

RAM Essential Services Property Fund (REP)

Appendix 4D

For the period ended 31 December 2024

Name of Entity:

RAM Essential Services Property Fund (REP) comprising of the securities in RAM Australia Retail Property Fund and RAM Australia Medical Property Fund

ARSN:

RAM Australia Retail Property Fund (ARSN 634 136 682)
RAM Australia Medical Property Fund (ARSN 645 964 601).

REP Group Structure

REP is a stapled security comprising RAM Australia Retail Property Fund (ARSN 634 136 682) and RAM Australia Medical Property Fund (ARSN 645 964 601).

Reporting Period

This report details the consolidated results of REP for the half year ended 31 December 2024. All comparisons are for the prior comparative period ended 31 December 2023.

This information should be read in conjunction with the 30 June 2024 annual financial report of REP and any public announcements made during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and ASX Listing Rules.

Results for announcement to the market

				\$A'000
Total income from ordinary activities	Up	4%	to	28,232
Loss from ordinary activities after tax attributable to REP stapled group investors	Down	86%	to	(22,932)
Net loss for the period attributable to REP stapled group	Down	86%	to	(22,932)
Funds from operations ⁽¹⁾	Down	10%	to	10,848

(1) Profit measure based upon the Property Council of Australia's definition of FFO as set out in the Directors' report of the December 2024 half-year financial report.

Distributions

Quarter	Cents Per Security	Paid / Payable
September Quarter	1.250	25 October 2024
December Quarter	1.250	30 January 2025
Total	2.500	

Net Assets per security

	Consolidated	
	31 December 2024	30 June 2024
Net Asset value per ordinary security	\$0.81	\$0.88

Audit Review Report

The information contained in this report is unaudited. The financial report for the half-year ended 31 December 2024 has been reviewed by PKF, the auditors for REP. The Independent Auditors' Review Report provided by PKF is included in the 31 December 2024 half-year financial report.

This report has been prepared in accordance with AASB Standards (including Australian Interpretations) and Standards acceptable to the ASX. This report, and the financial reports upon which it is based, use the same accounting policies unless otherwise stated in the notes to the financial report.

Signed: 
Greg Miles (Feb 27, 2025 16:24 GMT+11)

Greg Miles
Chairman

28 February 2025

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).

RAM Essential Services Property Fund

ARSN 634 136 682

Interim Report - 31 December 2024

RAM Essential Services Property Fund
Directors' report
As at 31 December 2024

The Directors of RAM Property Funds Management Limited ("RAM"), the Responsible Entity of RAM Essential Services Property Fund ("the Fund", "Stapled Fund" or "REP"), present their report together with the Financial Report made in accordance with a resolution of the Directors with respect to the results of the Stapled Fund and its controlled entities ("the consolidated entity") for the half-year ended 31 December 2024, the state of the consolidated entity's affairs as at 31 December 2024 and the Independent Auditor's Report thereon.

The RAM Essential Services Property Fund was created on 20 October 2021 when units in RAM Australia Retail Property Fund ("RARPF") were stapled to units in RAM Australia Medical Property Fund ("RAMPF"). The stapled securities of REP are listed on the ASX and are not individually tradeable. RARPF was identified as the parent entity in relation to the stapling arrangement.

The Responsible Entity, RAM, is an unlisted company incorporated under the *Corporations Act 2001 (Cth)*, holds an Australian Financial Services Licence and has been the Responsible Entity of RARPF from 28 September 2021 and RAMPF from 8 September 2021.

Principal activity

The Stapled Fund is a registered managed investment scheme domiciled in Australia. The principal objective of the Stapled Fund is to invest in accordance with the investment objectives and guidelines set out in its Product Disclosure Statement and in accordance with the provisions of the individual Constitutions of RARPF and RAMPF.

The principal activity of the Stapled Fund is to invest in commercial property in Australia.

Review of operations

	Half-year ended 31 Dec 2024	Half-year ended 31 Dec 2023
Statutory net profit/(loss) (\$m)	(22.93)	(12.33)
Funds from operations ("FFO") (\$m)	10.82	12.07
FFO per security (cps)	2.15	2.32
Distribution per security (cps)	2.50	2.80
	As at 31 Dec 2024	As at 30 Jun 2024
Total assets (\$m)	679.30	751.55
Investment properties (\$m)	637.95	683.34
Borrowings (\$m)	252.77	285.47
Net tangible assets ("NTA") (\$m)	409.13	449.86
NTA per security (\$)	0.81	0.88
Gearing (%)	37.12	37.55

Statutory profit

The results of the operations of the Stapled Fund are disclosed in the consolidated Statement of Profit or Loss and Other Comprehensive Income of this interim financial report. The Stapled Fund's loss for the half-year ended 31 December 2024 was \$22,932,000 (31 December 2023: \$12,330,000 loss).

The Stapled Fund's Net Tangible Assets ("NTA") is \$0.81 per security at 31 December 2024 (30 June 2024: \$0.88). The decrease in NTA is primarily driven by fair value adjustments to investment properties due to market movements.

Funds from Operations ("FFO")

Funds from Operations ("FFO") for the half-year ended 31 December 2024 was \$10,824,000 (31 December 2023: \$12,074,000).

This represented FFO of 2.15 cps with 2.50 cps declared for distribution (31 December 2023: 2.32 cps; 2.80 cps), representing a FFO payout ratio of 116.8% (31 December 2023: 119.8%).

The Stapled Fund uses the Property Council of Australia's definition of FFO when determining distributions payable to investors. FFO adjusts Australian Accounting Standards statutory net profit for non-cash changes in investment properties, intangible assets, financial derivatives, amortisation of incentives and leasing costs, rental straight-line adjustments and other one-off items.

A reconciliation of statutory profit to FFO is below:

RAM Essential Services Property Fund
Directors' report
As at 31 December 2024

	Half-year ended 31 Dec 2024 \$'000	Half-year ended 31 Dec 2023 \$'000
Statutory net profit/(loss):	(22,932)	(12,330)
Net unrealised loss/(gain) on revaluation of investment properties	26,664	14,635
Realised (gain)/loss on fair value of investment properties	1,596	1,573
Net unrealised loss/(gain) on revaluation of derivative financial instruments	898	2,814
Straight-line of rental income	(244)	2,375
Amortisation of lease incentives and lease costs	4,377	2,242
Amortisation of borrowing transaction costs	489	765
	10,848	12,074
Funds from Operations (FFO)	10,848	12,074

Property portfolio

Investment property valuations

The investment portfolio as at 31 December 2024 consisted of 7 retail shopping centres and 21 medical properties valued at \$637,950,000 (30 June 2024: 9 retail shopping centres and 22 medical properties valued at \$683,340,000).

The weighted average capitalisation rate for the portfolio is 6.05% as at 31 December 2024 (30 June 2024: 5.97%).

The Stapled Fund has engaged external valuations for 5 of the 28 properties across the portfolio in the current half-year.

During the half-year ended 31 December 2024 the Fund disposed Yeronga, Tanilba Bay and South Lakes.

Bowen Hills, Parkwood and Highland Park have been reclassified from Investment Properties to Non-Current Assets Held for Sale.

Occupancy

As at 31 December 2024, the Stapled Fund 's portfolio was 98.04% (30 June 2024: 97.50%) occupied with a weighted average lease expiry ("WALE") of 6.92 years (30 June 2024: 6.57 years).

Disposals

In the six months to 31 December 2024 the Stapled Fund disposed of its 100% interest in 2 separate convenience-anchored neighbourhood retail assets and 1 medical asset:

- Yeronga Village Shopping Centre, located in Yeronga, Queensland, settled 19 August 2024 at a contract price of \$21.5m.
- Tanilba Bay Shopping Centre, located in Tanilba Bay, New South Wales, settled 13 November 2024 at a contract price of \$23.0m.
- South Lake Medical Centre, located in South Lake, Western Australia, settled 20 November 2024 at a contract price of \$7.6m.

Capital management

At 31 December 2024, the Stapled Fund had available aggregate debt facilities of \$340.0 million with a weighted average expiry of 1.50 years (30 June 2024: \$340.0 million; 2.00 years). Drawn borrowings in relation to the Stapled Fund totalled \$252.8 million with an all in cost of funds for the half-year being 2.60% (30 June 2024: \$285.5 million; 2.55%).

The Stapled Fund's gearing at 31 December 2024 was 37.12% (30 June 2024: 37.55%).

Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

		Half-year ended 31 Dec 2024	
Date paid	Distribution \$'000	Distribution per security cps	
Quarterly distribution for the period ended 30 September 2024	25/10/2024	6,340	1.250
Quarterly distribution for the period ended 31 December 2024	30/01/2025	6,306	1.250
		12,646	2.500
		12,646	2.500

**RAM Essential Services Property Fund
Directors' report
As at 31 December 2024**

		Half-year ended 31 Dec 2023	
	Date paid	Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	7,295	1.400
Quarterly distribution for the period ended 31 December 2023	25/01/2024	7,279	1.400
		14,574	2.800

The key dates in respect of the distribution for the quarter ended 31 December 2024 were:

Ex-distribution date:	30 December 2024
Record date:	31 December 2024
Distribution payment date:	30 January 2025

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Stapled Fund during the financial half-year.

Material business risks

There are a number of risks associated with investing in the Stapled Fund. These risks are addressed in the Stapled Fund's previous Financial Report.

Likely developments and expected results of operations

As disclosed above, there have been no significant changes in the principal activities of the Stapled Fund and the Stapled Fund will continue to operate in accordance with its investment objectives and Constitution.

Outlook for the Stapled Fund

The economic outlook for Australian REITs has improved, with signs of stabilising consumer confidence and a growing expectation that short term interest rates may ease in the near term.

The Stapled Fund is well positioned, with its capital recycling strategy increasing healthcare exposure alongside essential retail, both resilient through economic cycles. Gearing remains within target levels and covenants, with prudent liquidity management supporting the Fund's FY25 objectives.

Directors and Company Secretary of the Responsible Entity

The following persons were directors and company secretary of the Responsible Entity of the Stapled Fund during the entire reporting period and up to the date of this report, unless otherwise stated:

Name	Appointed	Resigned	Position
Greg Miles	20 October 2021		Independent Non-Executive Chairman
Marianne Perkovic	20 October 2021		Independent Non-Executive Director
Bryce Mitchelson	20 October 2021		Independent Non-Executive Director
Scott Wehl	3 November 2018		Executive Director
Scott Kelly	3 November 2018		Executive Director & CEO
Stewart Chandler	1 September 2021	27 August 2024	Company Secretary
Annalise Roberts	27 August 2024	16 October 2024	Company Secretary
Andrew Petrik	16 October 2024		Company Secretary

Responsible Entity interests

The following fees were paid or payable to the Responsible Entity and related parties during the financial half-year:

RAM Essential Services Property Fund
Directors' report
As at 31 December 2024

	Half-year ended 31 Dec 2024 \$'000	Half-year ended 31 Dec 2023 \$'000
Accounting fees	256	261
Cost recoveries	411	190
Director fees	176	296
Investment management fees	2,363	2,608
Leasing fees	597	195
Registry fees	25	25
Trustee management fees	88	150
	3,916	3,725
	3,916	3,725

Matters subsequent to the end of the financial half-year

The following events have occurred since 31 December 2024:

- On 4 February 2025, RAM Australia Medical Property No. 11 Trust entered into a contract to sell Highland Park at a contract price of \$7.00 million, settlement is expected to occur by 3 March 2025.
- On 4 February 2025, RAM Australia Medical Property No. 11 Trust entered into a contract to sell Parkwood at a contract price of \$5.80 million, settlement is expected to occur by 3 March 2025.
- On 5 February 2025, RAM Australia Medical Property No.17 Trust settled the sale of Bowen Hills Day Surgery at a contract price of \$14.60 million.
- On 12 February 2025, RAM Australia Medical Property No. 23 Trust entered into a contract to purchase Cairns Day Surgery at a contract price of \$23.00 million, settlement is expected to occur on or before 4 March 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected or may significantly affect:

- the Stapled Fund's operations in future financial years;
- the results of those operations in future financial years; or
- the Stapled Fund's state of affairs in future financial years.

Rounding of amounts

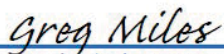
The Stapled Fund is of a kind referred to in *Corporations Instrument 2016/191*, issued by the *Australian Securities and Investments Commission*, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.


Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity


Greg Miles (Feb 27, 2025 16:24 GMT+11)
 Greg Miles
 Independent Non-Executive Chairman


Marianne Perkovic (Feb 27, 2025 16:59 GMT+11)
 Marianne Perkovic
 Independent Non-Executive Director

28 February 2025
 Sydney



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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of the Responsible Entity of the RAM Essential Services Property Fund

I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of RAM Essential Services Property Fund.

As lead audit partner for the review of the financial statements of RAM Essential Services Property Fund for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of 'PKF' in black ink.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2025
NEWCASTLE, NSW

RAM Essential Services Property Fund
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As at 31 December 2024

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General information

These financial statements cover RAM Essential Services Property Fund (the "Fund", "Stapled Fund" or "REP") consisting of RAM Australia Retail Property Fund ("RARPF"), RAM Australia Medical Property Fund ("RAMPF"), and their controlled entities. The financial statements are presented in Australian dollars, which is RAM Essential Services Property Fund's functional and presentation currency.

The Responsible Entity of RARPF and RAMPF is RAM Property Funds Management Limited (ABN 28 629 968 163; AFSL 514484). The Responsible Entity's registered office is:

Suite 32.1
264 George Street
Sydney NSW 2000

RAM Essential Services Property Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	Half-year ended 31 Dec 2024 \$'000	Half-year ended 31 Dec 2023 \$'000
Income			
Rent from investment properties	5	28,142	27,039
Interest income		90	8
Total income		<u>28,232</u>	<u>27,047</u>
Expenses			
Property expenses		(11,225)	(8,882)
Finance costs		(7,245)	(7,945)
Fund management fees		(2,384)	(2,633)
Net realised losses on disposal of investment properties		(1,596)	(1,573)
Net unrealised losses on revaluation of investment properties	7,8	(26,664)	(14,635)
Net unrealised losses on derivative financial instruments		(898)	(2,814)
Other expenses		(1,152)	(895)
Total expenses		<u>(51,164)</u>	<u>(39,377)</u>
Loss for the half-year		(22,932)	(12,330)
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		<u>(22,932)</u>	<u>(12,330)</u>
<i>Loss for the half-year is attributable to:</i>			
Non-controlling interest		(18,717)	(7,815)
Securityholders of RAM Essential Services Property Fund		(4,215)	(4,515)
		<u>(22,932)</u>	<u>(12,330)</u>
<i>Total comprehensive income for the half-year is attributable to:</i>			
Non-controlling interest		(18,717)	(7,815)
Securityholders of RAM Essential Services Property Fund		(4,215)	(4,515)
		<u>(22,932)</u>	<u>(12,330)</u>
		Cents	Cents
Basic earnings per security		(0.84)	(2.35)
Diluted earnings per security		(0.84)	(2.35)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

RAM Essential Services Property Fund
Statement of financial position
As at 31 December 2024

	Note	As at 31 Dec 2024 \$'000	As at 30 Jun 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents		3,738	9,413
Trade and other receivables	6	4,513	9,295
Other current assets		4,170	2,672
		<u>12,421</u>	<u>21,380</u>
Non current assets held for sale	7	25,500	42,354
Total current assets		<u>37,921</u>	<u>63,734</u>
Non-current assets			
Derivative financial instruments	11	1,456	2,352
Investment properties	8	637,950	683,340
Other non-current assets		1,975	2,122
Total non-current assets		<u>641,381</u>	<u>687,814</u>
Total assets		<u>679,302</u>	<u>751,548</u>
Liabilities			
Current liabilities			
Trade and other payables		15,801	15,217
Total current liabilities		<u>15,801</u>	<u>15,217</u>
Non-current liabilities			
Interest bearing loans and borrowings	9	252,207	284,508
Other non-current liabilities		6,882	7,330
Total non-current liabilities		<u>259,089</u>	<u>291,838</u>
Total liabilities		<u>274,890</u>	<u>307,055</u>
Net assets		<u>404,412</u>	<u>444,493</u>
Equity			
Issued securities	10	241,076	243,441
Accumulated losses		(35,573)	(23,014)
Equity attributable to the securityholders of RAM Essential Services Property Fund		205,503	220,427
Non-controlling interest		198,909	224,066
Total equity		<u>404,412</u>	<u>444,493</u>

The above statement of financial position should be read in conjunction with the accompanying notes

RAM Essential Services Property Fund
Statement of changes in equity
For the half-year ended 31 December 2024

	Issued securities \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	246,733	3,867	253,671	504,271
Loss for the half-year	-	(4,515)	(7,815)	(12,330)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	(4,515)	(7,815)	(12,330)
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Transaction costs incurred in buy-back of securities (note 10)	(1)	-	(1)	(2)
Buy-back of securities (note 10)	(428)	-	(372)	(800)
Distributions paid or payable (note 4)	-	(7,684)	(6,890)	(14,574)
Balance at 31 December 2023	246,304	(8,332)	238,593	476,565

	Issued securities \$'000	Accumulated losses \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2024	243,441	(23,014)	224,066	444,493
Loss for the half-year	-	(4,215)	(18,717)	(22,932)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	(4,215)	(18,717)	(22,932)
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Transaction costs incurred in buy-back of securities (note 10)	(7)	-	(6)	(13)
Buy-back of securities (note 10)	(2,358)	-	(2,132)	(4,490)
Distributions paid or payable (note 4)	-	(8,344)	(4,302)	(12,646)
Balance at 31 December 2024	241,076	(35,573)	198,909	404,412

The above statement of changes in equity should be read in conjunction with the accompanying notes

RAM Essential Services Property Fund
Statement of cash flows
For the half-year ended 31 December 2024

	Half-year ended 31 Dec 2024 \$'000	Half-year ended 31 Dec 2023 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	35,879	34,774
Payments to suppliers (inclusive of GST)	(10,596)	(14,942)
Interest received	90	8
Interest and other finance costs paid	(8,123)	(7,228)
	17,250	12,612
Cash flows from investing activities		
Payments for investment properties	(20,772)	(6,171)
Proceeds from disposal of investment properties	48,588	28,256
	27,816	22,085
Cash flows from financing activities		
Proceeds from borrowings	17,000	1,302
Payments for loan transaction costs	(94)	(24)
Distributions paid	(13,447)	(14,330)
Repayment of borrowings	(49,697)	(14,285)
Payments for buy-back of securities	(4,490)	(800)
Payments for buy-back transaction costs	(13)	(2)
	(50,741)	(28,139)
Net increase/(decrease) in cash and cash equivalents	(5,675)	6,558
Cash and cash equivalents at the beginning of the financial half-year	9,413	11,952
Cash and cash equivalents at the end of the financial half-year	3,738	18,510

The above statement of cash flows should be read in conjunction with the accompanying notes

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2024

Note 1. Summary of significant accounting policies

Basis of preparation

These condensed financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit oriented entities.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with any public announcements made in respect of the Stapled Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Presentational changes and comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current half-year.

Basis for combined financial report

The RAM Essential Services Property Fund is a Stapled Fund comprising RARPF and its controlled entities, and RAMPF and its controlled entities. The securities in the group are stapled to the units in the trusts. The stapled securities cannot be traded or dealt with separately. The stapled securities of the RAM Essential Services Property Fund are listed on the ASX. RARPF has been identified as the parent entity.

RARPF and RAMPF remain separate legal entities in accordance with the *Corporations Act 2001 (Cth)* and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the *Corporations Act 2001 (Cth)*.

On 20 October 2021, RARPF acquired RAMPF. Under the terms of AASB 3 *Business Combinations*, RARPF was deemed to be the accounting acquirer in this business combination. The Directors of the Responsible Entity applied judgement in the determination of the parent entity of the Stapled Fund and considered various factors including asset size and capital structure. Accordingly, the consolidated financial statements of the RAM Essential Services Property Fund have been prepared as a continuation of the consolidated financial statements of RARPF from the date of stapling.

New or amended Accounting Standards and Interpretations adopted

For the Stapled Fund, no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") have come into effect for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Stapled Fund for the half-year ended 31 December 2024. The Stapled Fund has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Trade and other receivables	Note 6
Investment properties	Note 8

Note 3. Segment reporting

The Stapled Fund is organised into one operating segment; being to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of RARPF's and RAMPF's Constitutions. This singular operating segment is based on the internal reports that are provided to the chief operating decision maker to facilitate strategic decisions.

The Responsible Entity has been identified as the Stapled Fund's chief operating decision maker.

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2024

Note 4. Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

	Date paid	Half-year ended 31 Dec 2024	
		Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2024	25/10/2024	6,340	1.250
Quarterly distribution for the period ended 31 December 2024	30/01/2025	6,306	1.250
		<u>12,646</u>	<u>2.500</u>
	Date paid	Half-year ended 31 Dec 2023	
		Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	7,295	1.400
Quarterly distribution for the period ended 31 December 2023	25/01/2024	7,279	1.400
		<u>14,574</u>	<u>2.800</u>

Note 5. Income

Disaggregation of income

The disaggregation of income from contracts with customers is as follows:

	Half-year ended 31 Dec 2024 \$'000	Half-year ended 31 Dec 2023 \$'000
Rental income	24,816	26,683
Recoverable outgoings	3,082	2,731
Straight-line of rental income	244	(2,375)
	<u>28,142</u>	<u>27,039</u>

Rental income from investment properties is recognised on a straight-line basis over the lease term.

Note 6. Trade and other receivables

	As at 31 Dec 2024 \$'000	As at 30 Jun 2024 \$'000
Trade receivables	4,382	9,317
Less: Allowance for expected credit losses	(359)	(359)
	<u>4,023</u>	<u>8,958</u>
Other receivables	331	337
Goods and services tax receivable	159	-
	<u>490</u>	<u>337</u>
	<u>4,513</u>	<u>9,295</u>

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2024

Note 6. Trade and other receivables (continued)

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	-	-	971	6,355	-	-
30 - 90 days overdue	-	-	801	821	-	-
90+ days overdue	14%	17%	2,610	2,141	359	359
			4,382	9,317	359	359

Note 7. Non current assets held for sale

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Tanilba Bay Shopping Centre, Tanilba Bay NSW	-	21,658
Yeronga Village Shopping Centre, Yeronga QLD	-	20,696
Bowen Hills Day Surgery, Bowen Hills QLD	12,700	-
Parkwood Family Practice, Parkwood QLD	6,000	-
Highland Health Centre, Highland Park QLD	6,800	-
	25,500	42,354

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	42,354	-
Reclassification to non-current assets held for sale	31,600	47,024
Revaluation decrements	(6,746)	(4,761)
Capital expenditure	669	294
Amortisation of lease incentives	(23)	(203)
Disposals	(42,354)	-
Closing fair value	25,500	42,354

On 18 July 2024, RAM Australia Retail Property No. 2 Trust entered into an unconditional contract to sell The Village Yeronga, Yeronga QLD.

On 5 August 2024, RAM Australia Retail Property Trust No. 4 entered into an unconditional agreement to sell Tanilba Bay Shopping Centre, Tanilba Bay NSW.

On 5 February 2025, RAM Australia Medical Property No.17 Trust settled the sale of Bowen Hills Day Surgery at a contract price of \$14.60 million.

On 4 February 2025, RAM Australia Medical Property No. 11 Trust entered into a conditional contract to sell Parkwood Family Practice, Parkwood QLD.

On 4 February 2025, RAM Australia Medical Property No. 11 Trust entered into a conditional contract to sell Highland Health Centre, Highland Park QLD.

The retail and medical assets are recognised as held for sale as per AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* and are recognised at the sale price, less transaction costs.

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2024

Note 8. Investment properties

	Date of last external valuation	Last external valuation \$'000	As at 31 Dec 2024 \$'000	As at 30 Jun 2024 \$'000
Retail				
Ballina Central Shopping Centre, Ballina NSW	19/03/2023	54,000	50,700	52,500
Broadway Plaza, Punchbowl NSW	28/03/2023	57,000	56,100	54,800
Coomera Square, Coomera QLD	31/03/2023	80,000	82,600	80,800
Keppel Bay Plaza, Yeppoon QLD	02/12/2024	40,000	40,000	48,600
Mowbray Market Place, Mowbray TAS	31/12/2023	44,000	46,700	44,400
Rutherford Shopping Centre, Rutherford NSW	30/06/2024	24,350	24,900	24,350
Springfield Fair, Springfield QLD	31/03/2023	38,000	39,000	38,400
Total Retail Investment properties		<u>337,350</u>	<u>340,000</u>	<u>343,850</u>

	Date of last external valuation	Last external valuation \$'000	As at 31 Dec 2024 \$'000	As at 30 Jun 2024 \$'000
Medical				
Bowen Hills Day Surgery, Bowen Hills QLD	31/12/2023	16,750	-	16,200
Cambridge Day Surgery, Wembley WA	30/06/2024	8,100	8,600	8,100
Casuarina Medical Precinct, Casuarina NT	31/12/2023	13,600	14,000	13,600
Corrimal Private Health Centre, Corrimal NSW	03/04/2023	5,600	5,750	5,700
Dubbo Private Hospital, Dubbo NSW	09/12/2024	20,500	20,500	22,600
Highland Health Centre, Highland Park QLD	31/12/2023	8,400	-	8,400
Madeley Medical Centre, Madeley WA	31/12/2023	11,000	9,800	11,000
Mayo Private Hospital, Taree NSW	18/11/2024	50,500	50,500	54,400
Miami Day Hospital, Miami QLD	30/06/2024	18,800	19,200	18,800
Mildura Medical Centre, Mildura VIC	10/01/2025	2,700	2,700	4,200
North Ward Medical Centre, North Ward QLD	31/12/2023	9,900	10,800	9,900
North West Private Hospital, Cooee TAS	30/06/2024	45,500	50,450	45,500
Panaceum Medical Centre, Geraldton WA	25/11/2024	12,250	12,250	13,500
Parkwood Family Practice, Parkwood QLD	31/12/2022	8,000	-	7,000
Rosebery Convenience & Medical Centre, Rosebery NT	31/12/2023	9,300	9,500	9,500
Secret Harbour Medical Centre, Secret Harbour WA	31/12/2023	9,000	8,800	9,300
South Lake Medical Centre, South Lake WA	30/06/2024	7,830	-	7,830
St John of God Wembley Day Surgery, Wembley WA	31/12/2023	23,500	24,400	24,300
Swan Medical Centre, Midlands WA	31/12/2023	7,750	7,100	7,800
The Banyans Health & Wellness Centre, Clear Mountain QLD	30/06/2024	8,360	8,400	8,360
The Gold Coast Surgery Centre, Southport QLD	31/12/2023	18,000	19,200	18,300
Willetts Health Precinct, Mount Pleasant QLD	30/06/2024	15,200	16,000	15,200
Total Medical Investment properties		<u>330,540</u>	<u>297,950</u>	<u>339,490</u>

Total Investment properties		<u>667,890</u>	<u>637,950</u>	<u>683,340</u>
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Reconciliation of the fair values at the beginning and end of the reporting periods are set out below:

	As at 31 Dec 2024 \$'000	As at 30 Jun 2024 \$'000
Opening fair value	683,340	786,514
Disposals	(7,830)	(42,107)
Revaluation (decrements)/increments	(19,918)	(29,222)
Capital expenditure	18,312	20,049
Amortisation of lease incentives	(4,354)	(4,870)
Reclassification to non-current assets held for sale	(31,600)	(47,024)
Closing fair value	<u>637,950</u>	<u>683,340</u>

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2024

Note 8. Investment properties (continued)

Disposals

In the six months to 31 December 2024, the Fund disposed of its 100% interest in 2 separate convenience-anchored neighbourhood retail assets and 1 medical asset:

- Yeronga Village Shopping Centre, located in Yeronga, Queensland, settled 19 August 2024 at a contract price of \$21.5m.
- Tanilba Bay Shopping Centre, located in Tanilba Bay, New South Wales, settled 13 November 2024 at a contract price of \$23.0m.
- South Lake Medical Centre, located in South Lake, Western Australia, settled 20 November 2024 at a contract price of \$7.6m.

The Yeronga and Tanilba Bay properties were classified as non-current assets held for sale as at 30 June 2024.

Critical accounting estimate - Valuation of investment properties

Property assets are valued in accordance with the Fund's Property Valuation Policy. This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent valuer. In the intervening periods Fair Value is assessed by the Investment Manager, after considering all relevant market-based information and circumstances.

Where the Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent valuer will be engaged to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Stapled Fund's properties were valued by the Investment Manager using best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

Significant unobservable inputs associated with the Stapled Fund's investment property valuations are set out below:

As at 31 Dec 2024	Consolidated Range	Consolidated Weighted Average	Retail Range	Retail Weighted Average	Medical Range	Medical Weighted Average
Passing rent (\$m)	0.04 - 5.95	2.92	1.59 - 5.95	4.39	0.04 - 2.72	1.41
Capitalisation rate (%)	5.25 - 8.00	6.05	5.50 - 7.00	6.04	5.25 - 8.00	6.05
Discount rate (%)	6.50 - 9.00	7.09	6.50 - 8.50	7.00	6.75 - 9.00	7.09
Lease expiry (years)	0.92 - 29.22	6.92	2.98 - 7.49	5.46	0.92 - 29.22	8.91
Occupancy (%)	16.67 - 100.00	98.04	94.26 - 100.00	99.24	16.67 - 100.00	96.41
As at 30 Jun 2024	Consolidated Range	Consolidated Weighted Average	Retail Range	Retail Weighted Average	Medical Range	Medical Weighted Average
Passing rent (\$m)	0.04 - 5.71	2.69	1.49 - 5.71	3.82	0.04 - 2.69	1.40
Capitalisation rate (%)	5.00 - 8.00	5.97	5.50 - 6.82	6.06	5.00 - 8.00	5.86
Discount rate (%)	6.25 - 8.25	6.91	6.25 - 7.50	6.79	6.50 - 8.25	7.06
Lease expiry (years)	1.00 - 29.78	6.57	2.34 - 6.91	4.79	1.00 - 29.78	9.04
Occupancy (%)	15.99 - 100.00	97.53	97.02 - 100.00	99.03	15.99 - 100.00	95.53

Note 9. Interest bearing liabilities

	As at 31 Dec 2024		As at 30 Jun 2024	
	Facility limit \$'000	Drawn amount \$'000	Facility limit \$'000	Drawn amount \$'000
<i>Non-current - secured</i>				
Syndicated facility ⁽¹⁾	340,000	252,770	340,000	285,467
Less: Unamortised transaction costs	-	(563)	-	(959)
Total - non-current interest bearing liabilities	340,000	252,207	340,000	284,508
Total - interest bearing liabilities	340,000	252,207	340,000	284,508

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2024

Note 9. Interest bearing liabilities (continued)

(1) Syndicated facility

RAM Essential Services FinCo Pty Ltd, a jointly owned entity of the Stapled Fund, is the borrower for the syndicated debt facility. The Stapled Fund's syndicated debt facility is a combined facility with CBA and Westpac. The syndicated facility expires in June 2026.

Assets pledged as security

The bank overdraft and above loan facilities are secured by first mortgages over the Stapled Fund's investment properties.

Note 10. Issued securities

	As at 31 Dec 2024	As at 30 Jun 2024	As at 30 Jun 2024
Securities	\$'000	Securities	\$'000
<i>Parent entity - Movements during the year</i>			
Balance at beginning of year	255,712,752	260,542,047	246,733
Buy-back and cancellation of securities	<u>(3,466,437)</u>	<u>(4,829,295)</u>	<u>(3,292)</u>
	<u>252,246,315</u>	255,712,752	243,441
<i>Non-controlling interest - Movements during the year</i>			
Balance at beginning of year	255,712,752	260,542,047	255,568
Buy-back and cancellation of securities	<u>(3,466,437)</u>	<u>(4,829,295)</u>	<u>(3,066)</u>
	<u>252,246,315</u>	255,712,752	252,502
Total issued securities - fully paid	<u><u>504,492,630</u></u>	<u><u>511,425,504</u></u>	<u><u>495,943</u></u>

Ordinary securities

Ordinary securities entitle the holder to participate in distributions and the proceeds on the winding up of the Stapled Fund in proportion to the number of and amounts paid on the securities held. The fully paid ordinary securities have no par value and the Stapled Fund does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each security shall have one vote.

Security buy-back

On 21 November 2023, the Stapled Fund as part of its ongoing capital management strategy, commenced an on market buy-back program for 12 months which is intended to be funded by existing cash and undrawn facilities. On 5 December 2024, the Fund extended the buy-back period to 31 March 2025. For the half year ended 31 December 2024, 6,932,874 securities had been bought-back of which 6,932,874 securities were cancelled.

Note 11. Fair value measurement

The Stapled Fund uses a variety of methods to determine the fair values of its financial assets and financial liabilities. These methods include the following:

Fair value hierarchy

The following tables detail the Stapled Fund's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

As at 31 Dec 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Financial Assets</i>				
Investment properties - retail	-	-	340,000	340,000
Investment properties - medical	-	-	297,950	297,950
Financial instruments	-	1,456	-	1,456
Total assets	-	<u>1,456</u>	<u>637,950</u>	<u>639,406</u>

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2024

Note 11. Fair value measurement (continued)

As at	Level 1	Level 2	Level 3	Total
30 Jun 2024	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>				
Investment properties - retail	-	-	343,850	343,850
Investment properties - medical	-	-	339,490	339,490
Financial instruments	-	2,352	-	2,352
Total assets	-	2,352	683,340	685,692

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the reporting periods.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Property assets are valued in accordance with the Stapled Fund's Property Valuation Policy. This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent valuer. In the intervening periods Fair Value is assessed by the Investment Manager, after considering all relevant market-based information and circumstances.

Where the Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent valuer will be engaged to value the direct property assets in accordance with ordinary commercial practice and IFRS.

The balance of the Stapled Fund's properties were valued by the Investment Manager using best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

Note 12. Unrecognised items

Capital expenditure commitments

There were no material commitments in relation to capital expenditure or any other commitments contracted for at balance date (30 June 2024: \$nil).

Contingent assets and liabilities

There were no material contingent assets or contingent liabilities at balance date (30 June 2024: \$nil).

Note 13. Events after the reporting period

The following events have occurred since 31 December 2024:

- On 4 February 2025, RAM Australia Medical Property No. 11 Trust entered into a contract to sell Highland Park at a contract price of \$7.00 million, settlement is expected to occur by 3 March 2025.
- On 4 February 2025, RAM Australia Medical Property No. 11 Trust entered into a contract to sell Parkwood at a contract price of \$5.80 million, settlement is expected to occur by 3 March 2025.
- On 5 February 2025, RAM Australia Medical Property No.17 Trust settled the sale of Bowen Hills Day Surgery at a contract price of \$14.60 million.
- On 12 February 2025, RAM Australia Medical Property No. 23 Trust entered into a contract to purchase Cairns Day Surgery at a contract price of \$23.00 million, settlement is expected to occur on or before 4 March 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected or may significantly affect:

- the Stapled Fund's operations in future years;
- the results of those operations in future financial years; or
- the Stapled Fund's state of affairs in future financial years.

RAM Essential Services Property Fund
Directors' declaration
As at 31 December 2024

In the opinion of the directors' of the Responsible Entity:

- the attached consolidated financial statements and notes of the Stapled Fund comply with the *Corporations Act 2001 (Cth)*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Stapled Fund's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Stapled Fund will be able to pay its debts as and when they become due and payable.

The directors have been given the management declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity



Greg Miles (Feb 27, 2025 16:24 GMT+11)

Greg Miles
Independent Non-Executive Chairman

28 February 2025
Sydney



Marianne Perkovic (Feb 27, 2025 16:59 GMT+11)

Marianne Perkovic
Independent Non-Executive Director

Independent Auditor's Review Report to the Securityholders of RAM Essential Services Property Fund

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of RAM Essential Services Property Fund (the Fund), which comprises the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RAM Essential Services Property Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2024, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors' of the Responsible Entity of the Fund a written Auditor's Independence Declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Responsible Entity of the Fund are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2024 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RAM Essential Services Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2025
NEWCASTLE, NSW