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

23 July 2026

CONTRACTS EXCHANGED FOR THE SALE OF 5 RETAIL ASSETS[1] AND PORTFOLIO VALUATION UPDATE

RAM Essential Services Property Fund (ASX: REP) (the Fund) is pleased to announce it has entered into contracts of sale for the divestment of five of the Fund's retail assets ("Retail Assets").

Key highlights

- The Retail Assets are Coomera Square, Springfield Fair, Coles Rutherford, Keppel Bay Plaza and Mowbray Marketplace.
- The Retail Assets are being acquired by a fund established by a leading institutional investor ("Institutional Investor"). REP will retain a 10% interest in that fund.
- After allowing for transaction adjustments and completion of capital initiatives, the Fund's net realised value from the Retail Assets is $218.6m, comprising cash proceeds and the 10% equity interest in the new fund.
- In addition, the manager has contracted to sell $17.1 million of non-core medical assets[2] ("Medical Assets").
- Draft valuations for the remaining REP portfolio assets are expected to result in a $14.53 million reduction from 31 December 2025 book values.
- The combined impact of the balance sheet movements is expected to result in REP's NTA as at 30 June 2026 being approximately 70[3] cents per security, a decrease of approximately 11.0% from 31 December 2025.
- Post completion of the sales of the Retail Assets and Medical Assets ("Portfolio Transactions"), REP's pro-forma gearing will reduce to approximately 16%[4].
- REP affirms its distribution policy target of paying 90% to 100% of FFO, following a period of elevated payout ratios.

The Portfolio Transactions represent a significant step towards re-weighting REP's portfolio towards healthcare and improving overall portfolio quality. Following completion, REP's portfolio will be weighted approximately 74% to healthcare and 26% to retail.

The Responsible Entity's Non-Executive Board Chair, Kieran Pryke, said: "The sale of the retail assets is a major milestone in REP's transition to a healthcare-focused portfolio. It strengthens the balance sheet, increases financial flexibility, and provides capacity for the Fund to pursue attractive healthcare acquisition opportunities while supporting long-term securityholder value".

RAM Executive Director and Head of Real Estate, George Websdale, said: "The $17.1 million sale of the small non-core medical assets is part of the transition of REP's healthcare portfolio to focus on specialised healthcare assets with long WALEs, high barriers to entry, and significant investment for our operating partners".

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[1] Subject to FIRB approval and a credit-approved financing term sheet with expected settlement in Q2 FY27
[2] Rosebery Convenience & Medical Centre and Casuarina Medical Precinct
[3] Subject to final valuations and audit
[4] 41.73% prior to settlement of the Portfolio Transactions.

The sale of Retail Assets remains subject to FIRB approval and receipt of a credit-approved financing term sheet. Completion is expected in Q2 FY27. REP will receive its share of sale proceeds on completion.

REP will realise approximately $224.9 million of cash from the Portfolio Transactions. Proceeds are expected to be applied towards debt reduction, reducing REP's pro forma gearing to approximately 16% and supporting the orderly close-out of existing interest rate hedges.

Post completion of the Portfolio Transactions, REP will review options available to it, which may include acquiring further medical properties and debt reduction, or re-commencing the security buy-back.

The Institutional Investor is a well-capitalised institutional investor with significant Australian real estate experience. The Fund is satisfied as to the counterparty's capacity to perform its obligations under the contracts of sale.

The Fund does not consider the identity of the counterparty to be information that a reasonable person would expect to have a material effect on the price or value of the Fund's securities.

Portfolio valuation update and Fund NTA

REP has received draft external valuations as at 30 June 2026.

Whilst valuations remain subject to finalisation, REP expects the value of the remaining portfolio to decrease by $14.53 million from book values as at 31 December 2025. This reflects a softening of capitalisation rates by 20bps and market rent assumptions reflecting economic conditions.

Post completion of the Portfolio Transactions and valuation movements, REP expects the WACR of the portfolio to be 6.3% and pro-forma gearing to reduce to approximately 16%[4], below the target gearing range of 30% to 40%.

The Fund's NTA at 30 June 2026 is expected to be approximately 70[3] cents per security, a decrease of approximately 11.0% from 31 December 2025.

Distribution update

REP has declared a distribution of 0.8 cents per security for the fourth quarter of FY26, bringing aggregate FY26 distributions to 4.55 cents per security. This is closer to the Fund's policy target of distributing 90% to 100% of FFO and follows a period of elevated payout ratios.

Going forward, REP intends to distribute 90% to 100% of FFO, which is expected to be covered sustainably from underlying operating cash flow.

Important notice

The Fund confirms that this announcement contains all material information relevant to assessing the impact of the transaction on the price or value of the Fund's securities and is not misleading by omission.

All 30 June 2026 financial information contained in this announcement is preliminary, unaudited and subject to change. Certain figures are based on draft independent property valuations and management estimates, which remain subject to final review and audit procedures.

This announcement is authorised to be given to ASX by the Board of Directors 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 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 value-add development potential. REP's objective is to provide Securityholders with a stable income profile, supported long leases and capital growth through exposure to a high quality, defensive portfolio of assets with favorable sector trends.

RAM Property Funds Management Limited (ABN 28 629 968 163, 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), of address Suite 15.01, Level 15, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000.