



ExchangeRight Income Fund d/b/a
ExchangeRight Essential Income REIT

April 2024

IMPORTANT DISCLOSURES

This presentation is not a solicitation to buy or sell securities. Such offers may be made only to qualified accredited investors via a confidential Private Placement Memorandum. Real estate investments are illiquid and highly speculative. Prospective investors must read and understand the risks outlined in the Private Placement Memorandum which include, but may not be limited to complete loss of principal, declining market values, reduction or disruption in income, tenant defaults, tenant vacancies, acts of God, etc. Investors must also understand that past performance does not guarantee future results and certain risks may be amplified when using leverage. Investors in ExchangeRight Income Fund, d/b/a ExchangeRight Essential Income REIT (the “Company” or “The Essential Income REIT”), do not have day-to-day management responsibilities with respect to the Company’s business and operations and are subject to the usual risks associated with real estate transactions.

Targeted cash flows, returns, and potential appreciation are not guaranteed and may be lower than anticipated. Investors should not invest in real estate or real-estate-related investments if they cannot afford a loss of income or the loss of some or all of the principal investment.

The principals of ExchangeRight Real Estate, LLC, the sponsor of the Company, have conflicts of interest that could impact the management of certain investments based on the needs and investment opportunities of other companies. This may lead to a conflict of interest between their various roles, including conflicts with the investors regarding decisions related to the Essential Income REIT, and the acquisition and management of the investment.

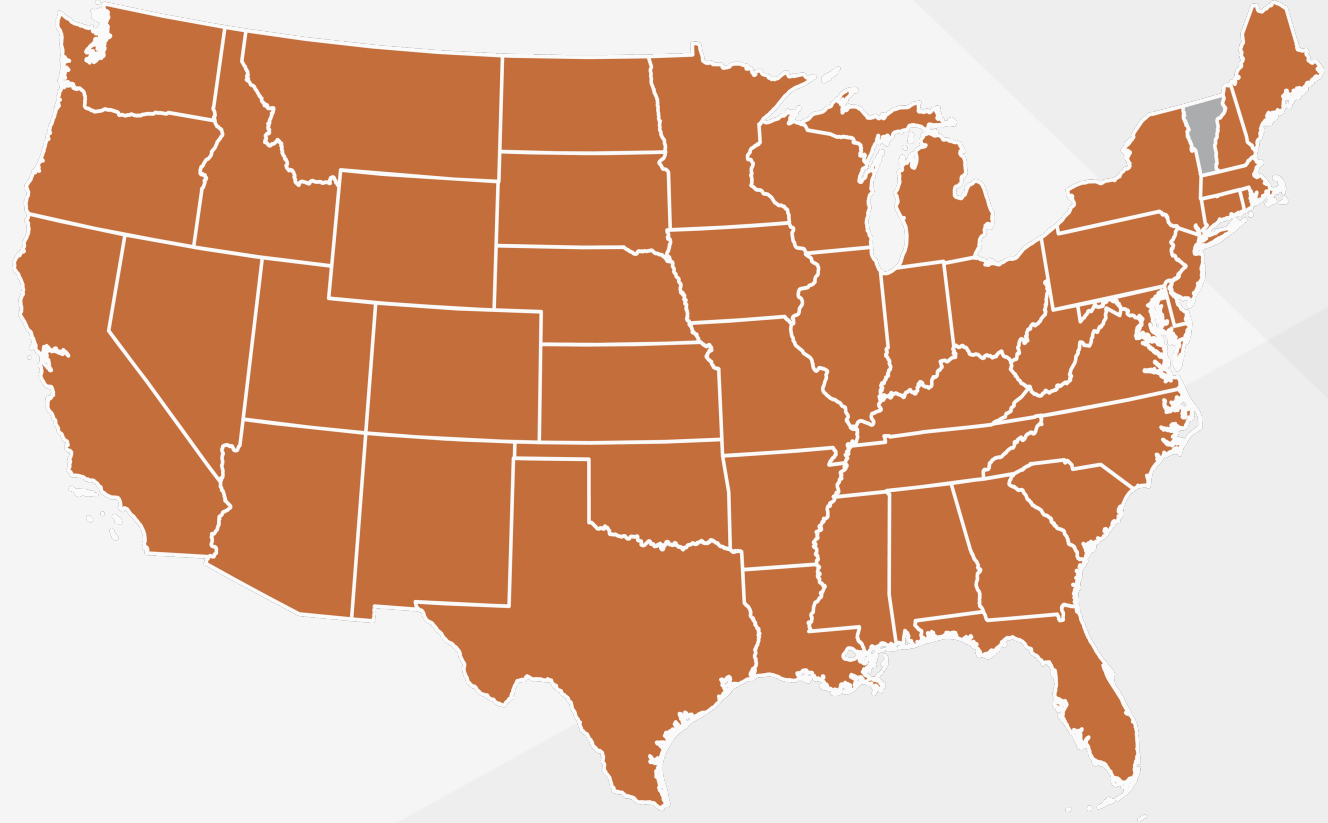
Past performance of ExchangeRight Real Estate, its other affiliated real estate sponsor company Telos Capital, and the companies’ principals is not indicative of future results.

F O R W A R D – L O O K I N G S T A T E M E N T S

Certain statements contained in this presentation other than historical facts may be considered “forward-looking statements,” and, as such, may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. For these statements, the Company claims the protections of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements, which are based on certain assumptions and describe the Company’s future plans, strategies and expectations, are generally identifiable by use of the words “may”, “will”, “should”, “estimates”, “projects”, “anticipates”, “believes”, “expects”, “intends”, “future” and words of similar import, or the negative thereof. Forward-looking statements in this report include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations, our strategic plans and objectives, and other matters. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

Any such forward-looking statements are subject to unknown risks, uncertainties and other factors, which in some cases are beyond the Company’s control and are based on a number of assumptions involving judgments with respect to, among other things, future economic, competitive and market conditions, all of which are difficult or impossible to predict accurately. To the extent that the our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flow from operations, provide distributions to shareholders and maintain the value of our real estate properties, may be significantly hindered.

- Vertically Integrated Real Estate Investment Companies with experience across all asset classes
- Multiple Platforms (1031, Value-Add Funds, and the Essential Income REIT)
- \$5.9+ Billion of assets under management
- Diversified across 1,200+ properties, 24+ Million sq. ft., and 47 states
- All ER offerings meeting or exceeding cash flow projections
- Past performance is no guarantee of future results



EXCHANGERIGHT AND TELOS CAPITAL AUM AS OF 3/31/24

MANAGING PARTNERS



DAVID FISHER, CPA

David began his career in the tax department of KPMG. He later joined Wells Fargo, where he focused on tax, treasury, and acquisitions for over nine years. He served as North American Head of Asset and Structured Finance for HSBC's Investment Banking division, where he and his banking teams executed international financings in excess of \$8 billion. David graduated *magna cum laude* from the University of Northern Iowa in 1993 with a degree in Accounting, earning national honors with the Elijah Watt Sells Award on the May 1993 CPA exam. David is primarily responsible for the acquisition, asset management, and financing aspects of the businesses.



JOSHUA UNGERECHT

Joshua currently serves as Managing Partner of ExchangeRight and Telos Capital and continues to serve as CEO and Chief Investment Officer of a wealth management firm and Broker-Dealer specializing in securitized real estate investments. Together with Warren Thomas, Joshua has overseen and underwritten the acquisition of over \$6 billion in real estate. Joshua graduated from The Master's College, *summa cum laude* with a B.A. in Theology, Apologetics, and Missions and is currently on leave from Talbot Graduate School, where he was pursuing an M.A. in Philosophy of Religion and Ethics. He also maintains Series 7, 22, 24, 63, 66, and 79 securities licenses and an active California real estate broker license.



WARREN THOMAS, CPA

Warren has over 40 years of experience as a CPA and has been an active commercial real estate investor for the past 30 years. Prior to focusing on the securitized 1031 exchange market in 2003, he developed an extensive tax practice including estate planning, financial planning, and real estate advisory services. He graduated in 1978 from Biola University with a B.S. in Business, specializing in Accounting. He also earned a master's degree in Taxation from Golden Gate University in 1993. He maintains Series 6, 7, 22, 24, 39, 63, 66, and 79 Securities Licenses.



Tax Deferral

- Depreciation Deferral + Section 199A REIT Deduction



Capital Preservation

- Necessity-Based, Primarily Investment-Grade Tenants + Long-Term Net Leases



Stable Income

- Broad Diversification within Recession-Resilient Industries



Aggregation Strategy

- Targeting Enhanced Diversification within Three Years

There is no guarantee that this offering will meet its investment objectives.

THE ESSENTIAL INCOME REIT¹

6.41%
CURRENT ANNUALIZED
CASH FLOW DISTRIBUTION

352
ACQUIRED PROPERTIES
AS OF 3/31/24

6.45%
TTM AFFO YIELD ON NAV
PER SHARE AS OF 12/31/23

106.57%
AFFO-TO-DISTRIBUTION COVERAGE
SINCE INCEPTION THROUGH 12/31/23

2.57x
TTM CASH INTEREST COVERAGE
RATIO THROUGH 12/31/23

THE ESSENTIAL INCOME REIT & IDENTIFIED TRUST PROPERTIES²

94.13%
ANNUALIZED BASE RENT FROM
ESSENTIAL BUSINESSES

7.4 Years
WEIGHTED-AVERAGE
LEASE TERM AS OF 3/31/24

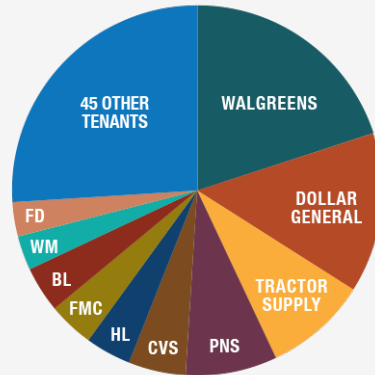
943
IDENTIFIED
PROPERTIES

627
MARKETS

16
INDUSTRIES

55
TENANTS

43
STATES



TOP TEN TENANTS % OF ANNUALIZED BASE RENT

Walgreens	19.85%	Hobby Lobby	4.47%
Dollar General	13.84%	Fresenius Medical Care	4.23%
Tractor Supply	8.85%	BioLife Plasma Services	4.02%
Pick 'n Save	5.15%	Walmart Neighborhood Market	3.05%
CVS Pharmacy	4.91%	Family Dollar	2.99%

¹Statistics representative of the Essential Income REIT. ²Statistics representative of the 352 properties owned by the Essential Income REIT as of March 31, 2024 and the additional 591 properties that are intended to be acquired for a total of 943 properties. There is no guarantee that all of these properties will be acquired.

Current annualized cash flow distribution is calculated by multiplying the current monthly investor distribution by 12, then dividing the result by the NAV per share. NAV per share is current as of March 31, 2024 and the distribution per share has been updated as of March 2024. All other statistics as of March 2024 unless noted otherwise. There is no guarantee that this offering will meet its investment objectives. Past performance does not guarantee future results.

TOP 10 TENANT HIGHLIGHTS



S&P Rated: Investment Grade BBB- (Long-Term) A-3 (Short-Term)

Moody's Rated: Ba1 (Long-Term)

2023 Total Assets: \$96.63 Billion

2023 Fiscal Year Revenue: \$139.08 Billion

2023 Fiscal Year Gross Profit: \$27.02 Billion

2023 Fiscal Year Revenue Growth: 4.81 %

DOLLAR GENERAL

S&P Rated: Investment Grade BBB (Long-Term)

A-2 (Short-Term)

2024 Fiscal Year Revenue: \$38.69 Billion

2024 Fiscal Year Gross Profit: \$11.72 Billion

2024 Fiscal Year Net Income: \$1.66 Billion

2024 Fiscal Year Revenue Growth: 2.24 %



S&P Rated: Investment Grade BBB (Long-Term)

2023 Annual Revenue: \$14.56 Billion

2023 Annual Gross Profit: \$5.23 Billion

2023 Annual Net Income: \$1.11 Billion

2023 Annual Revenue Growth: 2.47 %



Leases are guaranteed by Kroger Co., which is S&P Rated:

Investment Grade BBB (Long-Term) A-2 (Short-Term)

2024 Fiscal Year Revenue: \$150.04 Billion

2024 Fiscal Year Gross Profit: \$33.36 Billion

2024 Fiscal Year Net Income: \$2.16 Billion

2024 Fiscal Year Revenue Growth: 1.20 %



S&P Rated: Investment Grade BBB (Long-Term)

A-2 (Short-Term)

2023 Annual Revenue: \$357.78 Billion

2023 Annual Gross Profit: \$54.43 Billion

2023 Annual Net Income: \$8.34 Billion

2023 Annual Revenue Growth: 10.95 %

“Investment-grade” refers to tenants whose long-term corporate debt rating is considered investment grade by Standard & Poor’s, Moody’s, and/or Fitch. An investment-grade rating is a rating that indicates that a corporate bond has a relatively lower risk of default than a corporate bond with a speculative grade. The S&P Credit Rating Scale rates AAA to BBB- as investment-grade and BB+ to D as speculative grade.

Tenant financial data was primarily sourced from Form 10-Ks, as well as other sources including tenant websites, Forbes, and YCharts. Credit ratings were sourced directly from S&P as of March 31, 2024. The S&P Credit Rating Scale rates AAA to BBB- as investment-grade and BB+ to D as speculative grade. Credit rating of parent entity of a tenant, if applicable, is derived from S&P, unless otherwise noted. The tenant leases are backed by the parent entity where the investment-grade credit rating is presented. The financials presented are for the parent entity of the tenant.

TOP 10 TENANT HIGHLIGHTS



No Publicly-Rated Debt

2023 Annual Revenue: \$7.9 Billion

2023 Annual Revenue Growth: 2.60 %

2023 Estimated Number of Employees: 43,000

2023 Forbes List of Largest Private Companies: 75th



Leases are guaranteed by Fresenius Medical Care Holdings, Inc. which is Moody's Rated: Investment Grade Baa3

2023 Total Assets: €33.93 Billion

2023 Annual Revenue: €19.45 Billion

2023 Annual Gross Profit: €4.93 Billion

2023 Annual Net Income: €732.46 Million



Leases are guaranteed by Baxalta, Inc. or Takeda Pharmaceuticals U.S.A., Inc, which are wholly-owned subsidiaries of Takeda Pharmaceutical Co. Ltd., which is S&P Rated: Investment Grade BBB+ (Long-Term) A-2 (Short-Term)

2023 Fiscal Year Revenue: \$29.83 Billion

2023 Fiscal Year Gross Profit: \$20.61 Billion

2023 Fiscal Year Net Income: \$2.35 Billion

2023 Fiscal Year Net Income Growth: 14.59 %



S&P Rated: Investment Grade AA (Long-Term)
A-1+ (Short-Term)

2024 Fiscal Year Revenue: \$648.13 Billion

2024 Fiscal Year Gross Profit: \$157.98 Billion

2024 Fiscal Year Net Income: \$15.51 Billion

2024 Fiscal Year Revenue Growth: 6.03 %



Family Dollar Stores, Inc. is a wholly owned subsidiary of Dollar Tree, Inc.,

2024 Total Assets: \$22.02 Billion

2024 Fiscal Year Revenue: \$30.60 Billion

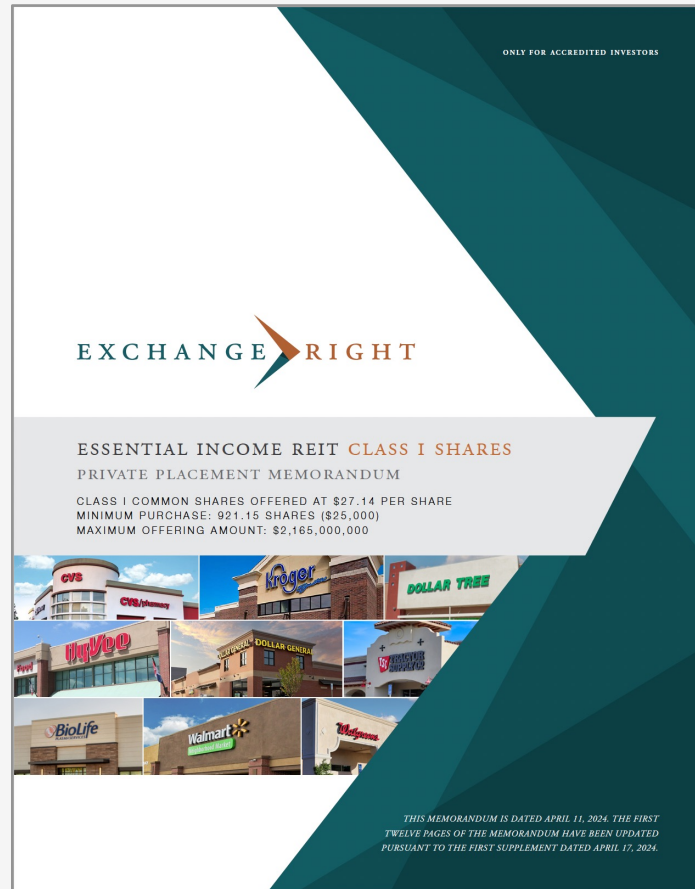
2024 Fiscal Year Gross Profit: \$9.33 Billion

2024 Fiscal Year Revenue Growth: 8.02 %

“Investment-grade” refers to tenants whose long-term corporate debt rating is considered investment grade by Standard & Poor’s, Moody’s, and/or Fitch. An investment-grade rating is a rating that indicates that a corporate bond has a relatively lower risk of default than a corporate bond with a speculative grade. The S&P Credit Rating Scale rates AAA to BBB- as investment-grade and BB+ to D as speculative grade.

Tenant financial data was primarily sourced from Form 10-Ks, as well as other sources including tenant websites, Forbes, and YCharts. Credit ratings were sourced directly from S&P as of March 31, 2024. The S&P Credit Rating Scale rates AAA to BBB- as investment-grade and BB+ to D as speculative grade. Credit rating of parent entity of a tenant, if applicable, is derived from S&P, unless otherwise noted. The tenant leases are backed by the parent entity where the investment-grade credit rating is presented. The financials presented are for the parent entity of the tenant.

INDEPENDENT VALUATION



\$27.14

**CURRENT NAV PER SHARE
AS OF 3/31/24**

ACCORDING TO THE INDEPENDENT VALUATION FIRM'S MARCH 31, 2024 REPORT:

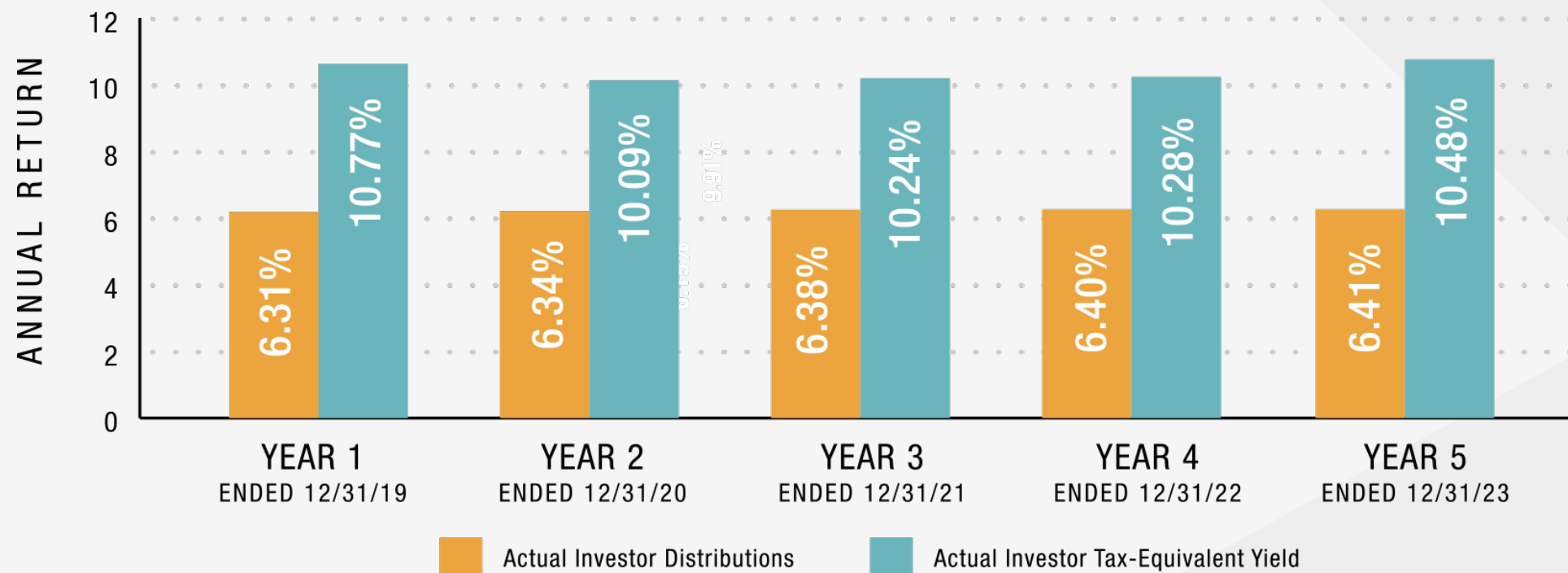
“We considered the unique economics of the Portfolio’s guaranteed lease structures, the nature of the tenants’ businesses, and the strength of each tenant’s financial position in the selection of appropriate market inputs. While we considered the macroeconomic impacts that were present throughout and following the COVID-19 pandemic, we note the tenants within the Portfolio represent essential retail and healthcare and are in a unique position to weather economic uncertainties and periods of economic downturn.”

ACCELERATED ACQUISITIONS, DIVIDEND INCREASES, & EXPANSION



Past performance of the sponsor and its principals is no guarantee of future performance.

HISTORICAL DISTRIBUTIONS AND TAX-EQUIVALENT YIELD

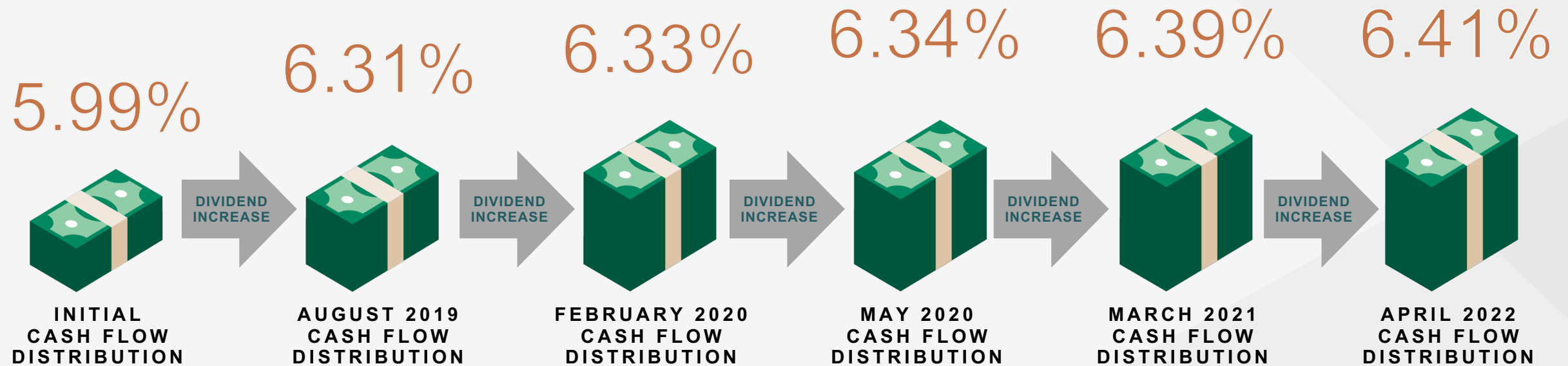


The current distribution to investors does not factor in the various tax benefits of ownership in the Essential Income REIT. In 2023, over 57% of distributions were reported as non-taxable return of capital and deductions totaled 65.79% including Section 199A deductions.

Above is a hypothetical illustration of these historical benefits, based on the current NAV per share as of March 31, 2024 and a 37% federal income tax rate, an 8% state income tax rate, and a 3.8% Medicare surcharge tax. Exact tax-equivalent yield will vary by investor. Each investor should consult with their own tax advisor.

Past performance does not guarantee future results.

DIVIDEND HISTORY BASED ON NAV PER SHARE



Annualized returns are presented utilizing the current NAV per share as of March 31, 2024. Though current cash flows are based on contractual rent obligations of the tenants, there is no guarantee that this offering will meet any of its investment objectives. Past performance of the offering does not guarantee future results. Distribution payments are not guaranteed.

AGGREGATION STRATEGY

EXCHANGERIGHT'S
AUM

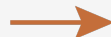
\$5.9+ Billion

ADDITIONAL NET-LEASED
ACQUISITIONS

\$500+ Million/Year

AGGREGATION STRATEGY
GOALS

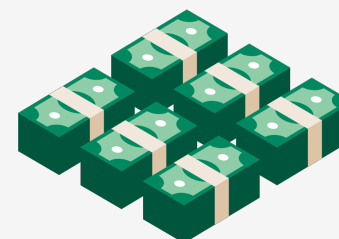
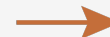
\$7 – 10+ Billion



+



+



- STABLE MONTHLY INCOME
- INCREASED DIVERSIFICATION
- ENHANCED VALUE AND LIQUIDITY
- EXPANDED ACCESS TO CAPITAL
- OPTIMIZED ESTATE PLANNING

Past performance of the sponsor and its principals is no guarantee of future performance.
The Essential Income REIT's aggregation objectives, timing, and results are not guaranteed.

SUMMARY OF EXCHANGERIGHT'S AUM

\$5.9+

BILLION

94%+

NOI FROM ESSENTIAL
BUSINESSES

8.0 Years

WEIGHTED-AVERAGE
LEASE TERM

2.63x

AVERAGE DEBT SERVICE
COVERAGE RATIO

99.70%

LEASED NET-LEASED
PROPERTIES

771

MARKETS

80

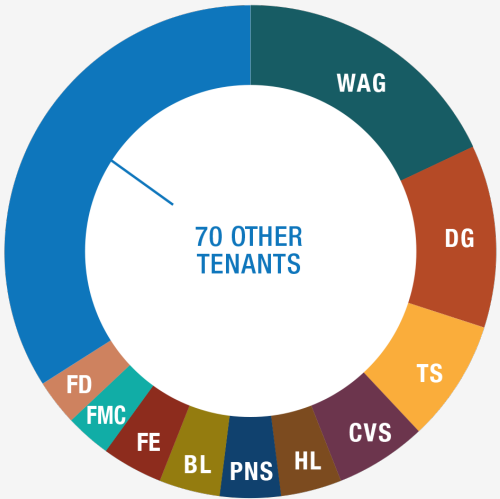
TENANTS

17

INDUSTRIES

47

STATES













TOP TEN TENANTS % OF NOI

Walgreens	17.54%	Pick 'n Save	4.01%
Dollar General	12.47%	BioLife Plasma Services	3.92%
Tractor Supply	8.43%	Fresenius Medical Care	3.40%
CVS Pharmacy	5.65%	FedEx	3.07%
Hobby Lobby	4.02%	Family Dollar	2.86%

All statistics related to ExchangeRight's AUM are presented as of 3/31/24. Past performance of the Sponsor does not guarantee future results.

TOTAL REVENUE GROWTH FOR ESSENTIAL INCOME REIT'S TOP 10 TENANTS (2008-2010 & 2020-2021)

TOP 10 REIT TENANTS	GREAT RECESSION (2008-2010)	COVID CRISIS (2020-2021)
 DOLLAR GENERAL	28.68%	31.68%
 Walgreens	25.41%	10.36%
 TRACTOR SUPPLY CO	34.59%	52.42%
 FAMILY DOLLAR <small>my family, my family dollar.</small>	31.80%	11.79%
 HOBBY LOBBY	12.99%	28.00%
 Advance Auto Parts	22.32%	13.30%
 STOP & SHOP	14.68%	20.59%
 FRESENIUS	29.10%	6.60%
 CVS pharmacy	25.48%	13.76%
 Pick n Save	15.88%	8.74%
REIT TOP 10 AVERAGE TOTAL REVENUE GROWTH	24.09%	19.72%
S&P 500 TOTAL REVENUE GROWTH	5.56%	15.44%

The S&P 500 historical revenue performance figures represent a broad-based market index during the identified time periods. This information is provided to contextualize the REIT's top 10 tenants' historical revenue performance and is not a comparison or forecast of future performance. Tenant financial data was primarily sourced from Form 10-Ks, as well as other sources including tenant websites, Forbes, and YCharts. Past performance does not guarantee future results.

EXCHANGERIGHT'S ESSENTIAL INCOME REIT



Historically Recession-Resilient Tenants, Fully Covered Distributions, and Tax Deferral



Among the Highest FFO Yield, Dividend, and FFO Coverage in the Industry



Targeting Long-Term Value for Shareholders



Adding ExchangeRight's Diversification and Scale to Execute an Aggregation Strategy



An Investor-Centric Structure and Significant Alignment of Interest

Past performance of the offering is no guarantee of future results.
The Essential Income REIT's aggregation objectives, timing, and results are not guaranteed.

NON - GAAP MEASURES

The Company makes reference and includes various non-GAAP measures in evaluating its performance on an ongoing basis. These metrics include Annualized Base Rent (“ABR”), Funds From Operations (“FFO”), Adjusted FFO (“AFFO”), AFFO Yield per Share, AFFO Distribution Coverage Ratio, Leverage Ratio, EBITDAre and Adjusted EBITDAre, and Cash Interest Coverage Ratio. The Company believes these measures are useful to management, investors, and other interested parties in analyzing the Company.

ABR is calculated as the aggregate, annualized contractual minimum rent for all occupied spaces. Tenant concessions and abatements are reflected in this measure. Furthermore, from time to time, a limited number of short-term (generally one to three months) free rent concessions may be provided to tenants prior to initial occupancy or upon a renewal extension. The Company believes ABR is useful to management, investors, and other interested parties in analyzing concentrations and leasing activity.

FFO is a widely recognized supplemental non-GAAP measure utilized to evaluate the financial performance of a REIT. The Company presents FFO in accordance with the definition adopted by the National Association of Real Estate Investment Trusts (“NAREIT”). NAREIT generally defines FFO as net income (determined in accordance with GAAP), excluding gains (losses) from sales of real estate properties, impairment write-downs on real estate properties directly attributable to decreases in the value of depreciable real estate, plus real estate related depreciation and amortization, and adjustments for partnerships and joint ventures to reflect FFO on the same basis. The Company considers FFO to be an appropriate measure of its financial performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than other depreciable assets.

The Company also considers AFFO to be an additional meaningful financial measure of financial performance as it provides supplemental information concerning our operating performance, exclusive of certain non-cash items and other costs. The Company believes AFFO further assists in comparing the Company’s performance across reporting periods on a consistent basis by excluding such items.

FFO and AFFO should be reviewed with net income (loss) attributable to common shareholders, the most directly comparable GAAP financial measure, when trying to understand the Company’s operating performance. FFO and AFFO do not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) attributable to common shareholders or to cash flow from operating activities. The Company’s computations of FFO and AFFO may differ from the computations utilized by other REITs and, accordingly, may not be comparable to such REITs.

The Company also considers the AFFO Yield that is generated per share as measured by its share price or NAV as a meaningful measure that demonstrates the historical operating performance of the Company’s most recent twelve-month period of operations on a per share basis. The Company believes this measure is helpful in assisting the Company evaluate how its performance compares to its current and historical distribution targets, among other factors.

NON - GAAP MEASURES (CONT.)

The Company also considers its AFFO Distribution Coverage Ratio which is measured as the amount of AFFO over the actual distributions declared to be a meaningful measure in evaluating a Company's operating performance in conjunction with the distributions it is declaring. AFFO does not represent cash generated from operating activities and should not be considered as an alternative to net income (loss) attributable to common shareholders or to cash flow from operating activities.

The Company also considers its Cash Interest Coverage Ratio to be an additional meaningful financial measure as it provides supplemental information concerning our ability to meet financial obligations, namely our ability to meet current debt obligations from operations.

A component of this calculation is EBITDAre which is defined by NAREIT to mean net income computed in accordance with GAAP, plus interest expense, income tax expense, depreciation and amortization, any gains (or losses) from sales of real estate assets and/or changes in control, any impairment charges on depreciable real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. The Company considers the non-GAAP measure of EBITDAre to be a key supplemental measure of the Company's performance and should be considered along with, but not as an alternative to, net income or loss as a measure of the Company's operating performance. The Company considers EBITDAre a key supplemental measure of the Company's operating performance because it provides an additional supplemental measure of the Company's performance and operating cash flow that is widely recognized within the industry and by investors. The Company's calculation of EBITDAre may not be comparable to EBITDAre reported by other REITs that interpret the NAREIT definition differently than the Company.

The Company also considers Adjusted EBITDAre to be an additional meaningful financial measure of financial performance as it provides supplemental information concerning our operating performance, exclusive of certain non-cash items and other costs. The Company believes Adjusted EBITDAre further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items when compared to EBITDAre.

NON - G A A P M E A S U R E S (C O N T .)

Reconciliation of Net loss to FFO and AFFO per diluted common share

A reconciliation of net loss attributable to common shareholders to FFO and AFFO for the twelve months ended December 31, 2023 is as follows:

	Y E A R E N D E D D E C 3 1 , 2 0 2 3
Net loss attributable to common shareholders	\$ (1,116,000)
Depreciation and amortization	41,245,000
Net loss attributable to noncontrolling interests	<u>(562,000)</u>
FFO applicable to diluted common shares	39,567,000
Adjustments:	
Straight-line rent adjustments	(1,013,000)
Above/below market lease amortization, net	(2,415,000)
Amortization of deferred financing costs	427,000
Above/below market debt amortization, net	3,201,000
Straight-line ground rent adjustments	161,000
Amortization of tax incentive financing arrangement	<u>118,000</u>
AFFO applicable to diluted common shares	<u>\$ 40,046,000</u>
Weighted average number of diluted common shares:	
Common shares	15,288,881
OP Units	<u>7,699,846</u>
	<u>22,988,727</u>
FFO per diluted common shares	\$ 1.72
AFFO per diluted common shares	\$ 1.74
NAV per share at December 31, 2023	\$ 26.99
AFFO Yield per NAV per share at December 31, 2023	6.45%

NON-GAAP MEASURES (CONT.)

Calculation of Inception-to-date AFFO Distribution Coverage Ratio through December 31, 2023

	YEAR ENDED DEC 31, 2023	YEAR ENDED DEC 31, 2022	YEAR ENDED DEC 31, 2021	YEAR ENDED DEC 31, 2020	YEAR ENDED DEC 31, 2019	TOTAL
AFFO applicable to diluted common shares	\$ 40,046,000	\$ 34,451,000	\$ 19,897,000	\$ 7,494,000	\$ 1,686,000	\$ 103,574,000
Distributions						
Common shares	\$ 26,571,000	\$ 22,413,000	\$ 13,280,000	\$ 4,228,000	\$ 703,000	\$ 67,195,000
OP Units	13,384,000	8,548,000	4,190,000	3,202,000	667,000	29,991,000
Total distributions	\$ 39,955,000	\$ 30,961,000	\$ 17,470,000	\$ 7,430,000	\$ 1,370,000	\$ 97,186,000
AFFO in excess of distributions	\$ 91,000	\$ 3,490,000	\$ 2,427,000	\$ 64,000	\$ 316,000	\$ 6,388,000
AFFO Distribution Coverage Ratio						106.57%

NON-GAAP MEASURES (CONT.)

Calculation of Leverage Ratio as of December 31, 2023

The calculation of our leverage ratio as of December 31, 2023 is as follows:

	DECEMBER 31, 2023
Total Assets	\$ 1,171,540,000
Adjustments:	
Intangible assets, net	(68,616,000)
Right-of-use asset	(4,652,000)
Receivables	(2,378,000)
Other assets	(599,000)
Fair value adjustment of real estate investments	152,195,000
	<u>\$ 1,247,490,000</u>
Total Debt	<u>\$ 589,962,000</u>
Leverage Ratio	47.29%

NON - GAAP MEASURES (CONT.)

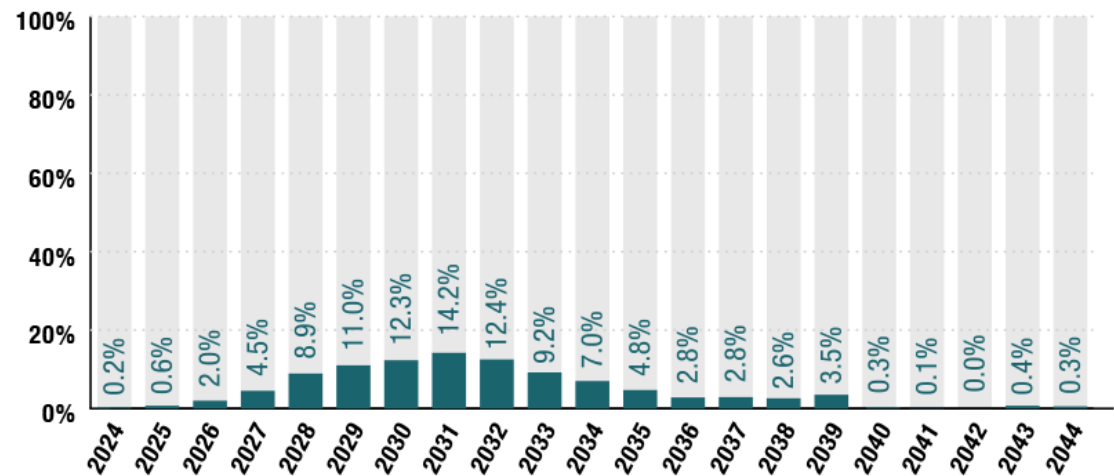
Calculation of Cash Interest Coverage Ratio

A reconciliation of net loss attributable to common shareholders to Adjusted EBITDAre and the total cash interest expense incurred by the Company for the twelve months ended December 31, 2023 is as follows:

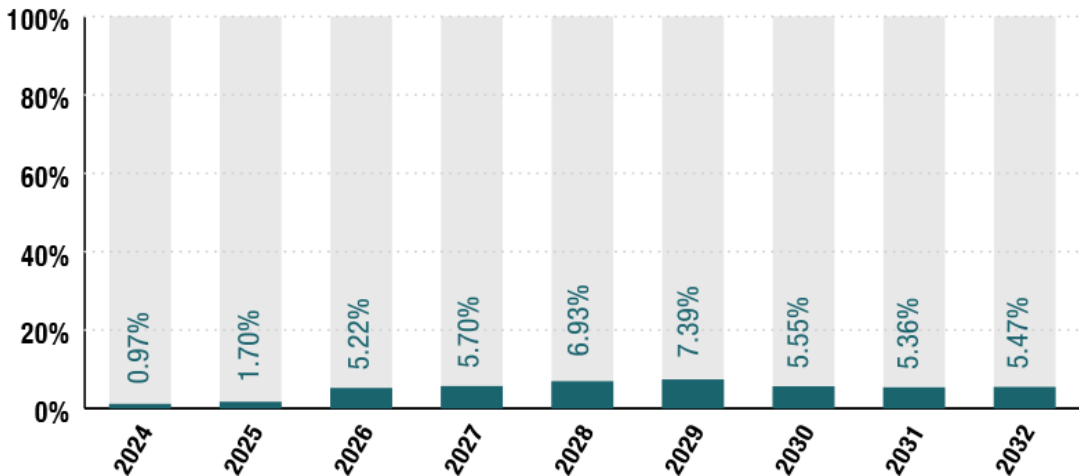
	YEAR ENDED DEC 31, 2023
Net loss attributable to common shareholders	\$ (1,116,000)
Net loss attributable to noncontrolling interests	(562,000)
Depreciation and amortization	41,245,000
Interest expense	<u>29,154,000</u>
EBITDAre	68,721,000
Adjustments:	
Straight-line rent adjustments	(1,013,000)
Above/below market lease amortization, net	(2,415,000)
Straight-line ground rent adjustments	161,000
Amortization of tax incentive financing arrangement	<u>118,000</u>
Adjusted EBITDAre	<u>\$ 65,572,000</u>
GAAP Interest Expense	\$ 29,154,000
Above/below market debt amortization, net	(3,201,000)
Amortization of deferred financing costs	<u>(427,000)</u>
Contractual Interest Expense	<u>\$ 25,526,000</u>
Cash Interest Coverage Ratio	2.57

SUMMARY OF EXCHANGERIGHT'S AUM

LEASE ROLLOVER BY YEAR



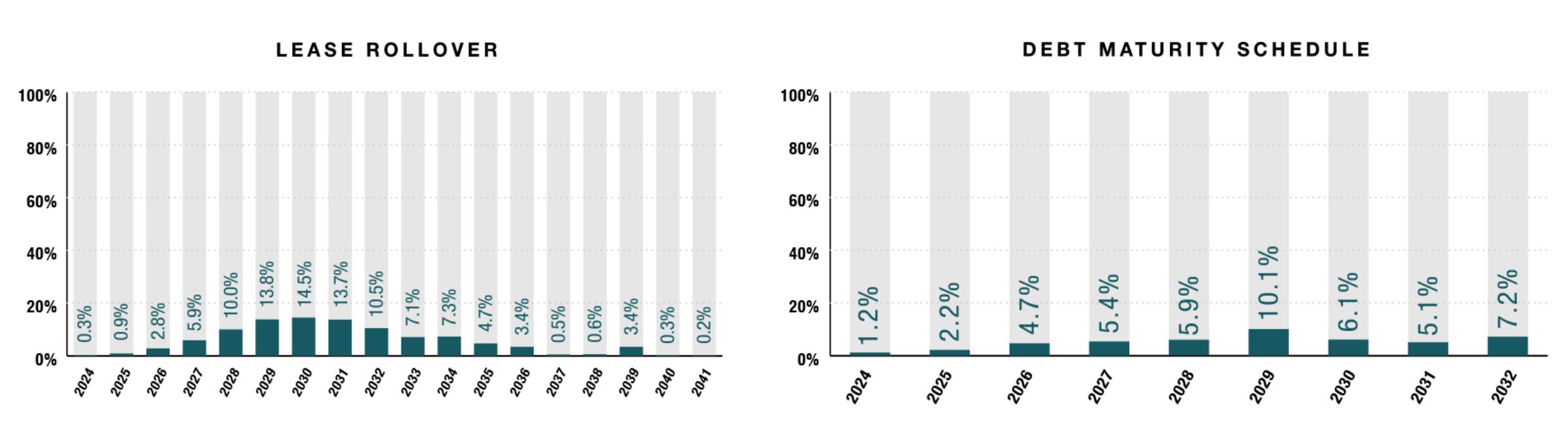
DEBT MATURITY % OF AUM



LESS THAN 3% LEASE AND DEBT MATURITY ROLLOVER THROUGH 2025

The Lease Rollover by Year is displayed as a percentage of ExchangeRight's Net Operating Income. The debt maturity schedule is displayed as a percentage of ExchangeRight's Assets Under Management. All statistics are presented as of March 31, 2024.

SUMMARY OF THE ESSENTIAL INCOME REIT & IDENTIFIED TRUST PROPERTIES



The Lease Rollover schedule is displayed as a percentage of annualized base rent. The Debt Maturity schedule is displayed as a percentage of Projected Trust Assets Under Management. All statistics are presented as of March 31, 2024.