ExchangeRight Essential Income REIT Operating Partnership

2nd Quarter 2026 Report

August 2026

Dear ExchangeRight Essential Income REIT Operating Partnership Investor,

The Essential Income REIT continued to produce strong operating results that fully supported distributions during Q2 2026. The Essential Income REIT remains one of the only REITs in the industry to fully cover its monthly distributions from inception. Your regular monthly distribution was processed on July 15. If you are participating in the REIT's Dividend Reinvestment Program, your dividend was automatically reinvested into additional shares on your behalf.

The REIT's Dividend Reinvestment Program ("DRIP") provides investors with the potential to compound their returns by allowing existing investors to automatically reinvest a portion or all of 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 our Investor Relations department to learn more.

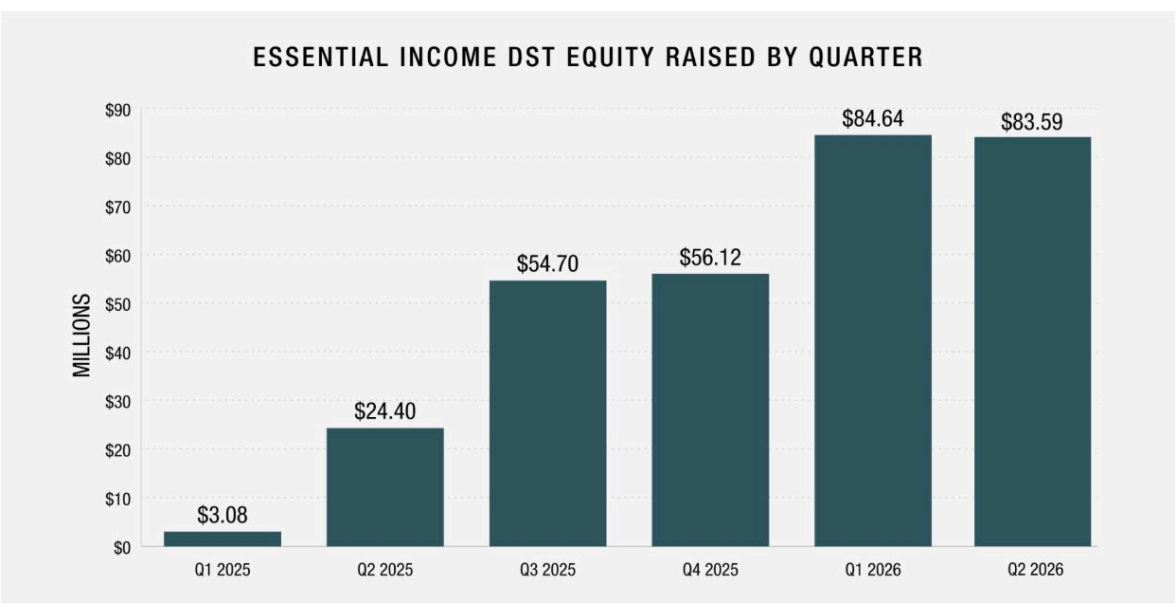
The total assets under management of ExchangeRight and its affiliates grew to $7.5+ billion in Q2 2026. ExchangeRight has continued to provide every investor with monthly distributions meeting or exceeding initial projections inception-to-date across all 134 of past and current offerings.

Portfolio and Business Development Updates

The NAV of the Essential Income REIT has been declared at $27.63 per share, based in part on an independent real estate valuation of the REIT's real estate by KPMG combined with its other assets and liabilities as of June 30, 2026. This represents a $0.05 increase in the NAV per share from last quarter, and a 1.69% NAV per share increase from a year ago in the face of ongoing economic volatility.

The REIT acquired two additional net lease portfolios last quarter. This increased the REIT's total diversification from 397 properties as of March 31, 2026, to 436 properties as of June 30, 2026. These acquisitions were structured to be accretive to the REIT's NAV/share and its AFFO-to-distribution metrics for the benefit of all REIT investors and to provide DST investors with ongoing tax deferral, capital preservation, stable income, increased depreciation benefits, and potential future exit optionality.

As part of our ongoing growth, we continue to see strong demand for our Essential Income DST series for 1031 investors. The Essential Income DSTs allow 1031 exchange investors to transfer their DST equity to the Essential Income REIT via a 721 exchange after a two-year period in the DST. These assets are providing a rapidly growing pipeline of unlevered assets that the REIT intends to acquire to provide long-term equity capital, and enhance the REIT's diversification, scale, credit quality, and access to liquidity.



Managing Partner, Joshua Ungerecht, presented a Macroeconomic Update during the quarter, joined by economic researcher Eric Basmajian. The presentation covered the current economic climate as well as indicators of where we're headed, with a focus on the potential impacts on real estate asset classes. To watch a recording of the presentation, please click the button below.



Password: strength777

Later this quarter, ExchangeRight leadership will share a Performance Update on September 1 at 10:00am PT, including new REIT and DST developments, asset management highlights, and updates on our aggregation strategy. To register to watch the presentation, please click the button below.

Register

Please contact our Investor Relations department at (855) 379-8172 or investors@exchangeright.com should you have any questions. Their operating hours are Monday through Friday, 9 a.m. to 5 p.m. CT.

Best regards,
ExchangeRight Real Estate