amount committed to buy the land, net of a $1.7 million deposit, which was included in the Balance Sheet as a current asset at 30 June 2023. The 30 June 2024 balance relates to the remaining costs to complete the development, net of the $14.5 million investment spends to date.

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e) 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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Prepayments	6.1	5.7	5.5	5.0
Deposits and stamp duty paid for purchase of investment property	-	2.2	-	2.2
Other assets	0.1	0.2	-	-
Current other assets	6.2	8.1	5.5	7.2
Right-of-use assets for the investment property at Lane Cove[1]	5.6	5.7	5.6	5.7
Right-of-use assets for lease of office space[1]	4.7	4.9	-	-
Other assets	2.6	0.2	-	-
Non-current other assets	12.9	10.8	5.6	5.7
Total other assets	19.1	18.9	11.1	12.9

[1] The corresponding lease liability of $12.4 million (30 June 2023: $11.6 million) is presented in non-current liabilities for the Group and $6.8 million (30 June 2023: $6.6 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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Net profit/(loss) after tax	17.3	(123.6)	16.9	(124.9)
Net unrealised loss on change in fair value of investment properties	123.3	264.1	123.3	264.1
Net unrealised loss on change in fair value of derivatives	11.6	23.2	11.6	23.2
Net unrealised (gain)/loss on change in foreign exchange	(0.1)	13.7	(0.1)	13.7
Straight-lining of rental income and amortisation of lease incentives	9.4	10.7	9.4	10.7
(Decrease)/increase in payables	(8.9)	(12.8)	(8.3)	(10.9)
Non-cash and capitalised financing expenses	(0.9)	0.3	(0.9)	0.3
Other non-cash items and movements in other assets	5.8	1.8	4.5	2.4
(Increase)/decrease in receivables	25.3	(0.6)	26.5	(0.4)
Net cash flow from operating activities	182.8	176.8	182.9	178.2

D3 Related party information

a) Key management personnel 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 key management personnel of the Group is set out below.

	30 Jun 2024 $	30 Jun 2023 $
Short term benefits	**3,305,100**	3,868,645
Post-employment benefits	**162,936**	174,740
Share-based payment	**993,381**	1,446,112
Long term benefits	**38,347**	51,276
Other benefits	**538,812**	-
	5,038,576	5,540,773

b) Share based payments

The Group has an Executive Incentive Plan that entitles key management personnel, 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

Under the Executive Incentive Plan grants of rights have been made to the following key management personnel:

- Mr Mellowes (Director and Chief Executive Officer)
- Mr Fleming (Director, resigned on 26 September 2023 and Chief Operating Officer and Head of Funds Management and Strategy, resigned on 24 December 2023)
- Mr Walsh (Chief Financial Officer)

In addition, certain other employees were also granted 364,807 rights during the year (30 June 2023: 52,276).

The table below summarises the rights issued to key management personnel. These rights have a nil exercise price and 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, 529,715 securities (30 June 2023: 227,077) were issued and vested to Mr Mellowes; 258,691 securities (30 June 2023: 108,145) to Mr Fleming and nil securities (30 June 2023: nil) to Mr Walsh.

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For the year ended 30 June 2024

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 (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
STIP (FY22) (Mr Mellowes)	Non-market	$2.83	Sep-21	Jul-22	Jul-23	$580,250	$0.97 per $1.00
STIP (FY22) (Mr Fleming)	Non-market	$2.83	Sep-21	Jul-22	Jul-23	$290,200	$0.97 per $1.00
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
STIP (FY21) (Mr Mellowes)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$241,250 $241,250	$0.96 per $1.00
STIP (FY21) (Mr Fleming)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$115,938 $115,938	$0.96 per $1.00
LTIP (FY21 - FY23) (Tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.23	Sep-20	Sep-23	Jul-24	452,393	$1.18 per security
LTIP (FY21 - FY23) (Tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Sep-20	Jun-23	Jul-24	301,595	$2.23 per security

[1] Service and non-market conditions include numeric and strategic targets along with a deferred vesting period.
[2] Relative TSR is Relative total security holder return measured against the ASX 200 A-REIT Accumulation Index.

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 $1.7 million (30 June 2023: $3.1 million). Key inputs to the pricing models are shown in the table below:

	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2021
Volatility	**21.2%**	26.0%	26.0%	25.0%
Distribution yield	**6.6%**	6.5%[1]	5.4%	5.5%
Risk-free interest rate	**3.9%**	3.8%	0.2%	0.2%

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

c) Other related party disclosures

The Retail Trust has a current payable of $15.4 million to the Management Trust (30 June 2023: $18.1 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 $15.7 million (30 June 2023: $18.0 million).

The Management Trust received $1.3 million (30 June 2023: $2.6 million) of funds management revenue 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 2024 $m	30 Jun 2023 $m	30 Jun 2024 $m	30 Jun 2023 $m
Current assets	–	–	144.0	83.8
Non-current assets	11.0	10.8	4,397.0	4,530.5
Total assets	11.0	10.8	4,541.0	4,614.3
Current liabilities	–	–	155.6	394.8
Non-current liabilities	–	–	1,585.0	1,305.0
Total liabilities	–	–	1,740.6	1,699.8
Contributed equity	11.0	10.8	2,182.8	2,156.3
Reserves	–	–	13.6	11.9
Accumulated profit	–	–	604.0	746.3
Total equity	11.0	10.8	2,800.4	2,914.5
Net profit/(loss) after tax	–	–	16.9	(124.9)
Other comprehensive income/(loss)	–	–	–	1.2
Total comprehensive income/(loss)	–	–	16.9	(123.7)
Commitments for the acquisition of property/development capital expenditure by the parent	–	–	17.0	13.3

[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 2024 the Group and Retail Trust have the ability to drawdown funds to pay the distribution on or about 30 August 2024, having sufficient excess cash and cash equivalents and undrawn financing facilities (refer to Note C2).*

Notes to the Consolidated Financial Statements
For the year ended 30 June 2024

D5 Subsidiaries

Name of subsidiaries	Place of incorporation and operation	Ownership interest	
		30 Jun 2024	30 Jun 2023
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 2024 $'000	30 Jun 2023 $'000
Audit of the Financial Statements	525.2	374.8
Statutory assurance services required by legislation to be provided by the auditor	62.2	57.2
Non-audit services	59.0	–
	646.4	432.0

The auditor of the Group is Deloitte Touche Tohmatsu. The auditor's remuneration includes audit of the Financial Statements, subsidiary Financial Statements, the Group's Australian Financial Service 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

On 31 July 2024, the Group announced that it has reached an in principle implementation agreement with a global institutional investor to establish Metro Fund 2 (the Fund). Region Group will hold a 20% equity interest in the Fund which will have $394.0 million assets under management, with the terms being broadly consistent with the existing Metro Fund 1. It is expected that establishment of the Fund will take place before the end of August 2024.

In August 2024, the Group completed the sale of Northgate Tamworth Shopping Centre for $18.3 million.

Since the end of the year, the Directors of the Responsible Entity are not aware of any other 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 12 August 2024.

D9 Other significant accounting policies

a) 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 is in a net current asset position of $0.9 million and Retail Trust is in a net current asset deficiency position of $11.6 million at 30 June 2024. The Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities and the capital commitments (refer to Note D1), having available cash and cash equivalents and undrawn debt facilities of $262.4 million and $261.1 million respectively.

b) Statement of compliance

The Financial Statements is a General Purpose Financial Statement that has 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.

c) Application of new and revised Accounting Standards

The Group and Retail Trust have applied any amendments issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2023, and therefore relevant for the current year end 30 June 2024. 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.

d) 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.

e) 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.

f) Cash and cash equivalents

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

D10 Consolidated Entity Disclosure Statement

		Body corporates		
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held**	**Tax residency**
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 note have been prepared in accordance with section 295(3A) of the *Corporations Act 2001*, even though as registered managed investment schemes there is no obligation to comply with this section.

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 71 to 106 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 2024 and of their performance, for the year ended 30 June 2024; 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) Note D10 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 2024.

Signed in accordance with a resolution of the Directors.

Steven Crane
Chair
Sydney

12 August 2024

Independent Auditor's Report

Sturt Mall, NSW

Deloitte Touche Tohmatsu
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Sydney NSW 2000

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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 2024, 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 directors' declaration and the Consolidated Entity Disclosure Statement; and
- Region Retail Trust which comprises the consolidated balance sheet as at 30 June 2024, 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 directors' declaration and the Consolidated Entity Disclosure Statement.

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 2024 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.

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Key Audit Matters

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

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

As at 30 June 2024, Region Group and Region Retail Trust recognised investment properties valued at $4,282.3m (2023: $4,411.6m) as disclosed in Note B1.
 	
The fair value of investment property is determined in accordance with Australian Accounting Standards and the valuation policy and set out in Note B1.
 	
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:
• Capitalisation rates: are subjective and fluctuate with the prevailing market transactions.
• 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:
	• Assessing management's process over investment property valuations and the oversight applied by the directors;
	• Assessing for indications of management bias in the valuation outcomes;
	• Assessing the independence, competence and objectivity of a selection of external valuers and the scope limitations included in their reports;
	• 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;
	• Performing further audit procedures, on a sample basis, with reference to our identified risk characteristic, across externally and internally valued properties, which included:
	  ▪ Assessing the integrity of the information used in the valuation models by agreeing key inputs such as NOI to underlying records and source evidence;
	  ▪ Assessing the capitalisation rates with reference to external market trends and transactions and challenging whether those assumptions where appropriate
	  ▪ 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;
	  ▪ Performing a retrospective review of NOI forecasts to evaluate the accuracy of management's ability to forecast; and
	  ▪ Assessing the mathematical accuracy of the models.
	• 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.
	
	We have also assessed 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 Directors' Report and Sustainability Report, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in Region Group and Region Retail Trust's annual report (but does not include the financial report and our auditor's report thereon): Message from the Chair, Message from the CEO and Security Analysis, which is expected to be made available to us after that date.

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Our opinion on the financial reports does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial reports, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Message from the Chair, Message from the CEO and Security Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

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 *Corporations 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 report, the directors are responsible for assessing the ability of Region Group and Region Retail Trust to continue as a going concern, 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 or 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 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.

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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Region Group and Region Retail Trust to express an opinion on the financial reports. We are responsible for the direction, supervision and performance of Region Group and Region Retail Trust's 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 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 the Remuneration Report included in pages 43 to 69 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Region Group and Region Retail Trust, for the year ended 30 June 2024, 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

Yvonne van Wijk
Partner
Chartered Accountants
Sydney, 12 August 2024

Sturt Mall, NSW

Historical Key Metrics

RGN GROUP METRICS AT 30 JUNE	2020	2021	2022	2023	2024
EARNINGS/PROFIT AND LOSS					
Gross Property Income ($m)	289.0	290.6	347.4	373.6	373.5
Net Profit/(Loss) after Tax ($m)	85.5	462.9	487.1	(123.6)	17.3
Funds from Operations ($m)	140.8	159.0	192.7	192.5	178.4
FFO (cents per security)	14.7	14.8	17.4	16.9	15.4
Adjusted Funds from Operations ($m)	124.3	135.8	169.5	173.9	157.7
AFFO (cents per security)	12.9	12.6	15.3	15.3	13.6
Distribution ($m)	123.5	133.8	169.2	173.4	159.2
Distribution (cents per security)	12.5	12.4	15.2	15.2	13.7
Management Expense Ratio (%)	0.38%	0.41%	0.38%	0.38%	0.34%
BALANCE SHEET					
Net Tangible Assets ($ per security)	$2.22	$2.52	$2.81	$2.55	$2.42
Net Tangible Assets ($m)	2,374.0	2,724.8	3,133.9	2,928.0	2,814.5
Share Price at 30 June ($ per security)	$2.18	$2.52	$2.75	$2.27	$2.10
Closing Securities on Issue (million)	1,071.4	1,080.0	1,116.3	1,148.9	1,161.8
Market Capitalisation ($m)	$2,336	$2,722	$3,070	$2,608	$2,440
Acquisitions (excluding transaction costs) ($m)	78.4	452.4	347.5	180.0	89.0
Disposals ($m)	21.5	–	307.6	23.5	67.7
DEBT METRICS					
Gearing	25.6%	31.3%	28.3%	31.3%	32.9%
Weighted Average Cost of Debt	3.5%	2.4%	2.5%	3.4%	4.3%
Interest Bearing Liabilities ($m)	1,083.6	1,331.5	1,376.4	1,523.4	1,565.4
Average Debt Maturity (years)	5.1	5.3	5.3	4.4	4.9
% of Debt Fixed/Hedged	91.1%	50.8%	69.6%	79.7%	94.2%
Average Hedge Maturity (years)	3.8	3.0	4.9	2.3	2.7

RGN GROUP METRICS AT 30 JUNE	2020	2021	2022	2023	2024
PORTFOLIO METRICS					
Number of Properties	85	92	91	95	92
Weighted Average Cap Rate	6.51%	5.90%	5.43%	5.85%	6.07%
Portfolio Occupancy	98.2%	97.4%	98.1%	97.8%	98.1%
Specialty Vacancy	5.1%	5.1%	5.0%	5.0%	4.7%
Portfolio WALE (by GLA) Years	7.4	7.2	6.7	6.2	5.1
Anchor WALE (by GLA) Years	9.6	9.3	8.2	7.6	7.1
Comparable NOI Growth	ND[1]	ND[1]	3.3%	4.3%	3.0%
Supermarket MAT Growth	5.1%	3.2%	2.4%	3.4%	3.0%
Anchors in Turnover Rent	39	42	47	59	50
Specialty MAT Growth	(1.1%)	9.7%	0.4%	7.5%	1.4%
Specialty Occupancy Cost	10.0%	8.6%	8.7%	8.7%	8.8%
Specialty Rent psm	$778	$793	$793	$818	$880
Specialty Productivity	$8,229	$9,954	$9,865	$10,342	$10,759
Number of Specialty Renewals	232	198	133	267	303
– Retention	76%	73%	86%	82%	83%
– Specialty Renewals GLA	31,817	24,864	20,391	29,506	34,447
– Specialty Re-leasing Spreads (renewals)	(1.1%)	(1.5%)	3.5%	4.7%	5.2%
– Average Incentives on Renewals (months)	0.5	0.2	0.2	0.2	0.4
Number of Specialty New Leases	146	127	119	126	149
– Specialty New Leases GLA	18,656	13,844	18,466	12,526	14,792
– Average Uplift on New Leases	(7.7%)	1.9%	(0.2%)	1.2%	1.6%
– Average Incentives on New Leases (months)	13.8	10.8	10.4	10.0	9.6

1. Not disclosed

Security Analysis

DISTRIBUTION OF EQUITY SECURITIES AS AT 16 AUGUST 2024

RANGES	INVESTORS	SECURITIES	% ISSUED CAPITAL
1 to 1,000	32,563	12,915,787	1.11
1,001 to 5,000	8,393	21,723,111	1.87
5,001 to 10,000	5,017	36,931,737	3.18
10,001 to 100,000	5,302	118,254,909	10.18
100,001 and Over	146	972,003,104	83.66
TOTAL	**51,421**	**1,161,828,648**	**100.00**

RGN only has ordinary stapled securities on issue, and at 16 August 2024 there was a total of 51,421 holders.

The total number of security holders with less than a marketable parcel of securities (using the closing price for RGN securities on 16 August 2024) is 4,926 and they hold 446,230 securities.

SUBSTANTIAL SECURITY HOLDER NOTICES AS AT 16 AUGUST 2024

ORDINARY SECURITIES	DATE OF CHANGE	SECURITIES HELD	%
The Vanguard Group, Inc	9/12/2019	93,195,570	10.00%
State Street Corporation and subsidiaries	20/07/2022	83,697,016	7.50%
Mitsubishi UFJ Financial Group Inc.	28/03/2024	74,472,524	6.41%
Blackrock Group	17/04/2024	108,528,425	9.34%

VOTING RIGHTS AS AT 16 AUGUST 2024

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

There is no current on-market buy-back.

TOP 20 REGISTERED EQUITY SECURITY HOLDERS AT 16 AUGUST 2024

NAME	SECURITIES	% OF SECURITIES
HSBC Custody Nominees (Australia) Limited	386,262,588	33.25
J P Morgan Nominees Australia Pty Limited	220,771,533	19.00
Citicorp Nominees Pty Limited	183,290,106	15.78
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	33,973,657	2.92
BNP Paribas Noms Pty Ltd	29,255,000	2.52
National Nominees Limited	17,442,342	1.50
Australian Foundation Investment Company Limited	16,000,000	1.38
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	11,021,246	0.95
Djerriwarrh Investments Limited	9,930,000	0.85
HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	8,770,579	0.75
Netwealth Investments Limited <Wrap Services A/C>	3,529,526	0.30
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	3,515,103	0.30
Mirrabooka Investments Limited	3,404,500	0.29
HSBC Custody Nominees (Australia) Limited	2,727,576	0.23
BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	2,424,000	0.21
IOOF Investment Services Limited <Ips Superfund A/C>	2,214,197	0.19
BNP Paribas Noms (NZ) Ltd	1,851,896	0.16
Wilfred Services Pty Ltd <Wilfred Services Super A/C>	1,490,758	0.13
IOOF Investment Services Limited <IOOF IDPS A/C>	1,433,474	0.12
Mr Anthony Michael Grainger Mellowes	1,361,934	0.12
TOTAL	**940,670,015**	**80.96**
Balance of register	221,158,633	19.04
GRAND TOTAL	**1,161,828,648**	**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

Antoinette Milis

Belinda Robson

Anthony Mellowes

Mark Fleming (retired 26 September 2023)

Company Secretary

Erica Rees

Auditor

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

Corporate Governance

RGN's FY24 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
Link Market Services
Locked Bag A14
Sydney South NSW 1235
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 investorcentre.linkgroup.com/Login/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

Delacombe Town Centre, VIC

Region RE Limited ABN 47 158 809 851