

RAM ESSENTIAL SERVICES PROPERTY FUND (ASX CODE: REP)

ASX ANNOUNCEMENT

20 AUGUST 2024

REP DELIVERS DISTRIBUTION IN LINE WITH GUIDANCE; ANNOUNCES STRATEGIC SHIFT TOWARDS SPECIALISED HEALTHCARE PORTFOLIO

Today, the RAM Essential Services Property Fund (ASX: REP) presents its results for the financial year ending 30 June 2024. Furthermore, the Fund announces its intentions to increase its strategic weightings to focus on the essential services category of healthcare.

The REP portfolio continued to perform well, achieving a like-for-like net operating income (NOI) growth of 4.8%¹ for FY24. In line with guidance, the Fund delivered a distribution of 5.6 cents per security, equating to a current yield of 8.5%².

Results Highlights:

- Achieved DPS guidance.
- The capital recycling program proceeding ahead of schedule, with \$84 million divested from low-growth assets.
- Gearing reduced to 33.5%³.
- Continued success in leasing with +8% spreads, driving sector-leading NOI growth of 4.8%¹.
- Occupancy stable at 98%⁴, with 31 new leasing deals and renewals executed, including major tenant deals with Woolworths and private hospital operators, Healthe Care.
- An increased WALE of 6.84 years, a 10.5% boost from Dec 2023, reflecting an enhanced tenant profile and lower volatility.
- Pursuit of a further \$100+ million in divestments with a significant deal flow pipeline of acquisitions, with several under exclusivity.
- Executed \$8m⁵ of the share buy-back
- FY25 DPS guidance of 5.00 – 5.20 cents⁶ per security, with over 90% tax deferred and a forecast yield of 8%⁷

Successful Capital Recycling Program

REP's capital recycling program continues to reduce gearing and return value to securityholders through the ongoing security buy-back. It also positions the Fund to take advantage of market

conditions to acquire high-quality assets with an accretive yield and drive tenant-led value-add initiatives.

RAM's Executive Director and Head of Real Estate, Matthew Strotton, said that the successful asset disposals worth \$84 million shows that REP's balance sheet is well-positioned despite challenges facing the REIT sector.

"Capital markets are still challenging. However, as RAM demonstrated with asset sales, we have successfully generated strong buying interest, proving once again our ability to access liquidity. We will continue our prudent approach in capital management, using the proceeds to pay down debt and, in time, pursue more accretive acquisitions," Strotton noted.

The Fund has also finalised an agreement for the expansion of the North West Hospital in Tasmania. The expanded facility is part of the private hospital leased to Healthe Care.

RAM's Director and REP Fund Manager, Peter Granato, commented, "We are pleased to support our key healthcare tenant through the expansion of a new cath lab at North West. Development costs will be rentalised over a new 30-year term, protecting investors from any potential cost surprises."

Strategic Pathway: An Increased Weighting towards Healthcare

The results presentation highlighted the Fund's continued focus on essential services and the opportunity to strategically move towards a more specialised healthcare portfolio. The intended shift — from a 50:50 to an 80:20 healthcare-to-essential retail composition — is expected to provide significant securityholder benefits as healthcare sector fundamentals remain robust and operator engagement strengthens.

"The local healthcare sector is underpinned by supportive megatrends and fundamentals, including an ageing population, increasing wealth, and a rise in chronic illness and service utilisation. These trends have given rise to a growing number of high-quality opportunities in our deal pipeline. REP is well-positioned to capitalise on these opportunities as they arise," Strotton concluded.

Healthcare real estate has historically delivered attractive returns with longer WALE and relative value is re-emerging. The sector has lower volatility compared to other commercial real estate sectors. Despite these benefits, pure healthcare exposure is rare among A-REITs, with healthcare assets representing less than 0.5% of Australia's listed real estate market.

1. Like for like FY24/23. FY24 adjusted for the disposal of Westlake, Windaroo, North Lake and Sunshine for comparative purposes.
2. Based on a closing price of \$0.635 on 13 August 2024.
3. Post settlement of Yeronga and Tanilba Bay, assume 100% of sale proceeds will be allocated towards debt repayment.
4. By income as at 30 June 2024 and includes signed HoA's excluding areas withheld for development.
5. As of 22 July 2024.
6. Guidance assumes average 3-month BBSY of 4.45% and implementation of divestments and accretive acquisitions as forecast.
7. Based on a closing price of \$0.635 on 13 August 2024.

Analyst and Investor Briefing

An analyst and investor briefing, followed by a Q&A session, will be held on Tuesday 20 August 2024 at 11.00am (AEDT). Analysts and investors wishing to participate in the call can pre-register at <https://s1.c-conf.com/diamondpass/10040317-djxvg6.html>. The call will also be webcast <https://webcast.openbriefing.com/rep-fyr-2024>.

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.