

## RAM ESSENTIAL SERVICES PROPERTY FUND (ASX CODE: REP)

### ASX ANNOUNCEMENT

3 December 2024

#### CONTINUED SUCCESS IN CAPITAL RECYCLING WITH STRATEGIC SHIFT TO HEALTHCARE ON TRACK

RAM Essential Services Property Fund (ASX: REP) is pleased to provide an update on its transformative capital recycling strategy. Key initiatives—including asset management and value-add activities, divestments, and strategic acquisitions—continue to drive REP's transition toward a healthcare-led portfolio ahead of schedule.

#### Key Highlights:

- REP continues to deliver on its stated objectives, achieving further success in capital recycling, positioning for accretive acquisitions, diversifying and enhancing the quality of its tenancy base.
- Since the commencement of the capital recycling strategy, eight assets totalling \$92 million have been successfully divested with five assets<sup>2</sup> valued at \$93 million in due diligence or under conditional contract.
- Total achieved and projected divestments amount to \$185 million<sup>2</sup>, with the majority at or close to book value.
- Sale proceeds will be used to further manage leverage to the early to mid 30% range, in addition to the ongoing share buy-back programme. A total of 16.4 million<sup>3</sup> shares have been bought back to date, which is a responsible use of capital given the discount to NTA.
- Two private surgical hospitals are in exclusive due diligence for the acquisition of with an average yield exceeding 7%<sup>4</sup>. Both schemes are anchored by two of Australia's largest private hospital operators.
- Two additional healthcare schemes are under advanced negotiation, further diversifying the portfolio with new tenant covenants.
- The Fund's hedging programme remains strong, with 76%<sup>3</sup> of debt subject to attractive hedges.
- The previously announced cath-lab development at North West Private Hospital is progressing ahead of schedule and set for completion in January 2025, contributing accretive

earnings for FY25.

Matthew Strotton, RAM Executive Director and Head of Real Estate, highlighted REP's commitment to delivering on its strategic objectives: "We continue to deliver on our promises to our investors, remaining proactive in our first phase of capital recycling and to further increase and diversify our healthcare proposition. This work has been achieved in a favourable capital markets environment and has positioned REP well for the next phase of the cycle."

Strotton added that these actions align with the strategy outlined in the December 2023 and full year results announcements. "By preparing well and capitalising on healthcare market opportunities, the Fund aims to provide investors with enhanced tenant quality, longer WALE, and greater clarity across targeted healthcare sub-sectors, solidifying REP as a predominantly healthcare REIT," he said.

Scott Kelly, Group CEO of RAM, commented on broader market conditions: "Interest rate environment clearly continues to weigh on the sector, but the underlying portfolio remains as robust and attractive as it ever was."

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1. Assumes no material adverse changes to underlying assumptions will affect guidance
  2. Subject to Board approval
  3. As at 30 November 2024
  4. Based on net purchase price

**This announcement is authorised to be given to ASX by Andrew Petrik, Company Secretary**

- ENDS -

**For further information, please contact:**

**Investors**

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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.

RAM Property Funds Management Limited (ABN 28 629 968 163, AFSL 514485) as responsible entity of RAM Australia Retail Property Fund (ARSN 634 136 682) and RAM Australia Medical Property Fund (ARSN 645 964 601), of address Suite 15.01, Level 15, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000.