

## ESSENTIAL INCOME REIT CLASS I

## 4th Quarter 2023 Report

January, 2024

Dear Essential Income REIT Class I Investor,

The Essential Income REIT continued its solid performance during Q4 2023 and your regular monthly distribution was processed on January 12<sup>th</sup>. If you have participated in the REIT's Dividend Reinvestment Program, your dividend was automatically reinvested on your behalf.

Since the launch of the REIT's Dividend Reinvestment and Share Purchase Plan (the "DRIP") in October 2023, the DRIP has distributed \$578,000 in shares to more than 350 investors as of December 31, 2023, enabling those investors to systematically grow and compound their equity positions in the REIT each month at a discount to the REIT's net asset value. If you would like to participate in the reinvestment program, please reach out to your representative, advisor, or our Investor Relations department and we will be happy to assist you.

ExchangeRight received 100% of scheduled rent across all REIT and net-leased DST portfolios in Q4 2023. ExchangeRight continues to maintain an unbroken track record of timely investor distributions meeting or exceeding cash flow targets across the REIT and all DST portfolios. This stable performance continues to be supported by our tenants' strong balance sheets and historically recession-resilient industries, as distributions remain fully covered by adjusted funds from operations.

Blue Vault, a third-party research firm, has started to track and report on the Essential Income REIT. Blue Vault's initial report highlighted that, compared to other non-traded REITs tracked by the firm, the REIT has a "high" 12-month average Return on Assets ("ROA"), a lower need for financing, and Modified Funds from Operations exceeding its cumulative cash distributions to common shareholders. We are pleased to have this respected third party researching and reporting on our REIT, and we believe that the REIT's strong showing will help support continued shareholder value and growth.

## CASH FLOW AND VALUE DIVERSIFIED BY



PROPERTY



LOCATION



TENANT



INDUSTRY



LEASE TERM



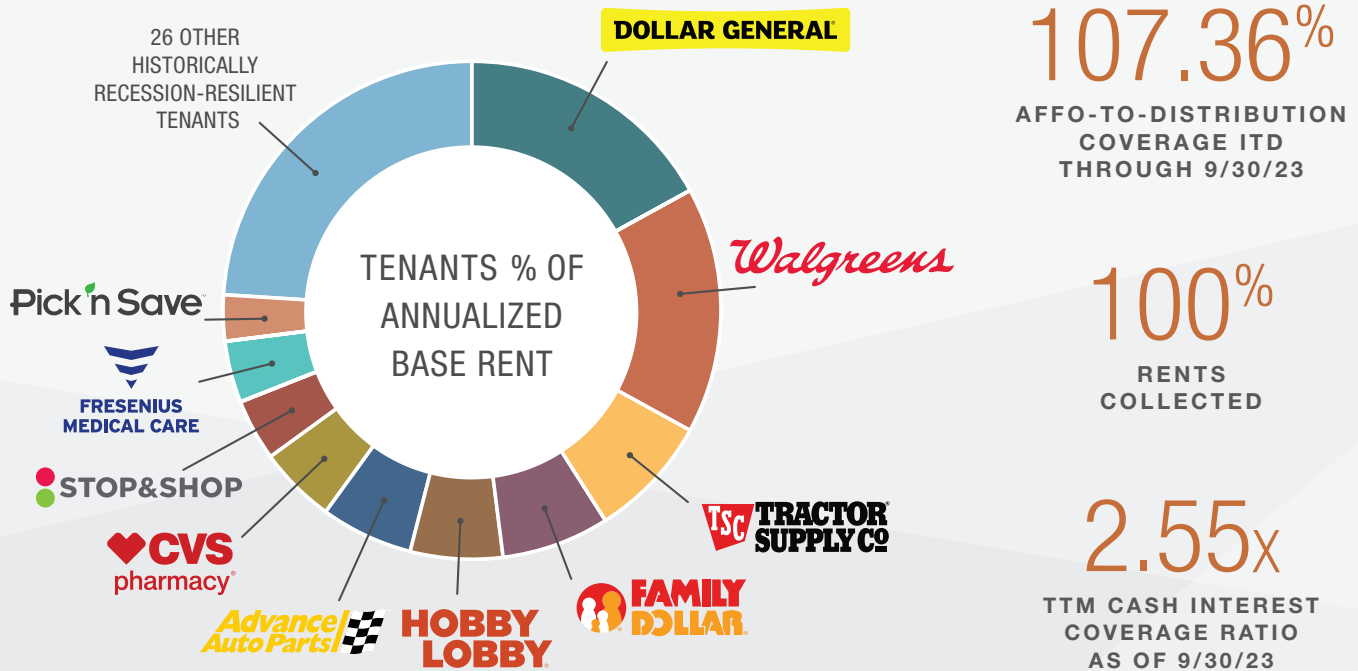
DEBT TERM

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CURRENT PORTFOLIO PROPERTIES



**Portfolio Update**

The Net Asset Value (“NAV”) of the Essential Income REIT has been declared at \$26.99 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 December 31, 2023. The REIT has experienced net inflows of shareholder capital throughout 2023, and all redemption requests have been fully satisfied.

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 55 tenants and 627 markets, as of December 31, 2023. The majority of the 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**  
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*Managing Partner*



**David Fisher**  
*Managing Partner*