

## ESSENTIAL INCOME REIT CLASS A

## 4th Quarter 2024 Report

January, 2025

Dear Essential Income REIT Class A Investor,

The Essential Income REIT produced strong results during Q4 2024, including another quarterly increase in Net Asset Value and an early bonus distribution of 3.58% paid in December for ER Share investors on record as of November 1, 2024. Your regular monthly distribution was processed on January 15 for all shareholders on record as of December 1, 2024. If you are participating in the REIT's Dividend Reinvestment Program, your dividend was automatically reinvested into additional shares on your behalf.

ExchangeRight's and its affiliates' assets under management grew to \$6.3+ billion in Q4 2024, surpassing 100 offerings that have all supported stable cash flows meeting or exceeding projections since ExchangeRight's inception. Our exceptional performance is supported by our tenants' strong balance sheets and historically recession-resilient businesses within necessity-based industries.

The REIT's performance was reported on by Blue Vault, a third party that regularly analyzes key performance metrics in our industry, in their non-traded REIT Industry Review for Q3 2024, which was released this month. According to Blue Vault's latest report, the REIT was the only growth or stabilizing equity non-traded REIT ("NTR") that experienced an increase in Net Asset Value ("NAV") per share every quarter from Q1 2024 to Q3 2024. The Essential Income REIT was also the only NTR in its comparison class that ranked in the top quartile for all three key performance metrics that were measured by Blue Vault in Q2 and Q3: "Operating Performance", "Financing Outlook", and "Cumulative MFFO Payout".

## CASH FLOW AND VALUE DIVERSIFIED BY



PROPERTY



LOCATION



TENANT



INDUSTRY



LEASE TERM



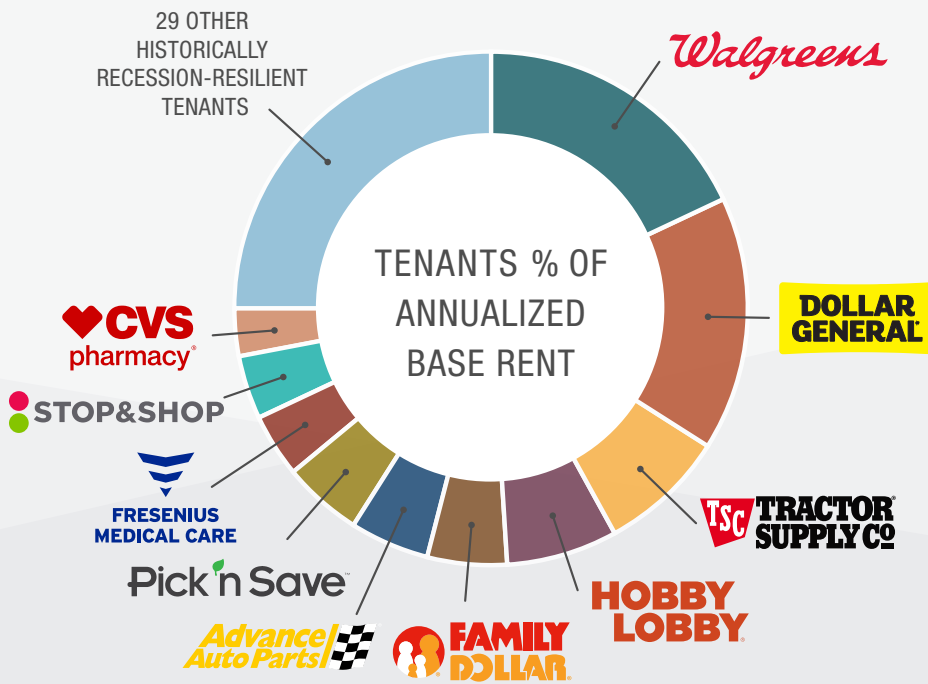
DEBT TERM

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CURRENT PORTFOLIO PROPERTIES



104.99%  
AFFO-TO-DISTRIBUTION  
COVERAGE ITD  
THROUGH 9/30/24

\$1.3+ B  
IN ASSET  
VALUE AS  
OF 12/31/24

2.52x  
TTM CASH INTEREST  
COVERAGE RATIO  
AS OF 9/30/24

Earlier this month, ExchangeRight leadership presented a Q4 Investor Update, sharing an update on the company’s performance through 2024, including new business developments, asset management highlights, and the latest progress on the execution of our aggregation strategy. The presentation also covered how ExchangeRight’s top tenants are delivering consistent rental performance in the current macroeconomic environment. To watch a recording of the presentation, please click the button below.

**WATCH RECORDING**

*password: strength777*

## Portfolio and Business Development Updates

The NAV of the Essential Income REIT has been declared at \$27.37 per share, increasing for the fourth consecutive quarter based in part on an independent real estate valuation of the REIT's real estate by KPMG combined with its other assets and liabilities as of December 31, 2024.

As part of its aggregation strategy, in Q4 the Essential Income REIT acquired 24 properties diversified across 23 markets, 9 states, and 9 historically recession-resilient tenants. Additionally, the REIT sold 15 net-leased properties to facilitate investors' 1031 exchanges, with the ability to reacquire the properties into the REIT via a tax-deferred 721 exchange after a targeted two-year hold period. The net impact of these transactions brings the REIT's total asset value to more than \$1.3 billion diversified across 362 net-leased properties, 39 national creditworthy tenants, 34 states, and 5.1 million square feet as of December 31, 2024.

Notably, the REIT acquired 23 of these properties as part of the successful full-cycle event for ExchangeRight's Net-Leased Portfolio 28, adding 482,287 square feet of net-leased property to the REIT's portfolio. The transaction also generated an early bonus distribution of 3.58% to the REIT's ER share class investors on record as of November 1, 2024, who helped facilitate the acquisition.

The Essential Income REIT's identified portfolio, including current properties and proposed acquisitions, is valued at over \$4 billion, with more than 94% of its annualized base rent generated by essential businesses. As of December 31, 2024, this identified portfolio includes 943 properties diversified across 58 tenants and 627 markets, consisting of a pre-identified and vetted portfolio of net-leased properties intended to provide investors with enhanced diversification, additional risk mitigation, access to additional capital sources, and enhanced return potential. Most of these potential acquisitions benefit from long-term financing fixed significantly below current market rates.

The REIT's Dividend Reinvestment Program ("DRIP") continues to attract investors and grow quarter over quarter, providing investors with the opportunity to compound their returns. The program allows investors to automatically reinvest their monthly dividends to acquire additional shares of the REIT at a discount to the REIT's most recent quarterly NAV. If you are not yet participating in this program and would like to do so, please reach out to your advisor or representative, or to Investor Relations to learn more.

Should you have any questions, please contact our Investor Relations department at (855) 379-8172 or [investors@exchangeright.com](mailto:investors@exchangeright.com). Our Investor Relations department's operating hours are Monday through Friday, 9 a.m. to 5 p.m. CT.

Best regards,  
ExchangeRight Real Estate