

## ESSENTIAL INCOME REIT CLASS I

# 2nd Quarter 2023 Report

**July, 2023**

Dear Essential Income REIT Class I Investor,

Throughout Q2 2023, we received 100% of scheduled rent across all properties in the Essential Income REIT, helping to maintain our consistent track record of delivering investor distributions that meet or exceed their targets. Our inception-to-date distributions continue to be fully covered by operations and the fundamentals of our REIT remain strong. This consistent performance is supported by our tenants' strong balance sheets and financial performance, as well as the historical recession-resilience of the industries in which they operate. The Net Asset Value ("NAV") of the Essential Income REIT has been declared at \$27.35 per share, 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 June 30, 2023.

The REIT recently successfully completed the process of becoming publicly registered with the SEC through a Form 10 filing. We are pleased to report that the SEC has completed their review process related to that filing and we received a letter of effectiveness from them on July 21. Going forward, we will be reporting results as a public company on a quarterly basis within 45 days after the end of each quarter and will be providing quarterly investor reports immediately following the completion of our SEC quarterly reporting. This timing adjustment will allow us to provide up-to-date information on the Essential Income REIT's Net Asset Value ("NAV") per share as declared by our Trustee and details as reported in a 10-Q filing or earnings press release for the quarter.

## Portfolio Update

The REIT became a publicly reporting company as of June 26, 2023, expanding its capacity to serve additional accredited investors and their Registered Representatives and Advisors. Launching the REIT's public reporting track record supports the execution of the offering's aggregation strategy on behalf of its investors. A copy of the final amended Form 10 filing is publicly available on [the Essential Income REIT's new webpage](#) alongside videos, press releases, additional SEC filings, and other resources. This registration does not result in the listing of the REIT's shares on any securities exchange, establish the shares of the Essential Income REIT as freely tradeable, or generate a public market. Accredited investors who are interested in purchasing additional REIT shares should work directly with their Registered Representative or Advisor.

The Essential Income REIT also converted to a 506(c) offering as of July 6, 2023. The conversion to a 506(c) offering removes the prohibition against general solicitation for the REIT and reduces some of the regulatory burdens applicable to 506(b) offerings that had impacted broker dealers and RIAs with whom ExchangeRight works. ExchangeRight will continue to offer shares of the Essential Income REIT exclusively through Registered Representatives and Investment Advisors in its selling group.

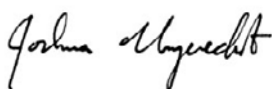
The REIT's current acquisition pipeline includes \$2.8+ billion of high-quality net-leased assets diversified across 606 properties and includes 18 new tenants. The majority of these potential acquisitions benefit from long-term financing that is fixed significantly below current market rates. The REIT has continued to maintain one of the highest FFO yields, dividend yields, and dividend coverage ratios in the industry on behalf of investors as it continues to execute its aggregation strategy.

We intend to provide the ability for investors to reinvest dividends through a dividend reinvestment plan (or "DRIP"), which we are planning to implement as soon as the second half of 2023. Upon implementation of the DRIP, holders of the Essential Income REIT's shares will be given the option to reinvest their monthly dividends into newly issued shares, providing an opportunity to grow their equity positions in the Essential Income REIT. Neither the Essential Income REIT nor the Trustee have determined the specific terms of the DRIP, and there can be no assurance that a DRIP will ultimately be implemented.

Thank you for the opportunity to successfully manage and steward your capital. 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 team's operating hours are Monday through Friday, 9 a.m. to 5 p.m. PT.

Best regards,

ExchangeRight Real Estate, LLC



**Joshua Ungerecht**  
*Managing Partner*



**Warren Thomas**  
*Managing Partner*



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