

**Report of Organizational Actions
Affecting Basis of Securities**

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name ELME COMMUNITIES		2 Issuer's employer identification number (EIN) 53-0261100	
3 Name of contact for additional information 7550 WISCONSIN AVE., SUITE 900		4 Telephone No. of contact 202-774-3200	5 Email address of contact INFO@ELMECOMMUNITIES.COM
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7550 WISCONSIN AVE., SUITE 900		7 City, town, or post office, state, and ZIP code of contact BETHESDA, MD 20814	
8 Date of action 939653101		9 Classification and description STOCK	
10 CUSIP number 939653101	11 Serial number(s)	12 Ticker symbol ELME	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **Elme Communities made cash distributions on January 6, 2025, April 3, 2025, July 3, 2025 and October 3, 2025 to each of its common stock shareholders of record on December 19, 2024, March 19, 2025, June 17, 2025 and September 17, 2025, respectively.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **A portion of each cash distribution made by Elme Communities during the calendar year 2025 is not taxable as a dividend under Section 301(c)(1), but is applied against basis under Section 301(c)(2) ("return of capital"). The return of capital on a per share basis is as follows:**

Distribution Date	Amount per Share
January 6, 2025	\$0.143122
April 3, 2025	\$0.143122
July 3, 2025	\$0.143122
October 3, 2025	\$0.143122

As such, each shareholder's tax basis in the common stock of Elme Communities is decreased by the lesser of the amount of the shareholder's share of the return of capital distributions or the shareholder's tax basis in such common stock.

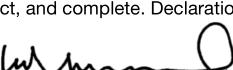
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **The change in basis was determined by comparing the cash distributions made by Elme Communities during calendar year 2025 to the amount of Elme Communities 2025 current earnings and profits determined under Sections 312 and 316. Total cash distributions to the common shares made during the calendar year were \$63,244,173 and the 2025 current earnings and profits were \$12,957,436 resulting in a total return of capital for the tax year 2025 attributable to all shareholders of the common stock in the amount of \$50,286,737 Accordingly, the 2025 return of capital percentage is 79.51%.**

Part II **Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► **Sections 301, 312 and 316**

18 Can any resulting loss be recognized? ► **No loss can be recognized as a result of the cash distributions to the common shareholders.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **The reporting tax year is 2025.**

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
	Signature ► 	Date ► <u>1/20/2026</u>			
Print your name ► W. Drew Hammond					
Paid Preparer Use Only	Print/Type preparer's name Brian M. Lynch	Preparer's signature 	Date <u>01/19/26</u>	Check <input type="checkbox"/> if self-employed	PTIN P01443847
	Firm's name ► ERNST & YOUNG U.S. LLP			Firm's EIN ► 34-6565596	
	Firm's address ► 1775 TYSONS BLVD TYSONS, VA 22102			Phone no. 703-747-1000	