

Accent Group Limited (ASX: AX1)

ASX Announcement

8 October 2025

GRANT OF WAIVER FROM ASX LISTING RULE 6.23.3

PROPOSED VARIATION OF PERFORMANCE CONDITION ATTACHING TO TRANCHE 8 PERFORMANCE RIGHTS

Accent Group Limited (ASX: AX1) (**Accent**) advises that ASX has granted Accent a waiver from ASX Listing Rule 6.23.3 to allow the Board to exercise its discretion to vary the performance condition attaching to the Tranche 8 performance rights on issue to participants (excluding the Tranche 8 performance rights held by Accent's CEO and managing director, Daniel Agostinelli), comprising 3,788,205 performance rights, provided Accent obtains shareholder approval for such variation.

Accordingly, Accent proposes to seek shareholder approval for the abovementioned variation at its upcoming 2025 Annual General Meeting on Friday, 21 November 2025.

Specifically, the Board proposes to:

- reset the base for assessing the performance-based vesting condition for the period ending 27 June 2027 from the FY24 EPS of 10.55 cents per share to the FY25 EPS of 10.12 cents per share (with FY25 being, in the Board's view, representative of the new baseline for Accent that is reflective of the prevailing post covid economic conditions, as described below); and
- reduce the sliding scale 'threshold', 'target' and 'stretch' annual compounding earnings per share growth target rates to 8%, 10% and 15% (being the same as the modified target rates which apply for Accent's Tranche 6 and Tranche 7 performance rights, and in the Board's view, are more reflective of the abovementioned prevailing post-COVID economic conditions).

A summary of the proposed variation is contained in the Appendix attached to this release.

The ASX waiver has been granted on the following conditions:

- as noted above, Accent obtaining shareholder approval for the proposed variation pursuant to ASX Listing Rule 6.23.4; and
- the notice of meeting seeking such shareholder approval includes explanatory information to the satisfaction of ASX pursuant to ASX Listing Rule 6.23.4, including an explanation of the rationale for the proposed variation.

Basis and reasons for the waiver

Accent has experienced significant business challenges over the past few years which are largely attributable to the prevailing post covid economic environment, including several years of high inflation, successive rises in interest rates (until recently), lower USD/AUD exchange rates and subdued discretionary spending. Those challenges have impacted Accent's earnings.

The EPS performance condition attaching to Accent's 5,471,635 Tranche 6 performance rights was not met, resulting in those performance rights lapsing. It has also become clear that the modified EPS performance condition for Accent's 4,597,619 Tranche 7 performance rights is unlikely to be met, and accordingly, none of those rights are expected to vest and instead those performance rights are also expected to lapse.

It has become clear to the Board that the Tranche 8 performance rights EPS performance condition (as described above) was set at an unrealistic level (similar to the EPS performance condition attaching to the lapsed Tranche 6 performance rights, and the expected to be lapsed Tranche 7 performance rights). The Board does not expect that the EPS performance condition for the Tranche 8 performance rights will be satisfied, and as such, is concerned that those performance rights no longer serve to incentivise performance or retain employees. This fact is made more concerning for the Board given the failed

Accent Group Limited
ABN 85 108 096 251

2/64 Balmain Street
PO Box 213
Richmond Victoria 3121
www.accentgroup.com.au

For personal use only

outcome of the Tranche 6 performance rights, and the expected failed outcome of the Tranche 7 performance rights, both as noted above.

With consideration to the stated objectives of Accent's Performance Rights Plan and the volatile profit results of Accent in FY24 and FY25, which appear to the Board to represent the new baseline for Accent that is reflective of the post covid economic conditions, the Board has taken a view that the base year off which the Tranche 8 EPS performance condition was set, and the increased annual compounding EPS growth targets applied to the EPS performance condition for those performance rights, was overly ambitious and needs to be modified. Accordingly, in order to ensure that staff retention is not compromised by events that were beyond the reasonable control of Accent's employees, the Board is proposing to exercise its discretion to vary the EPS performance condition attaching to the Tranche 8 performance rights held by participants (excluding the Tranche 8 performance rights held by Accent's CEO and managing director, Daniel Agostinelli).

The Board is of the view that the proposed variation is reasonably necessary to promote the objects of Accent's Performance Rights Plan and is in the overall interests of Accent and its shareholders.

For completeness, it is noted that:

- no change to the retention condition attaching to the Tranche 8 performance rights is proposed (which will continue to require a participant to be employed and not have resigned as at 1 September 2027); and
- no action is proposed in respect of the Tranche 6 or Tranche 7 performance rights, despite the fact the Tranche 6 performance rights are no longer capable of vesting and have lapsed, and the Tranche 7 performance rights are not expected to vest and are instead expected to lapse due to the expected failure of their attached performance conditions.

Further details of the proposed variation will be included in Accent's Notice of 2025 Annual General Meeting.

The release of this announcement was authorised by the Board of Accent Group Limited.

Appendix – Details of the variation to the EPS performance condition for Accent’s Tranche 8 performance rights (excluding the Tranche 8 performance rights held by Accent’s CEO and managing director, Daniel Agostinelli)

Tranche 8 performance rights (for the assessment period of FY25-FY27)						
Performance condition						
	EXISTING			PROPOSED		
	FY24 statutory diluted EPS (cents per share)	FY27 statutory diluted EPS (cents per share)	% annual compound ing diluted EPS growth target rate	FY25 statutory diluted EPS (cents per share)	FY27 statutory diluted EPS (cents per share)	% annual compound ing diluted EPS growth target rate
Threshold	10.55	18.59	20.8%	10.12	11.8	8%
Target	10.55	19.29	22.3%	10.12	12.25	10%
Stretch	10.55	21.08	26%	10.12	13.38	15%
Retention condition						
No change proposed	Participant must be employed and not have resigned as at 1 September 2027					

For personal use only