

## ESSENTIAL INCOME REIT CLASS ER

## 3rd Quarter 2024 Report

October, 2024

Dear Essential Income REIT Class ER Investor,

The Essential Income REIT produced strong results during Q3 2024, and your regular monthly distribution was processed on October 15. If you have participated in the REIT's Dividend Reinvestment Program, your dividend was automatically reinvested into additional shares on your behalf.

Our tenants continued to demonstrate strength and economic resilience in the face of a slowing economy, and ExchangeRight continues to maintain an unbroken track record of timely investor distributions meeting or exceeding cash flow targets across all of our offerings since our inception. Our stable performance is supported by our tenants' strong balance sheets and historically recession-resilient businesses within necessity-based industries.

The REIT's performance has been recognized by Blue Vault, who is a third-party that regularly analyzes key performance metrics in our industry, as one of only five comparable REITs with an interest coverage ratio greater than 2.0 times and one of the only REITs fully covering its dividends with adjusted funds from operations, thus providing significant operational flexibility and ability to meet debt service obligations.

In Q3, Fifth Third Bank joined Wells Fargo as a co-lender on ExchangeRight's Essential Income REIT's revolving line of credit and has increased the current credit capacity to \$100 million. This closing strategically expands the REIT's credit access, adding to the recently announced Credit Facility with Wells Fargo for \$75 million. Expanding the Essential Income REIT's Credit Facility with this commitment further enhances ExchangeRight's control over the REIT's portfolio composition and financing strategy and provides additional capacity for the REIT to eventually take advantage of long-term fixed-rate corporate bonds to optimize the REIT's financing and further enhance the REIT's potential Adjusted Funds from Operations ("AFFO").

## CASH FLOW AND VALUE DIVERSIFIED BY



PROPERTY



LOCATION



TENANT



INDUSTRY



LEASE TERM



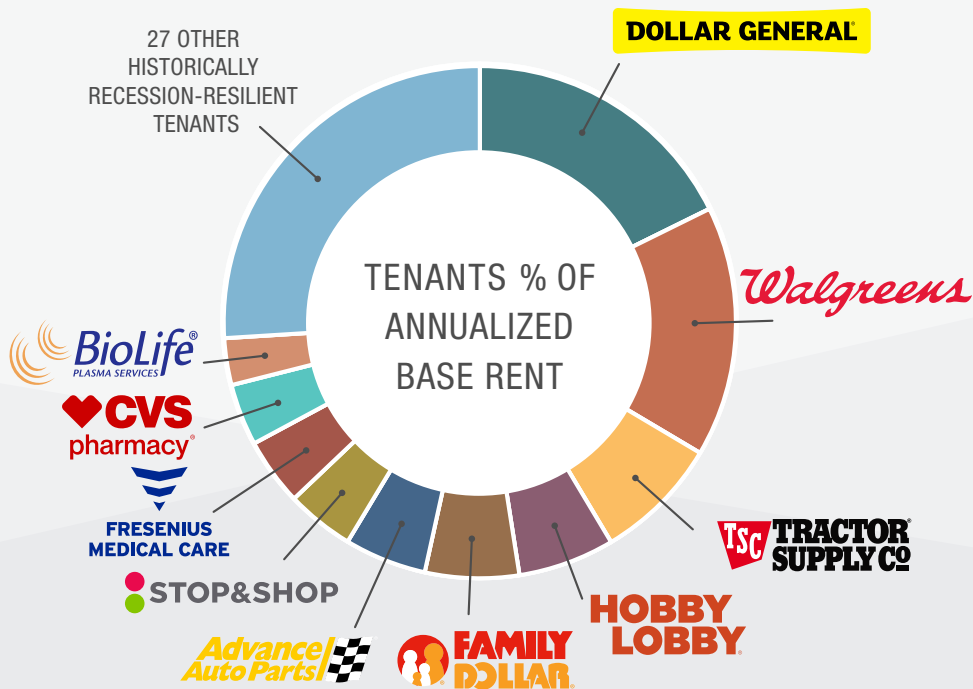
DEBT TERM

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CURRENT PORTFOLIO PROPERTIES



105.43%  
AFFO-TO-DISTRIBUTION  
COVERAGE ITD  
THROUGH 6/30/24

100%  
RENTS COLLECTED  
ITD THROUGH  
9/30/24

2.54x  
TTM CASH INTEREST  
COVERAGE RATIO  
AS OF 6/30/24

Earlier this month, ExchangeRight leadership presented a Q3 ExchangeRight Investor Update, highlighting how the company’s top tenants, specifically including Dollar General, Walgreens, Dollar Tree, Kroger, and CVS, are performing in the current macroeconomic environment. The presentation also provided an update on the company’s macroeconomic perspective and performance through Q3, including new acquisitions and business developments, asset management highlights, and the latest progress on the execution of our aggregation strategy. To watch a recording of the presentation, please click the button below.

**WATCH RECORDING**

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## Portfolio and Business Development Updates

The Net Asset Value (“NAV”) of the Essential Income REIT has been declared at \$27.29 per share, representing quarter-over-quarter growth for three straight quarters, based on the midpoint of the range of values of the REIT’s real estate from our independent valuation firm combined with the other REIT assets and liabilities as of September 30, 2024.

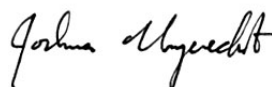
The REIT’s Dividend Reinvestment Program (“DRIP”) continues to attract investors and grow quarter over quarter, providing investors with the opportunity to compound their returns. The program allows investors to automatically reinvest their monthly dividends to acquire additional shares of the REIT at 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.

The Essential Income REIT’s aggregation strategy features proposed acquisitions 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. The REIT’s identified portfolio, including current properties and proposed acquisitions, includes 943 properties diversified across 56 tenants and 627 markets, as of September 30, 2024. The majority of the potential acquisitions benefit from long-term financing fixed significantly below current market rates.

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



Joshua Ungerecht  
*Managing Partner*



Warren Thomas  
*Managing Partner*



David Fisher  
*Managing Partner*