

RAM ESSENTIAL SERVICES PROPERTY FUND (ASX CODE: REP)

ASX ANNOUNCEMENT

21 June 2023

INVESTOR PRESENTATION

RAM Essential Services Property Fund (ASX: REP) provides the attached materials to be referred to in investor meetings and desk briefings.

This announcement is authorised to be given to ASX by Stewart Chandler, Company Secretary

- ENDS -

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About RAM Essential Services Property Fund (ASX: REP)

RAM Essential Services Property Fund (REP) is a stapled real estate investment trust listed on the ASX. REP consists of a geographically diversified and defensive portfolio of medical and essential retail-based properties, underpinned by a high quality tenant profile including leading national supermarkets and private hospital operators, and offers growth opportunities through significant value-add development potential. REP's objective is to provide Securityholders with stable and secure income with the potential for both income and capital growth through an exposure to a high quality, defensive portfolio of assets with favourable sector trends.

RAM Property Funds Management Limited (ABN 28 629 968, AFSL 514484) as responsible entity of RAM Australia Retail Property Fund (ARSN 634 136 682) and RAM Australia Medical Property Fund (ARSN 645 964 601).

Suite 3201, Level 32, Australia Square, 264 George Street, Sydney NSW 2000

RAM ESSENTIAL SERVICES PROPERTY FUND

Investor Materials

June 2023



HIGHLIGHTS OF RECENT ACTIVITY

The portfolio continues to perform strongly and compares favourably to other listed real estate exposure



Portfolio



Continued Strong Leasing Outcomes
+7% leasing spreads across 13 reviews



Resilient Tenancy Mix
Occupancy stable at 98%² due to resilience of sectors



Active Value-Add
Accretive healthcare projects agreed alongside progression of retail schemes



Financial



Stable Valuations
Valuations holding up
Possible sale will prove up valuations



Continued Income Growth
Strong CPI reviews, accretive value-add and leasing spreads offsetting higher interest



FY23 Guidance
DPS 5.7-5.8 cents
Forecast annualised distribution yield of approx. 8.5%¹



Capital Management



Increased Debt Headroom and Duration
Extended loan facility and supplementing syndicate



Buy Back Reconsidered
Given sector discounts, accretive buy back actively considered



Solid Balance Sheet
Low end of gearing range and comfortably within covenants

1. Based on mid-point of guidance and a closing price of \$0.665 on 25 May 2023
2. Includes rental guarantees over vacant area and excludes areas withheld for development

OUR APPROACH TO CAPITAL MANAGEMENT

We have been positioning behind the scenes



WE BOUGHT WELL

- ◆ Acquired 22 assets, largely off-market, in 14 months at WACR well above other market participants
- ◆ Reached 50/50 income split between medical and retail ahead of schedule
- ◆ Valuations in our defensive sectors remain stable largely due to continued investor demand for these asset classes
- ◆ Quality tenants are positioned and performing well in sectors largely immune to inflationary headwinds



CULTURE OF ACTIVE ASSET MANAGEMENT

- ◆ Strong asset management
- ◆ Appointments of key specialist personnel driving improved leasing outcomes (ahead of peers)
- ◆ Operator engagement continues to scale, creating new off-market opportunities
- ◆ Delivering value-add
- ◆ Completed 6 developments since IPO within budget
- ◆ Continued growth in value-add alternatives with no land drag
- ◆ Unique mix of medical and retail value-add projects driving growth across both sectors



ATTRACTIVE CAPITAL MARKETS ENVIRONMENT






- ◆ Conservative valuation approach resulted in book values closely aligning with current market values providing divestment opportunities for a selection of assets.
- ◆ Immediate allocation of divestment proceeds into secured pipeline of accretive acquisition opportunities.
- ◆ Depth of buyers for our average parcel sizes driving liquidity
- ◆ Continued interest from offshore investors for assets in our sectors

SHORT TERM

Active portfolio management



POSSIBLE SHORT-TERM ACTIVITY

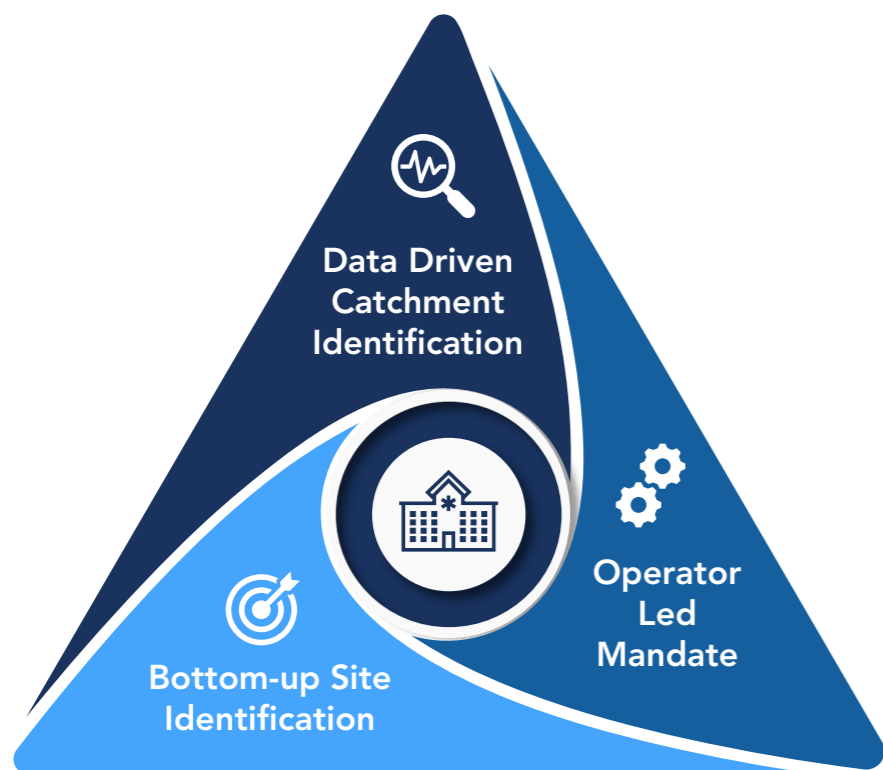
POTENTIAL ACTION	IMPACT
 <p>Execution of value-add schemes with largest healthcare partner</p>	<ul style="list-style-type: none"> ◆ Portfolio funded from headroom which will produce immediate accretion to yield and significant enhancement to fund WALE ◆ Opportunity to utilise sustainable finance to fund the project providing a discount on current debt
 <p>Sale of asset at book or above</p>	<ul style="list-style-type: none"> ◆ Confirm valuations are appropriate and allow flexibility for capital management or repositioning for new acquisition opportunities ◆ Cultivated pipeline of medical and retail deals provide immediate opportunity to invest proceeds of divestment
 <p>Share buyback</p>	<ul style="list-style-type: none"> ◆ Attractive dynamics for an allocation of capital for buy-back will provide good earnings accretion
 <p>Continued opportunities from our ecosystem</p>	<ul style="list-style-type: none"> ◆ Three new deals have emerged in our platform that are being de-risked and considered highly suitable for acquisition by REP in the near term. Deals providing continued exposure to accretive healthcare opportunities enhancing exposure to this sector ◆ Further immediate opportunities across healthcare and essential retail are being reviewed
 <p>Capital markets are attractive</p>	<ul style="list-style-type: none"> ◆ Opportunities to direct capital towards earnings accretive assets ◆ Tactical repositioning of the portfolio to include greater value-add opportunities and stronger growth trade areas ◆ Takes advantage of positions in smaller assets in scope of private investors and syndicates

MEDIUM TERM

Securing deal flow to enhance future earnings



LEVERAGE RAM'S ECOSYSTEM TO UNLOCK VALUE



Central to our approach is to partner with our operators in every aspect of their roll out



OPERATOR-LED OPPORTUNITIES

We engage with operating partners to help deliver identifiable expansion and growth opportunities.



DE-RISKED OPPORTUNITIES

We leverage our network and relationships to pre-let development and value-add opportunities prior to contracting any opportunity.



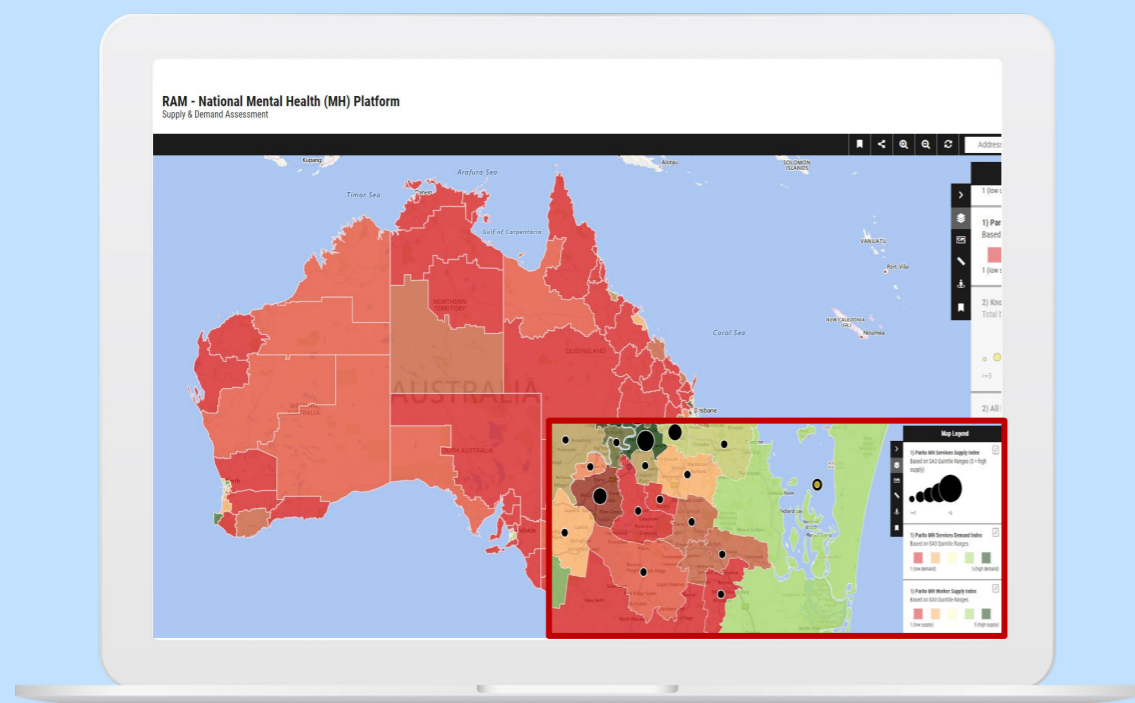
STRATEGIC AND QUANTITATIVE APPROACH

We work with operators to quantitatively identify properties that will facilitate their expansion plans in areas with attractive supply and demand characteristics.



ONGOING MANAGEMENT DEVELOPMENT TO COMPLETION

The long-term landlord/operator relationship forms the cornerstone of RAM's opportunity sourcing approach.



COMPLEMENTARY FUND MANAGEMENT STRATEGY

Healthcare Opportunity Fund and RAM's investor base generating strong deal flow and de-risked opportunities for REP



Healthcare Opportunity fund has been created to target premium Australian healthcare assets



Wholesale investment partners poised to invest a significant capital commitment



Targeted deal pipeline with opportunities sourced off-market

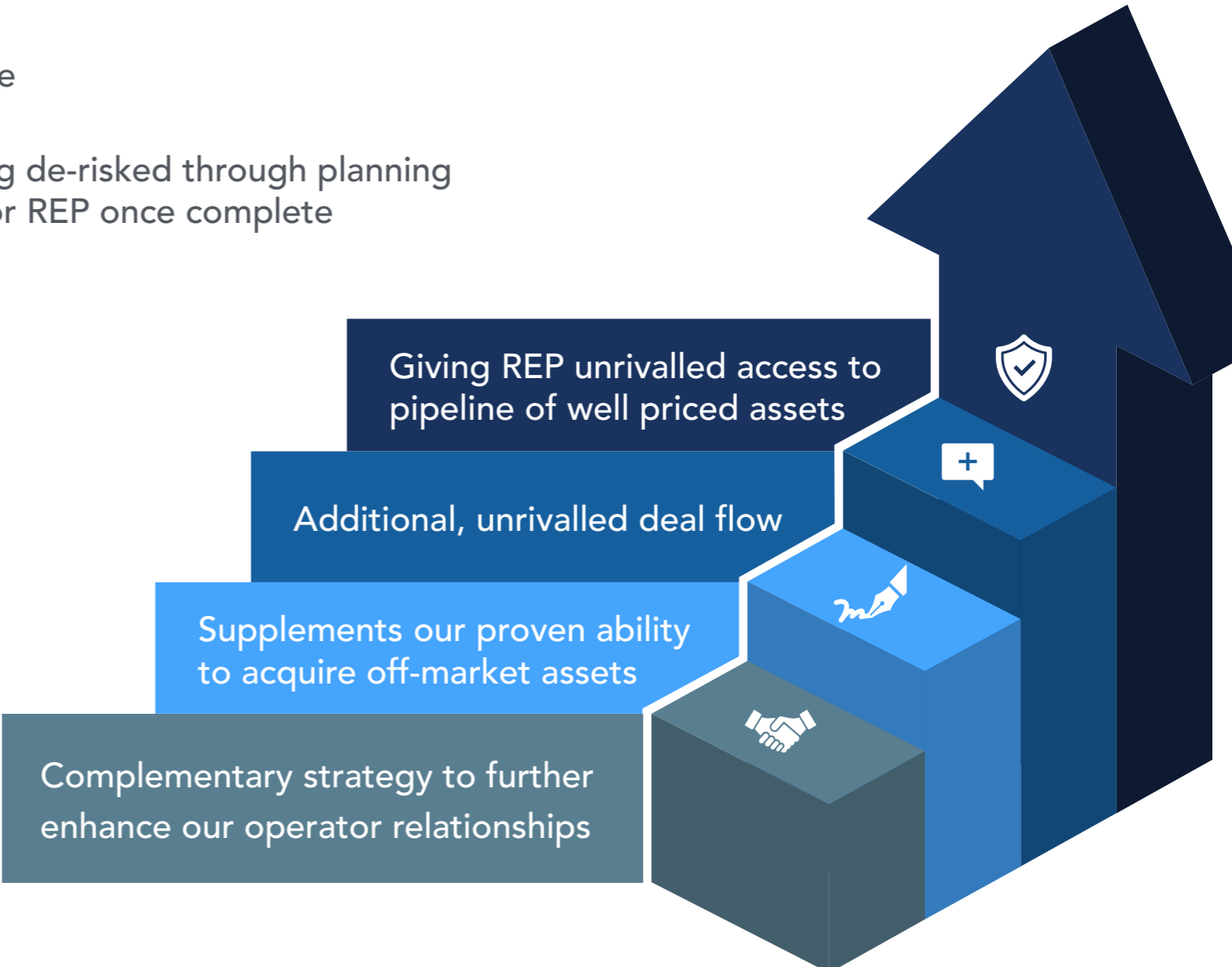


Defined liquidity through 7-year closed-end vehicle



RAM clients own 5 healthcare assets that are being de-risked through planning and tenant negotiation which would be suitable for REP once complete

Replicable for Retail Assets



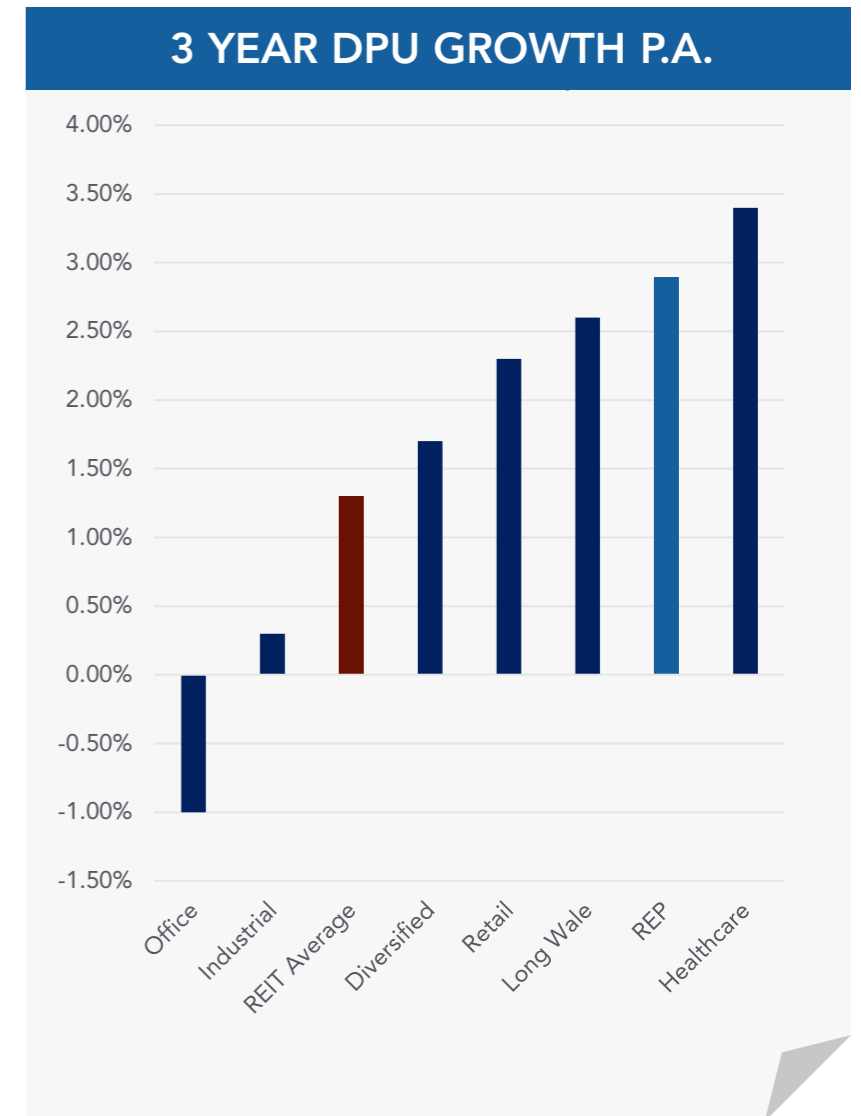
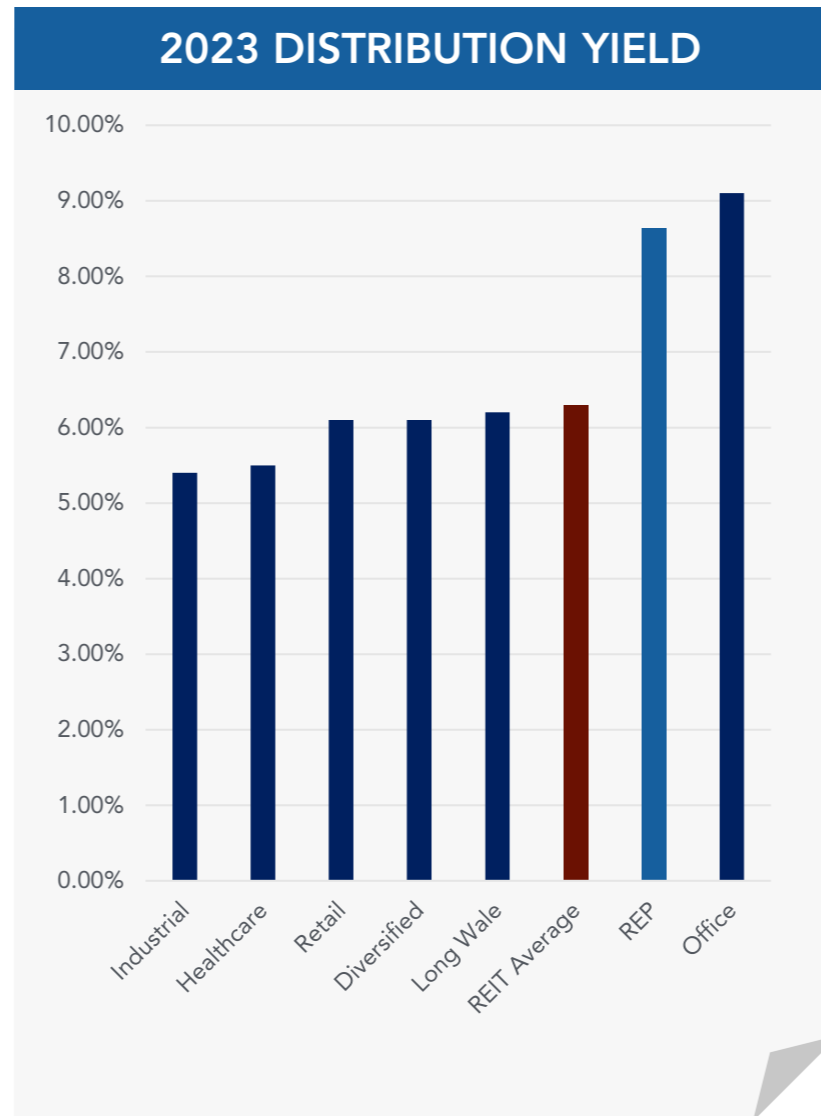
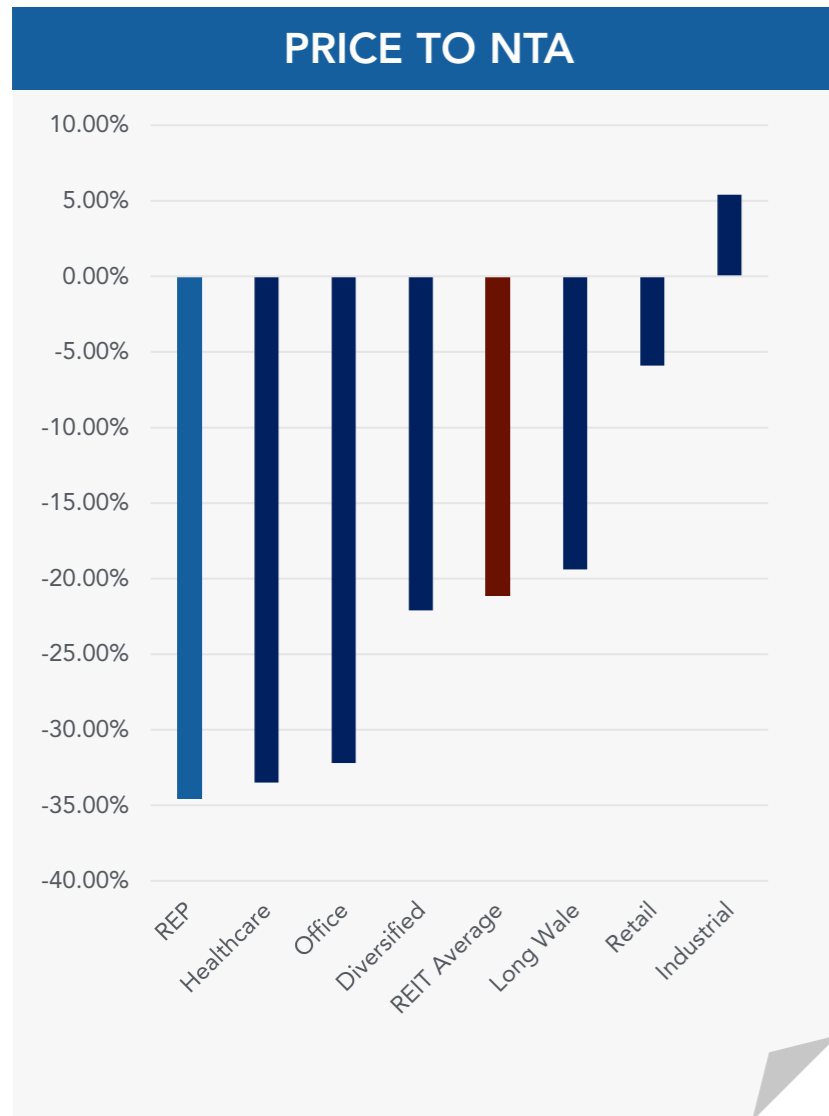
ATTRACTIVE VALUATION

Secure capital values and low earnings risks being overlooked



ATTRACTIVELY VALUED

REP being priced like Office despite secure capital values and earnings outlook



Priced at close 22 May 2023

IMPORTANT INFORMATION

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