November 6, 2026

Elme Communities Transfers Remaining Assets and Liabilities to Elme Communities Liquidating Trust and Dissolves

BETHESDA, Md., Nov. 06, 2026 (GLOBE NEWSWIRE) -- Elme Communities ("Elme" or the "Company") today announced that the Company has completed the transfer of its remaining assets and liabilities to Elme Communities Liquidating Trust, a newly-created Maryland common law trust (the "Liquidating Trust"), for the benefit of the common shareholders of the Company, effective November 6, 2026 (the "Effective Date") and that the Company was dissolved on the Effective Date. This previously announced transfer and dissolution were contemplated in the Plan of Sale and Liquidation (the "Plan of Sale and Liquidation") approved by the Company's Board of Trustees on July 30, 2025 and the Company's shareholders on October 30, 2025. Also as previously announced, the share transfer books of Elme were closed at the close of business (Eastern Time) on November 5, 2026.

As of the Effective Date, all of the beneficial interests of the Liquidating Trust (the "Beneficial Interests") are held by the shareholders of the Company, with each shareholder of the Company being deemed automatically to have received a percentage of Beneficial Interests in the Liquidating Trust corresponding to such shareholder's percentage ownership in the Company as of the close of business on November 5, 2026. Shareholders of the Company were not required to take any action to receive Beneficial Interests in the Liquidating Trust. Subject to certain exceptions related to transfer by will, intestate succession or operation of law, Beneficial Interests in the Liquidating Trust are not transferable, and holders of Beneficial Interests do not have authority or power to sell or in any other manner dispose of their Beneficial Interests. The Beneficial Interests will not trade on the New York Stock Exchange or any other exchange, or over-the-counter ("OTC"). The rights of holders of Beneficial Interests will not be represented by any form of certificate or other instrument. Simultaneously, all outstanding Common Shares and certificates representing Common Shares were automatically cancelled and are no longer deemed outstanding.

As contemplated in the Plan of Sale and Liquidation, the purpose of the Liquidating Trust is to liquidate the remaining assets (which consist primarily of the net cash proceeds from property sales) of the Liquidating Trust and distribute the amounts remaining in the Liquidating Trust, if any, after satisfaction of all remaining liabilities (including any additional liabilities, costs and expenses that may arise during the wind-down process) as an additional liquidating distribution to the holders of the Beneficial Interests upon completion of the wind-down process and in connection with termination of the Liquidating Trust. In addition to the transfer on the Effective Date by the Company to the Liquidating Trust of amounts intended to satisfy known liabilities, costs and expenses of the Company that were not satisfied prior to the Company's dissolution (and that will be satisfied by the Liquidating Trust as

appropriate), as well as net costs or expenses expected to be satisfied by the Liquidating Trust during the wind-down process, an additional cash reserve of approximately $9.5 million was also transferred by the Company to the Liquidating Trust on the Effective Date to cover liabilities, costs or expenses that exceed estimated amounts, as well as any unknown or additional liabilities, costs or expenses that may arise prior to completion of the wind-down process. These transfers were part of the above-described transfer of assets and liabilities on the Effective Date. The actual amount and timing of payment of any additional liquidating distribution(s) from the Liquidating Trust will be determined by the trustee of the Liquidating Trust in his sole discretion.

Paul T. McDermott, the former President and Chief Executive Officer of the Company, and W. Drew Hammond, the former Executive Vice President, Chief Financial Officer, Chief Administrative Officer, Secretary and Treasurer of the Company, were previously appointed as the initial trustees of the Liquidating Trust. As previously disclosed, FTI Consulting, Inc. has been retained to provide services in connection with completing the wind-down process, including the services of a liquidating trustee to serve as trustee of the Liquidating Trust. Upon the transfer of assets and liabilities to the Liquidating Trust on the Effective Date, Mark E. Chertok, an employee of FTI Consulting, Inc., became the sole trustee of the Liquidating Trust (in such capacity, the "Liquidating Trustee"), and Messrs. McDermott and Hammond ceased to serve as trustees of the Liquidating Trust. The Liquidating Trustee is vested with the authority to oversee the Liquidating Trust and manage the day-to-day affairs of the Liquidating Trust.

Information regarding the expected U.S. federal income tax consequences of the Plan of Sale and Liquidation of the Company is summarized in the Company's definitive proxy statement, filed with the SEC on September 24, 2025, for the special meeting of shareholders held on October 30, 2025, which is available free of charge through the website maintained by the SEC at http://www.sec.gov or the Liquidating Trust's website at www.elmecommunities.com. The tax treatment described may vary depending on each shareholder's particular situation. Additional tax information will be made available on the Liquidating Trust's website at a later date.

About Elme Communities and Elme Communities Liquidating Trust

Elme Communities was a Maryland real estate investment trust which formerly traded on the New York Stock Exchange under the ticker symbol ELME and OTC under the symbol ELMES. The Common Shares were delisted from the New York Stock Exchange and ceased trading OTC on November 5, 2026, and Elme was dissolved on November 6, 2026.

Elme Communities Liquidating Trust is a Maryland common law trust. Effective November 6, 2026, Elme Communities transferred its remaining assets and liabilities to Elme Communities Liquidating Trust for the benefit of Elme Communities' common shareholders in accordance with and as anticipated by the Plan of Sale and Liquidation. The purpose of Elme Communities Liquidating Trust is to liquidate the remaining assets and distribute the amounts remaining in the Liquidating Trust, if any, after satisfaction of all remaining liabilities, to the holders of Beneficial Interests.

Contact (effective as of the Effective Date):

Elme Communities Liquidating Trust

Mark E. Chertok, Trustee
c/o FTI Consulting, Inc.
56 Livingston Avenue, Suite 400
Roseland, NJ 07068
ELMETrustee@fticonsulting.com
202-346-8829

Forward-Looking and Cautionary Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Elme to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Additional factors which may cause the actual results, performance, or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to: changes in the amount and timing of liquidating distributions from the Liquidating Trust as a result of known liabilities or contingent costs or expenses that may be higher than anticipated liabilities, costs or expenses, or unknown liabilities, costs or expenses that arise in the future which Elme cannot reasonably estimate at this time; the outcome of legal proceedings that may be instituted against Elme, its former trustees and others, including those related to the sale of 19 multifamily assets to an affiliate of Cortland Partners, LLC, and other completed sales and the Plan of Sale and Liquidation; whether or not the sale of one or more of Elme's properties may be considered a prohibited transaction under the Internal Revenue Code of 1986, as amended; general economic developments and conditions; and volatility and uncertainty in the financial markets.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect Elme's businesses in the "Risk Factors" section of Elme's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed by Elme, as well as other documents filed by Elme or the Liquidating Trust from time to time with the SEC. Copies of the documents filed by Elme with the SEC are available free of charge through the website maintained by the SEC at http://www.sec.gov, and are also available, free of charge, on the Liquidating Trust's website at www.elmecommunities.com. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. While forward-looking statements reflect Elme's good faith beliefs, they are not guarantees of future performance. Elme and the Liquidating Trust undertake no obligation to update the forward-looking statements or risk factors to reflect new information, future events, or otherwise.



Source: Elme Communities