

## ESSENTIAL INCOME REIT CLASS I

## 3rd Quarter 2023 Report

October, 2023

Dear Essential Income REIT Class I Investor,

Your regular monthly distribution from the Essential Income REIT was processed on the 14<sup>th</sup> of the month. Our distributions continue to be fully covered by operations and the fundamentals of our REIT remain strong. Throughout Q3 2023, we received 100% of scheduled rent across all properties in the Essential Income REIT, helping to maintain our consistent track record of timely investor distributions. 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.

We are pleased to have recently launched the REIT's Dividend Reinvestment and Share Purchase Plan (the "DRIP"), which provides holders of the Company's Common Shares the option to reinvest their monthly dividends into newly issued Common Shares at a discount to the REIT's net asset value at the time distributions are paid, creating an opportunity to automatically grow and compound their equity positions in the REIT each month. Eligible investors can elect participation and a reinvestment percentage by completing an Enrollment Form that was provided via email on Monday, October 23. If you have any questions on this form or how to participate, please reach out to your representative, advisor, or our Investor Relations department and we will be happy to assist you.

We are on track to launch our online Investor Portal for all ExchangeRight investors and their representatives and advisors before the end of the year. Using the Portal, you will easily be able to view information about your investments in the Essential Income REIT and any other ExchangeRight offerings, including total equity amounts, current distribution rates, and offering highlights. Please be on the lookout for a welcome email to create your Portal account in the coming months.

## CASH FLOW AND VALUE DIVERSIFIED BY



PROPERTY



LOCATION



TENANT



INDUSTRY



LEASE TERM



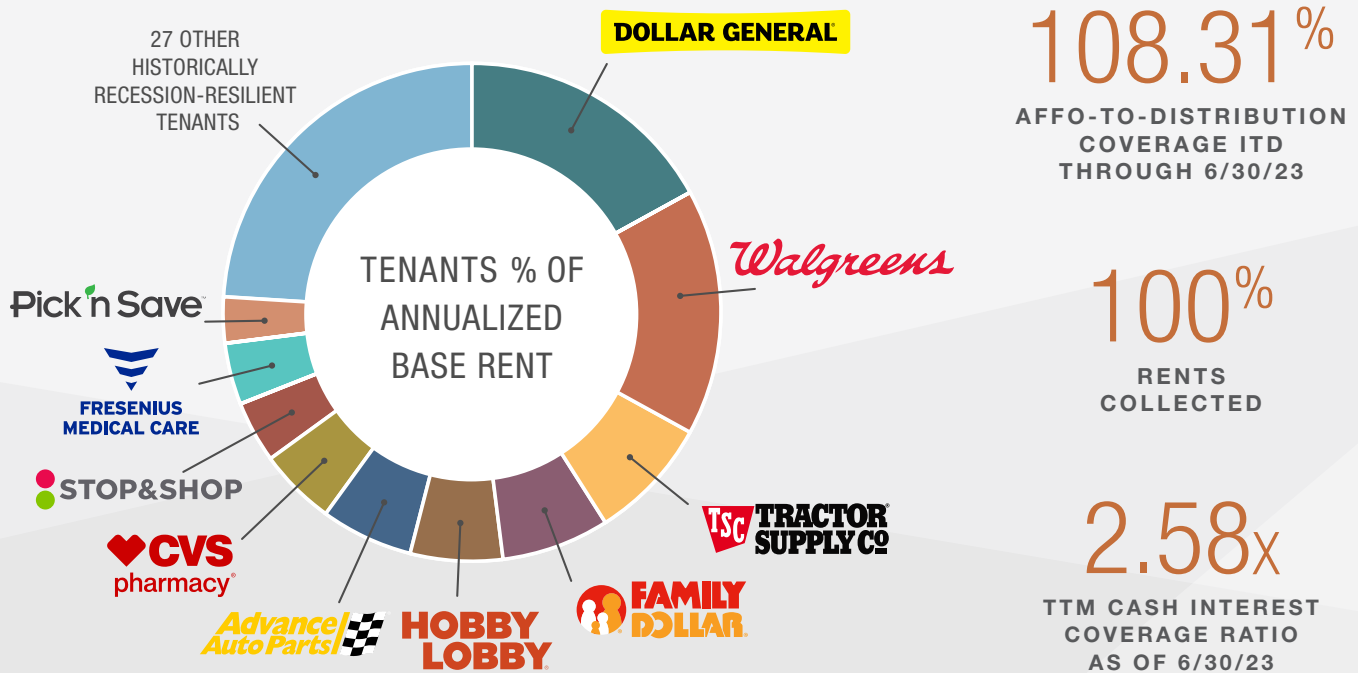
DEBT TERM

[WWW.EXCHANGERIGHT.COM](http://WWW.EXCHANGERIGHT.COM)

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CURRENT PORTFOLIO PROPERTIES



### Portfolio Update

The Net Asset Value (“NAV”) of the Essential Income REIT has been declared at \$27.06 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 September 30, 2023. As reported last quarter, since the REIT is now a publicly registered company, going forward we will report results as a public company on a quarterly basis within 45 days after the end of each quarter, immediately following which we will provide quarterly investor reports.

The Essential Income REIT’s performance remained stable throughout Q3, during which we acquired an additional portfolio of 15 net-leased assets, adding 231,654 square feet of net-leased property to the Essential Income REIT. This latest acquisition brings the REIT’s acquired assets to 352 net-leased properties diversified across 37 national creditworthy tenants, 34 states, and 4.7 million square feet, as of September 30, 2023.

We have executed 16 lease renewals during the nine months ended September 30, 2023, with average lease extensions of 61 months and average new rents over rents prior to the renewal of 10.1% for the period.

Our capitalization remains strong as we have experienced minimal immediate term impact from the rising interest rate environment as all of our debt was effectively fixed as of January of 2023. We have also experienced regular net inflows of shareholder capital on a quarterly basis and all redemption requests have been fully satisfied, representing approximately 2.0% of inception-to-date total equity raised through September 30, 2023.

The Essential Income REIT's aggregation strategy features a pre-identified and vetted portfolio of net-leased properties intended to provide investors with enhanced diversification, scale, capital, and return potential. The REIT's identified portfolio includes 943 properties diversified across 56 tenants and 627 markets, as of September 30, 2023, all sourced directly from the REIT's acquisition pipeline of 591 net-leased properties, which currently are valued at \$2.7+ billion. The majority of these potential acquisitions benefit from long-term financing fixed significantly below current market rates.

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



**Joshua Ungerecht**  
*Managing Partner*



**Warren Thomas**  
*Managing Partner*



**David Fisher**  
*Managing Partner*