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

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REP PIVOTS TO HEALTHCARE WITH SIGNIFICANTLY LOWER GEARING AND CONSIDERS CAPITAL MANAGEMENT STRATEGIES TO MAXIMISE SECURITYHOLDER RETURNS

The RAM Essential Services Property Fund (ASX: REP) (the Fund) today releases its financial results for the full-year ending 30 June 2026. REP has progressed its strategic pivot to a healthcare focus with the recently announced transaction to divest five retail assets for $218.6m.

Post completion of the transaction REP's gearing will reduce to 16.8%[1] providing the Fund with a strong balance sheet and flexibility to consider value accretive capital management strategies.

Like-for-like recurring property income increased 4.4% to $37.9m from $36.3m reflecting positive leasing spreads and stable portfolio occupancy.

However, after adjustments, FFO for the period fell from $24.5m in FY25 to $14.7m as a result of asset disposals, one-off income opportunities recognised in FY25, transaction costs and other non-recurring items during the period.

As previously announced, distributions for the period totalled 4.55cpu[2].

Result highlights

- $218.6m sale of five retail assets now unconditional with settlement expected Q2 FY27. The retail assets are Coomera Square, Springfield Fair, Coles Rutherford, Keppel Bay Plaza and Mowbray Marketplace.
- REP will continue to retain a 10% interest in the acquiring fund providing ongoing exposure to retail assets.
- Post transaction, gearing will reduce to 16.8%[1] providing significant headroom in a higher for longer interest rate environment.
- Strong leasing outcomes with positive spreads of +4% across 21 leasing deals delivered a 4.4% increase in like-for-like property income for the period to $37.9m.

[1] Gearing post disposal of five retail assets, Rosebery and Mildura and if 100% net proceeds utilised to payback debt.
[2] Financial performance for the period 1 July 2025 to 30 June 2026.

- Stable tenancy profile with ongoing occupancy at 97.3%[3] and WALE of 6.8 years[4] increasing to over 8 years post the retail assets sale.
- Embedded growth with a blended WARR of 3.5%[5] and 84% of leases with fixed or CPI linked reviews[4].
- FY26 FFO of $14.7m[2] and NTA of $0.71 per security as at 30 June 2026.
- The Manager is forecasting DPU between 3.6 - 3.8cpu for FY27, which represents a yield of 8.5 to 9% at the current share price.
- Post Transaction the portfolio has a longer WALE, higher portion of healthcare income, increased exposure to CPI and fixed rent reviews and higher portion of net leases.
- Healthcare investments continue to provide attractive long-term risk adjusted returns driven by a growing aged population, government-backed spending, robust private health insurance and increased exposure to inflation related rent growth.

Scott Kelly, Group CEO of RAM, said the transaction of the five retail assets represents a major milestone.

"The unconditional exchange for the five retail assets is a significant step in the repositioning of REP into a healthcare focused fund. We announced 24 months ago the desire to pivot our focus to specialist healthcare REIT, and we have been able to execute that in a very challenging environment. We are focused on restoring value for securityholders, closing the gap to NTA and providing stable, repeatable returns moving forward."

George Websdale, RAM Executive Director and Head of Real Estate, said REP will benefit immediately from the transaction.

"The Fund's gearing post transaction will be 16.8%[1], providing the opportunity to consider accretive capital management strategies including utilising sale proceeds to pay down debt, and potentially other capital management pathways". On the Fund's future strategic options, Mr Websdale said:

"Management is acutely aware that the Fund continues to trade at a discount to NTA and without significant security price growth we are unable to take advantage of attractive opportunities to acquire quality health assets in the market. We are considering all pathways for the Fund to determine the best way to improve value for securityholders."

[3] By income and includes signed HoA's excluding areas withheld for development.
[4] Based on gross passing income as of 30 June 2026.

This announcement is authorised to be given to ASX by the Company Secretary of the Responsible Entity.

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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 holds a geographically diversified portfolio weighted predominantly towards healthcare real estate, underpinned by a high-quality tenant profile including leading private hospital and healthcare operators, and complemented by essential retail assets anchored by national supermarket tenants. REP's objective is to provide Securityholders with stable and secure income and capital growth, supported by value-add development potential across the portfolio.

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