

RAM ESSENTIAL SERVICES PROPERTY FUND (ASX CODE: REP)

ASX ANNOUNCEMENT

29 FEBRUARY 2024

REP DELIVERS SOUND NET OPERATING INCOME GROWTH, ANNOUNCES STRATEGIC INITIATIVES TO ENHANCE PORTFOLIO

Today, the RAM Essential Services Property Fund (ASX: REP) announces its results for the financial half-year ending 31 December 2023, highlighting the Fund's performance and the resilience of its portfolio.

The results show growth in the Fund's Net Operating Income (NOI) compared to the first half of FY23. They also demonstrate that the Fund is on track to deliver on its distribution guidance of 5.6 cents¹ per security this financial year, equating to a yield of over 8%².

Results highlights:

- +8% leasing spreads contributing to like-for-like NOI growth of 7.1%³.
- Occupancy rates remained at 98%⁴ across the portfolio.
- Net tangible assets at 92 cents per security with a weighted average cap rate of 5.81%. This has increased by 13 bps over the prior 6 months.
- 100% of the portfolio assets have been externally valued within the last 12 months. The disposal of three assets at or above book value affirm these valuations.
- The share buy-back program was commenced in late 2023.
- Moving forward on accretive development and transaction pipeline.

RAM has continued to manage the balance sheet in a sensible manner as the market moves into the next phase of the interest rate cycle. This approach has safeguarded the REP portfolio and ensured the delivery of stable income to securityholders in line with guidance and, importantly, positioned the Fund to recycle capital and target areas for robust growth and outperformance.

Active strategies include:

- The opportunistic divestment of assets, driven by the attractive dynamics in capital markets, frees up capital for recycling into high-growth assets with further proceeds used

to reduce leverage.

- The reduction of gearing from the current ratio of 35.7%⁵ towards the lower end of range by the end of FY24.
- Moving forward on two acquisitions that are under exclusivity that will enhance the Fund's WALE.
- Further preparing the Fund to pursue a significant pipeline of acquisitions and developments.

RAM's Executive Director and Head of Real Estate, Matthew Strotton, remarked, "Following our strong full-year results last financial year, REP has continued to deliver in the first half of FY24. We have seen a healthy increase in NOI compared to the same period last year, mitigating some of the effects of rising interest rates."

"The fact that REP is seeing growth in operating income at the peak of the rate cycle suggests that it is well-positioned for growth when interest rates adjust," he added.

RAM is actively preparing the Fund to pursue acquisitions and developments, with a deeper pipeline of opportunities in improving capital markets. "We are seeing the transaction environment building positive momentum. In our view, the time is right to move forward with further divestments and recycling net proceeds to reducing debt and pursuing accretive acquisitions." Strotton concluded.

The Fund is also progressing with two accretive acquisitions currently under exclusivity. Located in Metro-Sydney and Metro-Melbourne, these assets are each anchored by premium healthcare tenants and are expected to enhance the Fund's WALE.

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1. Guidance assumes average 3-month BBSW of 4.27%, target gearing range of 25% - 40% and assumes no unexpected events.
2. Based on a closing price of \$0.67 on 28 February 2024.
3. HY24 adjusted for the disposal of Westlake, Windaroo and North Lake for comparative purposes.
4. Excludes areas withheld for development.
5. Post balance sheet date, Westpac joined the Syndicate and reduced ICR covenant to 1.5 times and improved flexibility to redraw funds.

Analyst and investor briefing

An analyst and investor briefing, followed by a Q&A session, will be held on Thursday 29 February 2024 at 11.00am (AEDT). Analysts and investors wishing to participate in the call can pre-register at <https://registrations.events/direct/OCP754191>. The call will also be webcast <http://www.openbriefing.com/OB/5476.aspx>.

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

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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 exposure to a high quality, defensive portfolio of assets with favourable sector trends.