



Investor Presentation

May 2025



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Forward-Looking Statements

Certain statements in our earnings release and on our conference call 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 Communities 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 of Elme Communities to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to: the risks associated with the outcome, objectives and timing of the strategic alternatives review, including the incurrence of costs and expenses and diversion of management’s time in connection with such review; the accuracy of our estimated components of same store revenue growth and Core FFO per Share in 2025 and our preliminary April occupancy, preliminary April effective blended lease rate growth and estimated second quarter 2025 bad debt to revenue; the accuracy of estimated future demand in our submarkets; the risks associated with ownership of real estate in general and our real estate assets in particular; the economic health of the areas in which our properties are located, particularly with respect to the greater Washington, DC metro and Sunbelt regions; risks associated with our ability to execute on our strategies, including new strategies with respect to our operations and our portfolio, including the acquisition of apartment homes in the Sunbelt markets and our ability to realize any anticipated operational benefits from our internalization of community management functions; the risk of failure to enter into and/or complete acquisitions and dispositions; changes in the composition of our portfolio; reductions in or actual or threatened changes to the timing of federal government spending; the economic health of our residents; the impact from macroeconomic factors (including inflation, increases in interest rates, potential economic slowdowns or recessions, the impact of tariffs and trade barriers, supply chain disruptions and geopolitical conflicts); risks related to our ability to control our expenses if revenues decrease; compliance with applicable laws and corporate social responsibility goals, including those concerning the environment and access by persons with disabilities; risks related to legal proceedings; risks related to not having adequate insurance to cover potential losses; changes in the market value of securities; terrorist attacks or actions and/or cyber-attacks; whether we will succeed in the day-to-day property management and leasing activities that we have previously outsourced; the availability and terms of financing and capital and the general volatility of securities markets; our ability to capture the impacts from normalizing bad debt; the risks related to our organizational structure and limitations of share ownership; failure to qualify and maintain our qualification as a REIT and the risks of changes in laws affecting REITs; and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2024 Form 10-K filed on February 14, 2025. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events, or otherwise.

Use of Non-GAAP Financial Measures and other Definitions This presentation contains certain non-GAAP financial measures and other terms that have particular definitions when used by us. The definitions and calculations of these non-GAAP financial measures and other terms may differ from those used by other REITs and, accordingly, may not be comparable. Please refer to the definitions and calculations of these terms and the reasons for their use included later in this investor presentation.

Definitions and Reconciliation of Certain Forward-Looking Non-GAAP information This presentation also includes certain forward-looking non-GAAP information. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these estimates, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable efforts.

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About Us

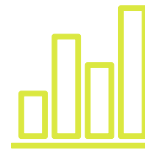
Elme at a Glance

We are a research-led multifamily owner and operator focused on elevating the living experience for the value-conscious renter by delivering on reliability, service, and innovation.



Affordable Rents

Value-oriented price points provide insulation from new supply and favorable long-term demand outlook



Operational Upside

Infrastructure transformation expected to yield significant operational benefits and efficiencies



Research-Led Capital Allocation

Investment strategy targets deepest segments of demand curve in outperforming markets



~3K Home Renovation Pipeline

Opportunity to renovate and generate solid cash-on-cash returns



Strong Resident Retention

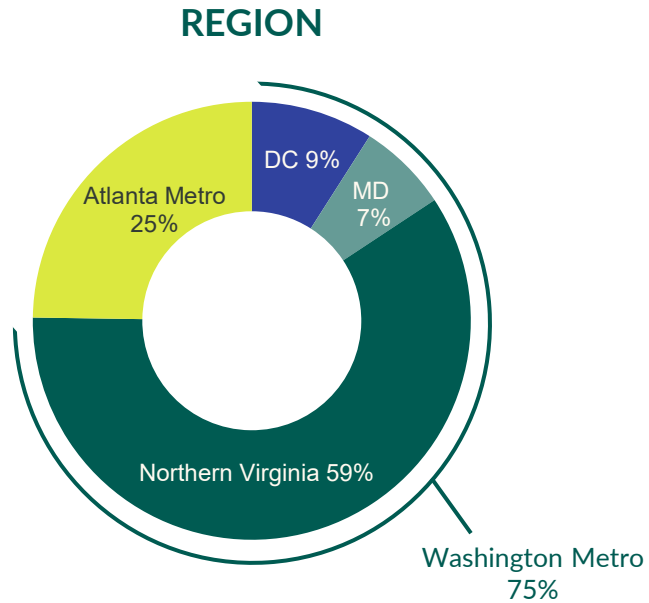
Exceptional customer service drove 65% retention in 2024



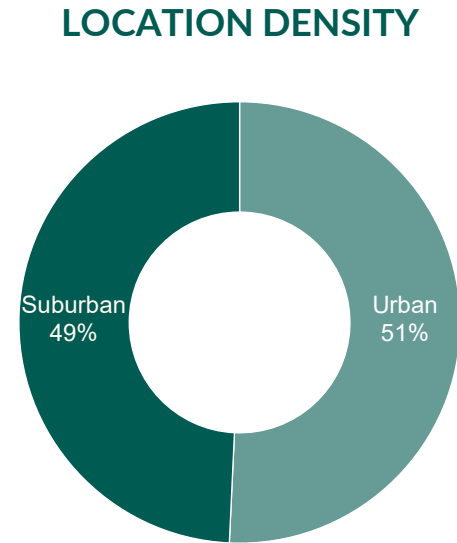
Investment-Grade Balance Sheet

Strong liquidity, a fully unencumbered balance sheet, and no scheduled maturities until 2026

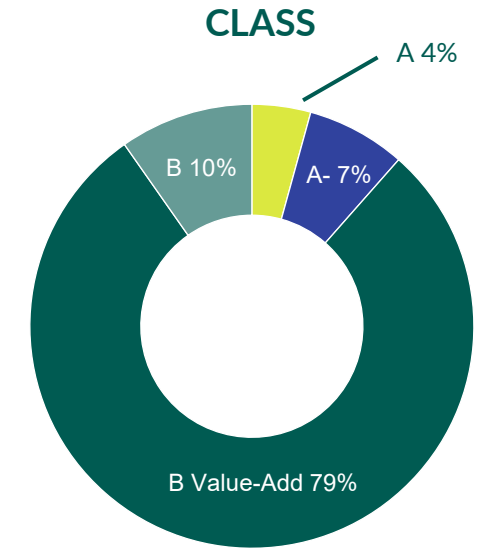
Apartment Portfolio Overview



~9,400
Apartment Homes



~3,000
5 Year Renovation Pipeline
(homes)



\$2.4 - 2.6M
Anticipated Operational Upside
(2025)

Charts are based on number of homes

Atlanta Metro Elme Communities

~22%

Median Rent to Income
New Residents / Q2 2024 – Q1 2025 Avg.

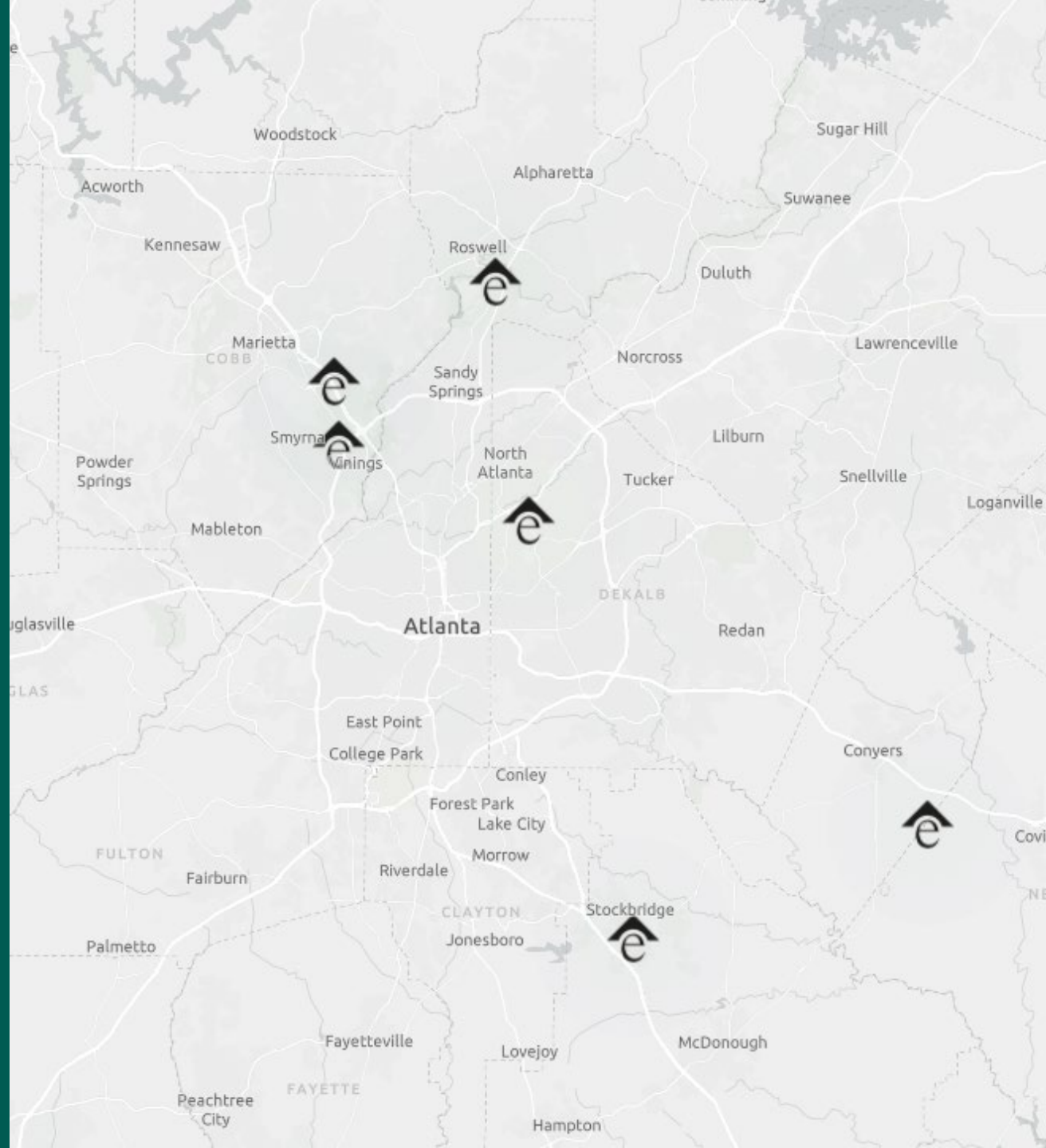
1.65

Average Household Size
as of March 2025

36.0

Average Resident Age
as of March 2025

Source: Elme Communities March 2025 demographic data
and Q1 2025 (rolling four quarters) income data.



Elme Marietta



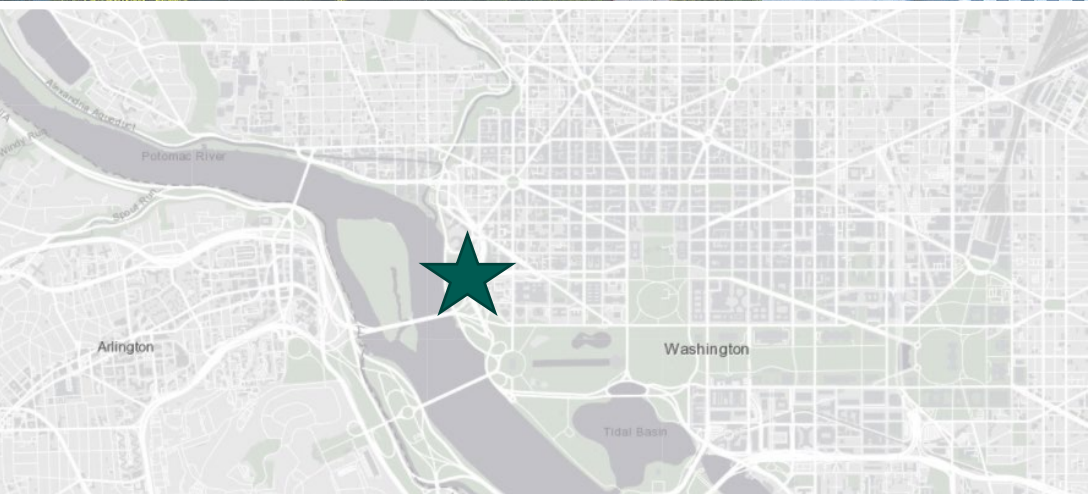
Elme Sandy Springs



Elme Druid Hills



Elme Cumberland



Watergate 600

- Watergate 600 has a high-quality institutional tenant base and a weighted average lease term of approximately 5.1 years
- As our sole remaining commercial asset, Watergate 600 is an iconic building with high quality institutional tenant base
- 2025 assumption: NOI is expected to range between \$11.5 million to \$12.25 million

300,000
NRSF

82.3%
Occupied
as of March 31, 2025

~5.1
WALT (Years)

MAJOR TENANTS



ATLANTICMEDIA

ML MOLOLAMKEN



Q1 2025 Update

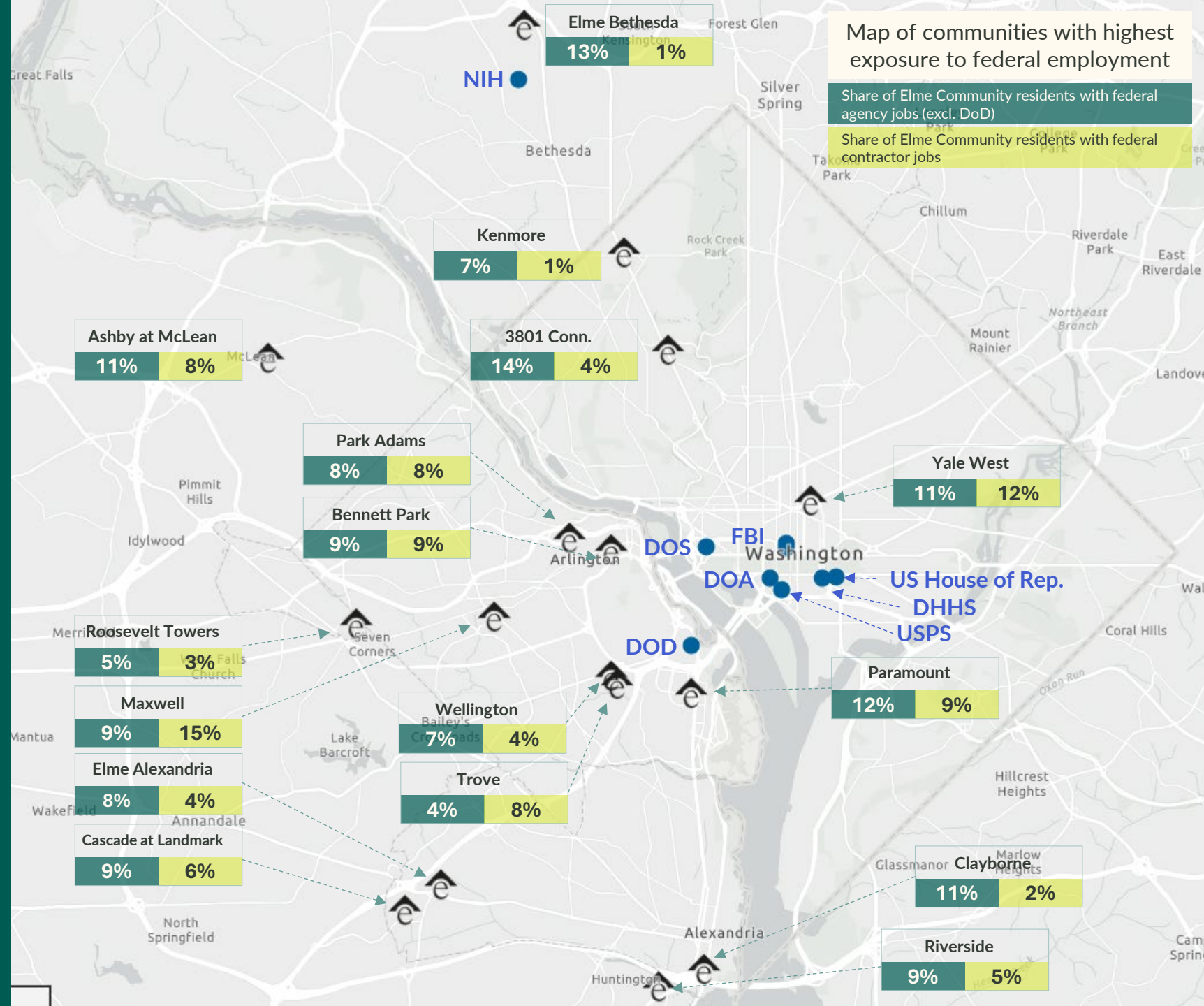
7.2%

Elme's Washington Metro residents with
non-DoD federal agency jobs¹

5.2%

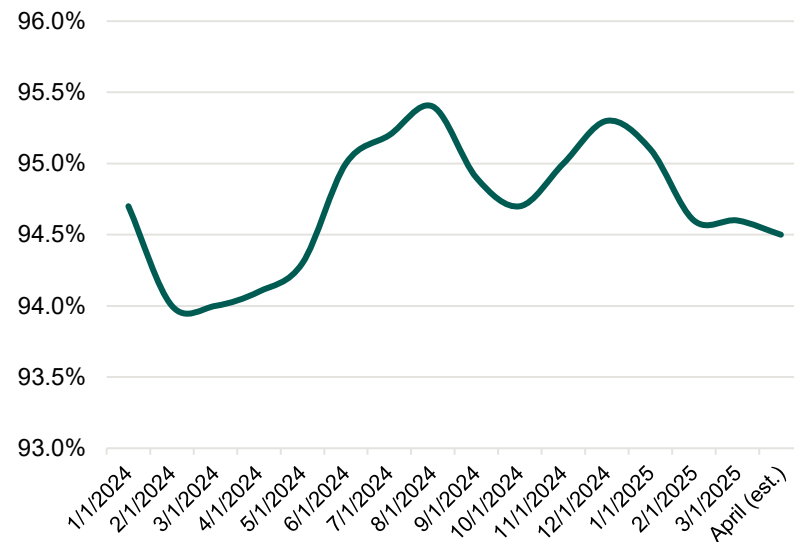
Elme's Washington Metro residents with
federal contractor jobs

*If we were to include Department of Defense jobs, the share would be approximately 11.8%, as Department of Defense jobs comprise ~38% of Elme's federal agency exposure in the Washington Metro as of April 2025.



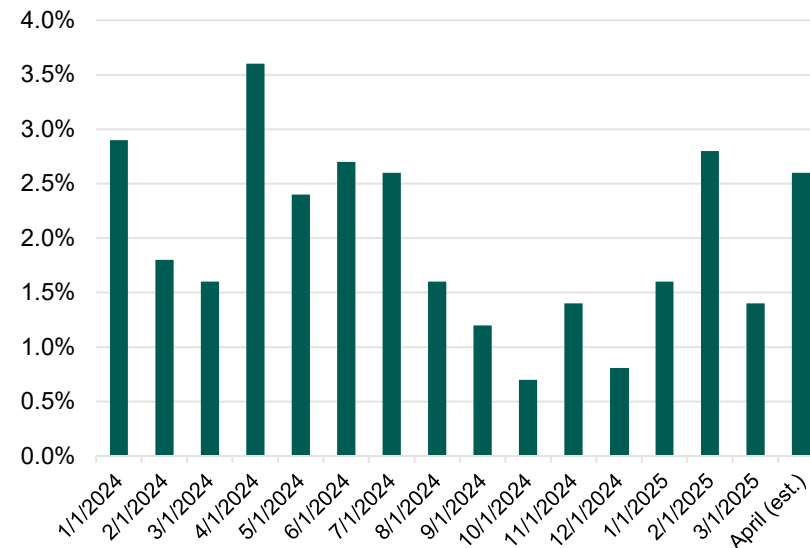
Same-store operating trends remain strong and seasonally aligned

Average Occupancy
2025 Same-store portfolio



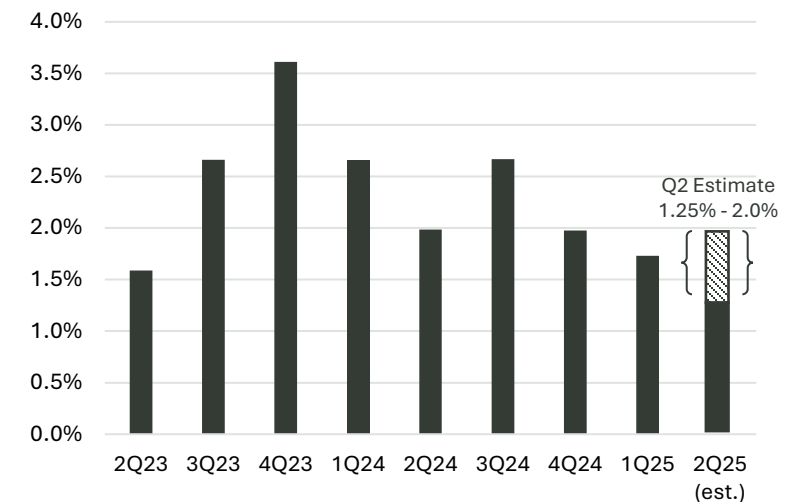
Same-store occupancy averaged 94.5% in April, up 40 bps year-over-year.

Effective Blended Lease Rate Growth
2025 Same-store portfolio



Effective blended lease rate growth is expected to be 2.6% in April, reflecting a typical seasonal increase compared to the Q1 25 average of 1.9%.

Quarterly Bad Debt to Revenue¹
2025 Same-store portfolio



Bad debt is expected to range from 1.25% to 2% in Q2 25, representing continued improvement year-to-date.

¹ Represents bad debt, reserves, and associated fees (e.g. late fees, reimbursements and early termination fees) as a percentage of revenue. Q2 2023 and Q3 2023 excludes Elme Druid Hills.

Operational improvements driving better performance and profitability



¹ This expectation is based on current assumptions, which may differ materially from actual results. While we believe our assumptions to be reasonable, we can provide no assurance that such assumptions are accurate nor that we will achieve NOI upside from our operational improvements to the extent suggested or at all; please see the forward-looking statements disclaimer in this Investor Presentation.

Renovations driving above-market growth

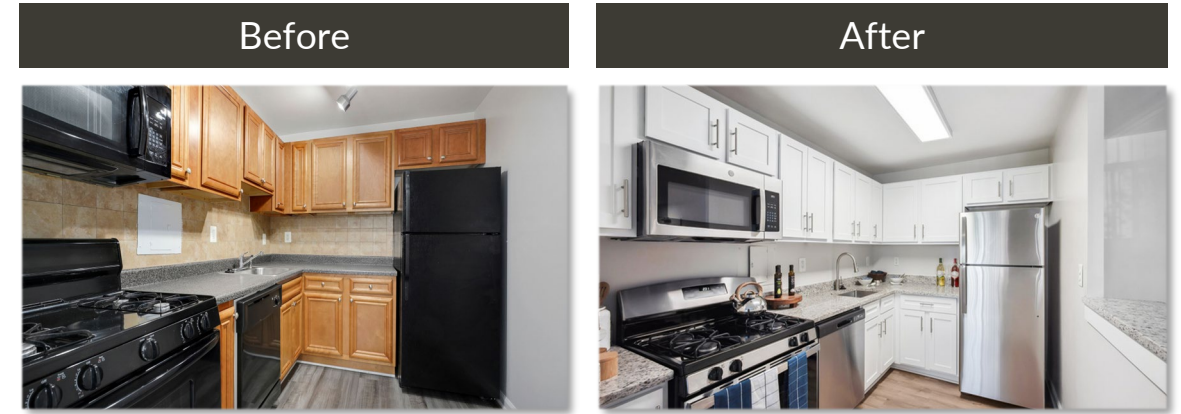
Our renovation pipeline of ~3,000 units represents more than enough runway to deliver renovation-led value creation for the foreseeable future.

ELME PROGRAM STRENGTHS:

Expertly Scoped: By customizing the scope of each program to match the specific submarket and individual asset, our renovation programs maximize our ROI by concentrating our spend on the most crucial improvements.

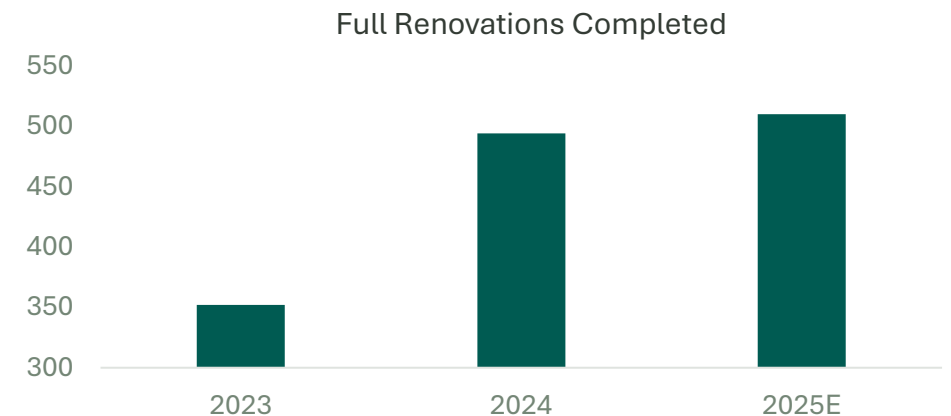
Flexible: By executing renovations as units turn, we can minimize downtime, maximize revenue, and maintain the flexibility to adjust the pace of renovations in response to changes in the market environment.

Strategic: Our programs range from opportunistic renovations targeting a higher-end demographic to value-oriented renovations designed for value-conscious renters seeking quality housing at a lower price point compared to Class A communities.



Cost Per Unit: \$5,000 (partial) - \$16,000 (full renovation)
Total 2025 Expected Spend: ~\$8.6 million

~18% ROI (Q1 25)



2025 Guidance and Assumptions^{1,4}

Core FFO per diluted share ²

\$0.91 - \$0.97

Same-store Multifamily Revenue Growth
Same-store Multifamily Expense Growth
Same-store Multifamily NOI Growth
Other same-store NOI ³

2.1% - 3.6%
2.75% - 4.25%
1.5% - 3.5%
\$11.5 million - \$12.25 million

Property Management Expense
G&A, net of core adjustments
Interest Expense

\$8.75 million - \$9.25 million
\$25.25 million - \$26.25 million
\$37.35 million - \$38.35 million

¹ Guidance and assumptions as of May 1, 2025. See slide 50 for guidance reconciliation.

² Does not consider any potential future acquisitions or dispositions in 2025

³ Consists of Watergate 600

⁴ Elme Communities' 2025 Core FFO guidance and outlook are based on a number of factors, many of which are outside the Company's control and all of which are subject to change. Elme Communities may change the guidance provided during the year as actual and anticipated results vary from these assumptions, but Elme Communities undertakes no obligation to do so.

Strong and Flexible Balance Sheet

Our investment grade balance sheet provides optionality and ample liquidity

BBB / Baa2

Investment Grade
Ratings

100%

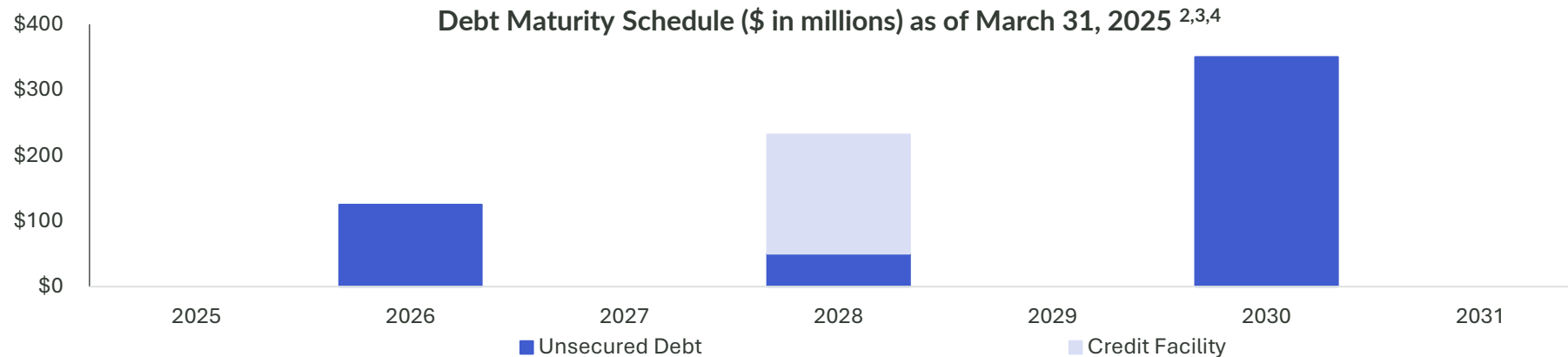
Unsecured Debt

5.6x

Net Debt to Adjusted
Annualized EBITDA¹

~64%

Capacity under the
amended credit
facility¹



1) As of March 31, 2025

2) On May 1, 2024, the Company executed \$150M notional amount of forward interest rate swaps effective January 10, 2025, through January 10, 2026, to fix a portion of our variable rate debt with all-in pricing of approximately 5.75%.

3) On July 10, 2024, we executed an amended and restated credit agreement that provides for a revolving credit facility of \$500M that matures in July 2028, with two six-month extension options.

4) On December 9, 2024, we executed the first of two 1-year extension options on the \$125M term loan, which is now set to expire on January 10, 2026.

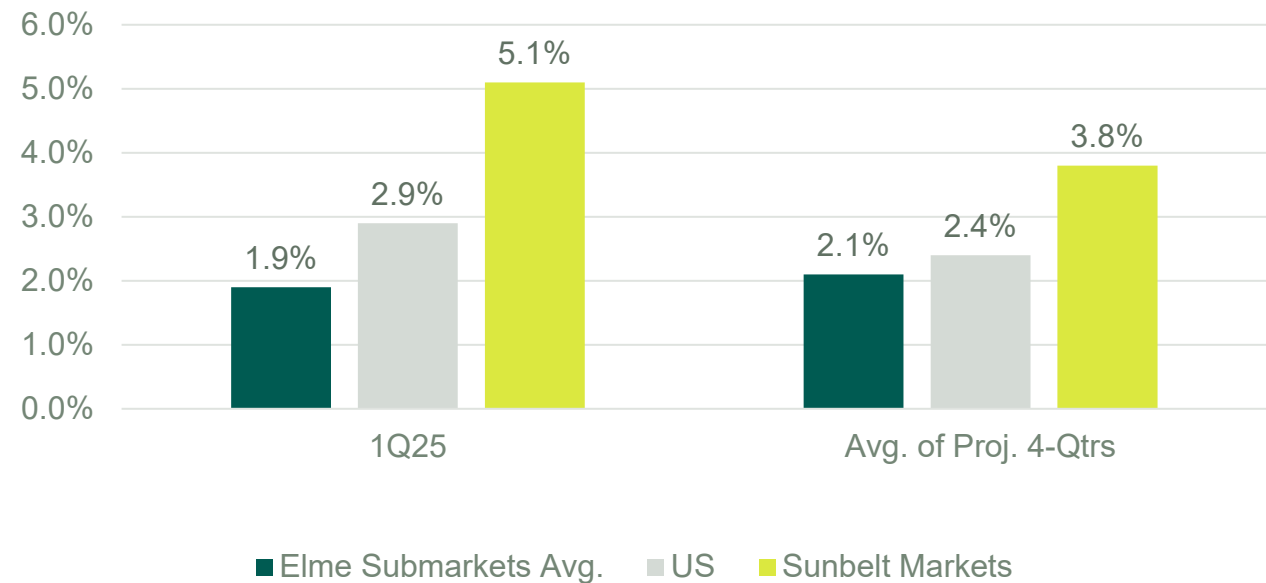


Current Market Dynamics

Annual Net Inventory Growth

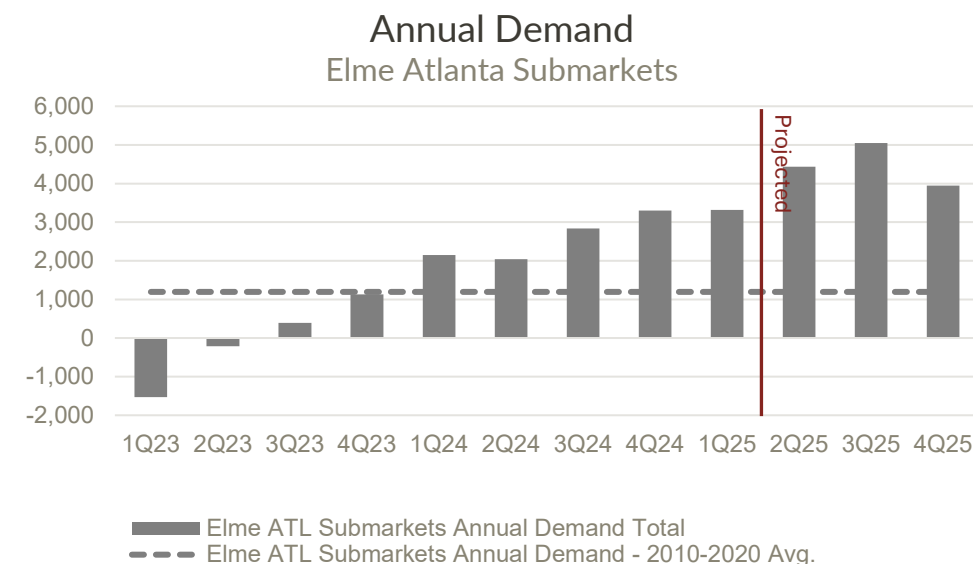
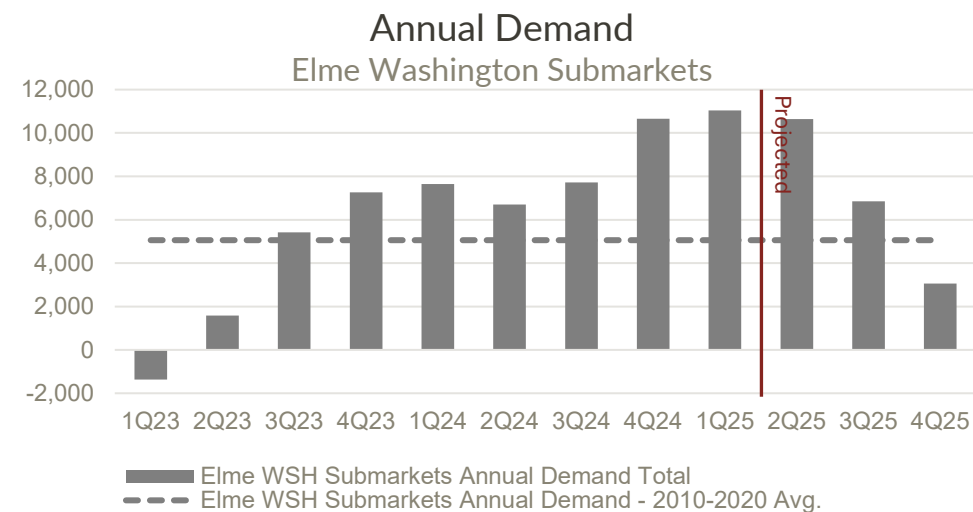
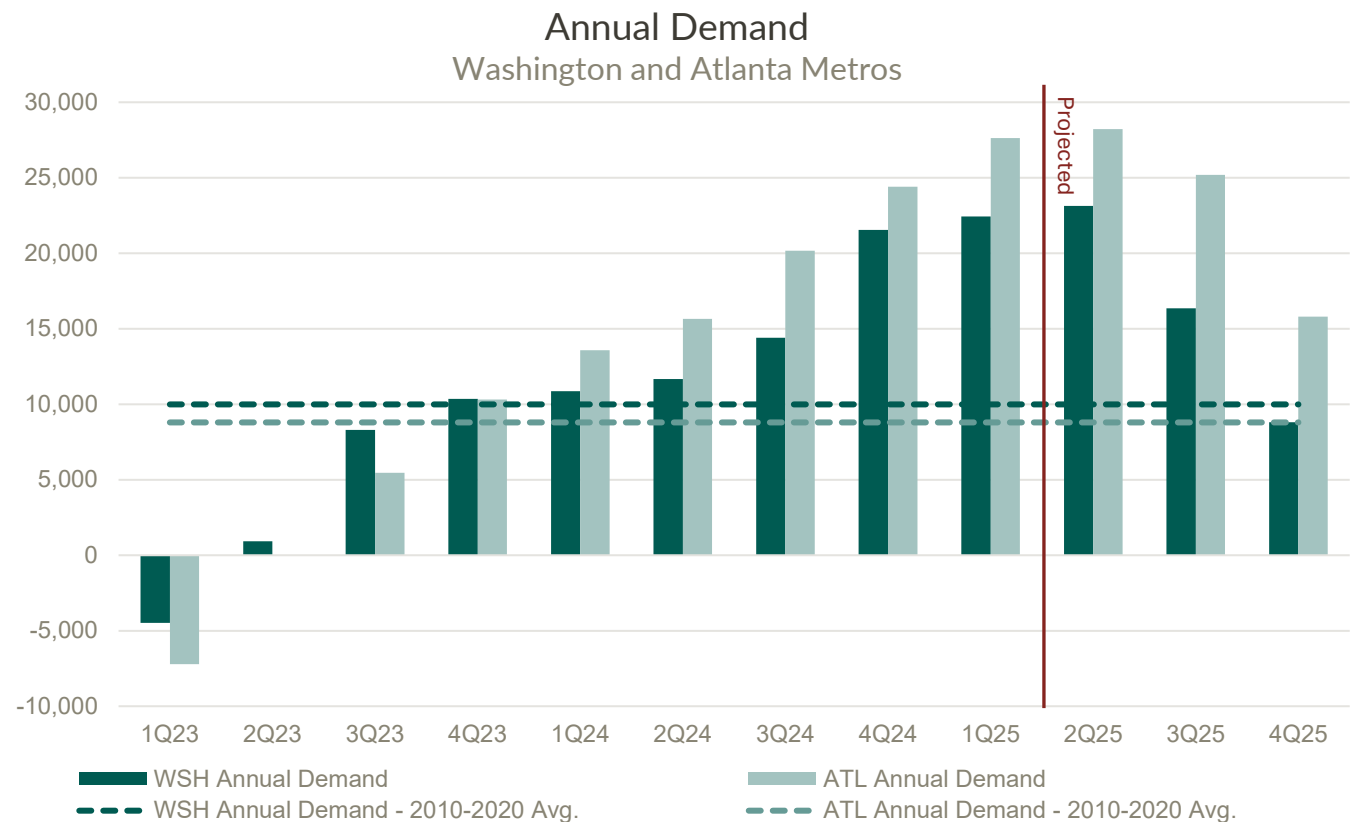
Relative to the US and Sunbelt Markets, Elme submarkets are expected to have lower supply pressure with a projected average of 2.1% annual net inventory growth over the next four quarters.

Annual Net Inventory Growth
Elme Submarkets, US, Sunbelt¹



¹Sunbelt markets include RealPage metros of Atlanta, GA; Austin, TX; Charlotte, NC-SC; Dallas and Fort Worth, TX; Fort Lauderdale, FL; Houston, TX; Miami, FL; Las Vegas, NV; Nashville, TN; Orlando, FL; Phoenix, AZ; Raleigh/Durham, NC; San Antonio, TX; Tampa, FL; and West Palm Beach, FL.
Source: RealPage Q1 2025 data and forecasted data as of Q2 2025.

Absorption Outlook



Source: RealPage Q1 2025 data and forecasted data as of Q2 2025.

Annual absorption in the Washington and Atlanta metro markets, as well as in our submarkets, is strong and projected to exceed long-term averages through most of 2025.

Construction Activity Outlook

Units under construction declined by 54% and 56% in the Washington and Atlanta metros respectively, relative to their recent peaks.

Annual unit starts declined by 74% and 73% in the Washington and Atlanta metros respectively, relative to their recent peaks.

		Units Under Construction		Annual Unit Starts	
WSH Metro	↓	-54%	change since peak in 3Q '22	-74%	change since peak in 3Q '22
ATL Metro	↓	-56%	change since peak in 1Q '23	-73%	change since peak in 3Q '22

Source: RealPage Q1 2025 data.



Research-Led Capital Allocation

Competitive Differentiation

We have a disciplined strategy targeting the deepest part of the demand curve, in economically dynamic markets and submarkets. These generators of strong demand coupled with price point supply insulation result in a track record of rent growth outperformance in our targeted vintages of assets. Our strategies are designed to harness these market dynamics for long-term rental growth.



Long-Term Residents Drawn by Relative Affordability

	Median HH Income ¹ <i>New Residents</i>	Median Rent to Income ¹ <i>New Residents</i>	Avg. Age ² <i>Current Residents</i>	Avg. Tenure ² <i>Current Residents</i>
Washington Metro Portfolio	~\$98,600	~23.2%	36.7	2.92
Atlanta Metro Portfolio	~\$75,300	~22.0%	36.0	2.28
Elme Portfolio	~\$93,000	~23.1%	36.5	2.77

Median Home Price in Elme Zip Codes ³	Cost to Own Entry-Level Home vs. Rent at Elme ³	Move Outs to Purchase a Home ⁵
~\$697,000	~1.75X up to \$2,800 ⁴ spread across our zip codes	~4.5%
~\$446,000	~1.66X up to \$1,700 spread across our zip codes	~10.5%
		~6.3%

¹Average of trailing four quarters, Q2 2024 through Q1 2025;

²As of March 31st, 2025;

³Zip code median sale price data from Redfin Market Insights (average of January 2025 and February 2025 due to release lag); Elme in-place rents from Elme Communities; other mortgage payment assumptions from third-party websites; estimated monthly mortgage payment based on median sale price discounted 10% and assumes 30-year fixed interest rate at 6.65% as of end of March 2025, inclusive of taxes and insurance;

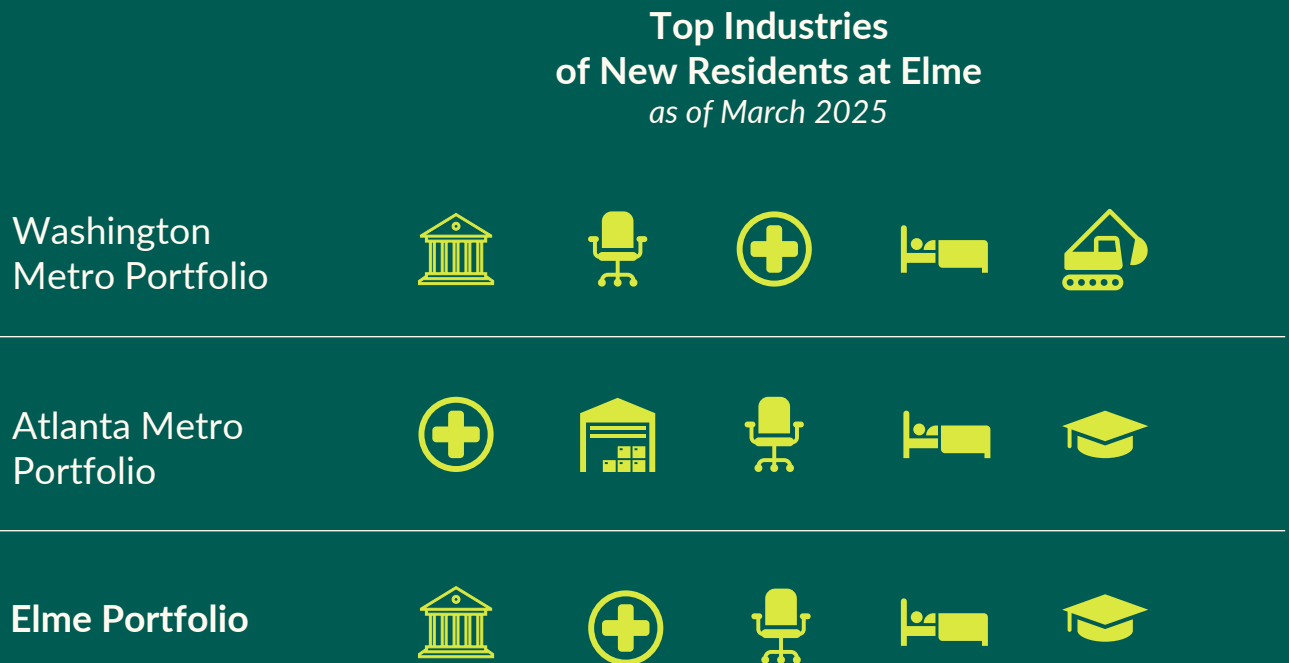
⁴Maximum spread excludes spreads around The Ashby at McLean and The Kenmore, each ~\$8,780 and ~\$4,730 respectively;

⁵Q1 2025.

Our residents represent a demographic that values flexibility and a lower financial burden than owning, which living at our communities offers.

Elme Residents: Stable Employment Near Our Communities

Our residents are employed in stable to high-growth industries and enjoy the convenience of living strategically near their workplaces.



Approximately 66% of new move-ins as of March commute to work in 30 minutes or less.

Key Desirable Strengths in Northern Virginia

Approximately 60% of Elme's multifamily homes are in Northern Virginia. Our NoVa communities have a weighted net inventory growth rate of just 1.1% projected over the next four quarters.² NoVa's dynamic economy continues to be the growth engine of the Washington, DC region and our portfolio.

NoVa Growth Engine of Washington Metro:

Economic Opportunities: Robust job market, in technology, government, defense sectors

High Income Levels: Highest income areas in Virginia

Educational Attainment: Excellent school districts and universities

Accessibility and Proximity to DC: Well-located and highly accessible

Quality of Life: High standard of living



~23.3% / ~\$98K

Median Rent to Income / Median HH Incomes⁴

~40% / ~26%

with Bachelor's / with Graduate Degree³

~51%

choose Elme Communities for location³

¹See Industry Legend on previous page.

²RealPage Q1 2025 data and forecasted data as of Q2 2025.

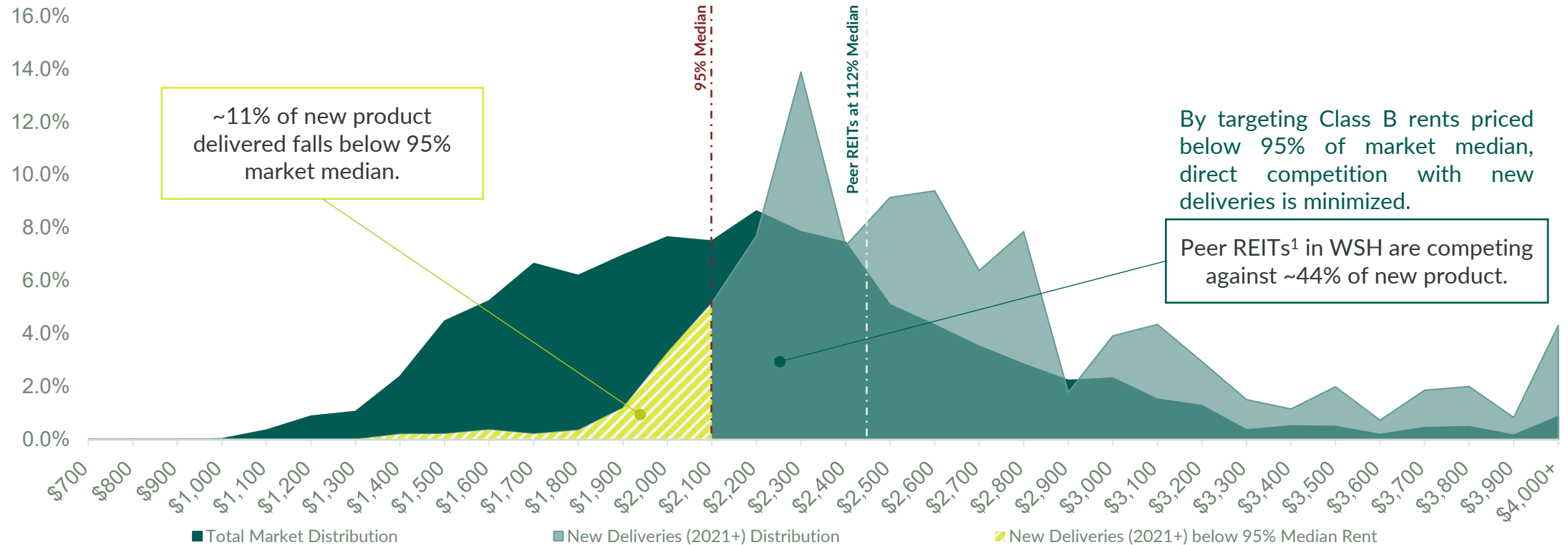
³New NoVa Residents as of March 31st, 2025.

⁴New NoVa Residents Q2 2024-Q1 2025 average.

Source: Elme Communities demographic data, as of March 31st, 2025, and income data as average of trailing four quarters, Q2 2024 through Q1 2025.

Price Point Insulation from New Supply

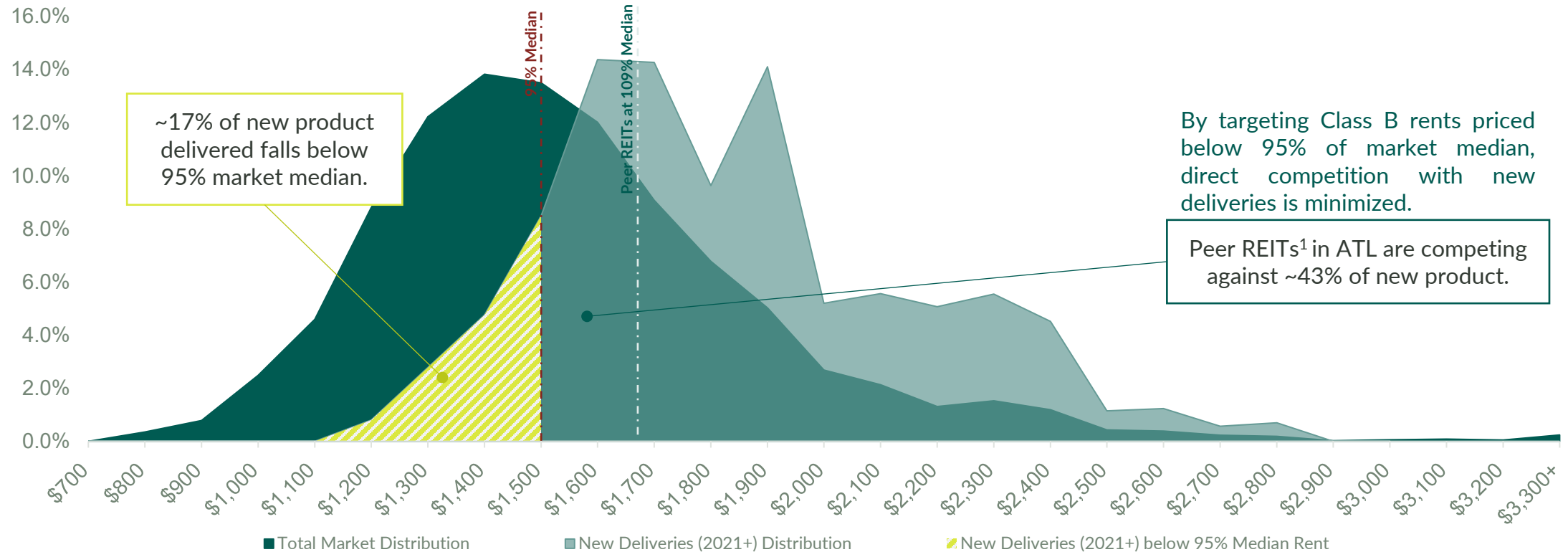
Total Market Rent Distribution vs. New Product (2021+) Deliveries
WSH Metro – Q1 2025



Our disciplined approach to market pricing positioning of our community acquisitions provides considerable mitigation of supply pressures from new product, while simultaneously maintaining an affordability gap, enabling targeted renovation programs.

Price Point Insulation from New Supply

Total Market Rent Distribution vs. New Product (2021+) Deliveries
Atlanta Metro – Q1 2025



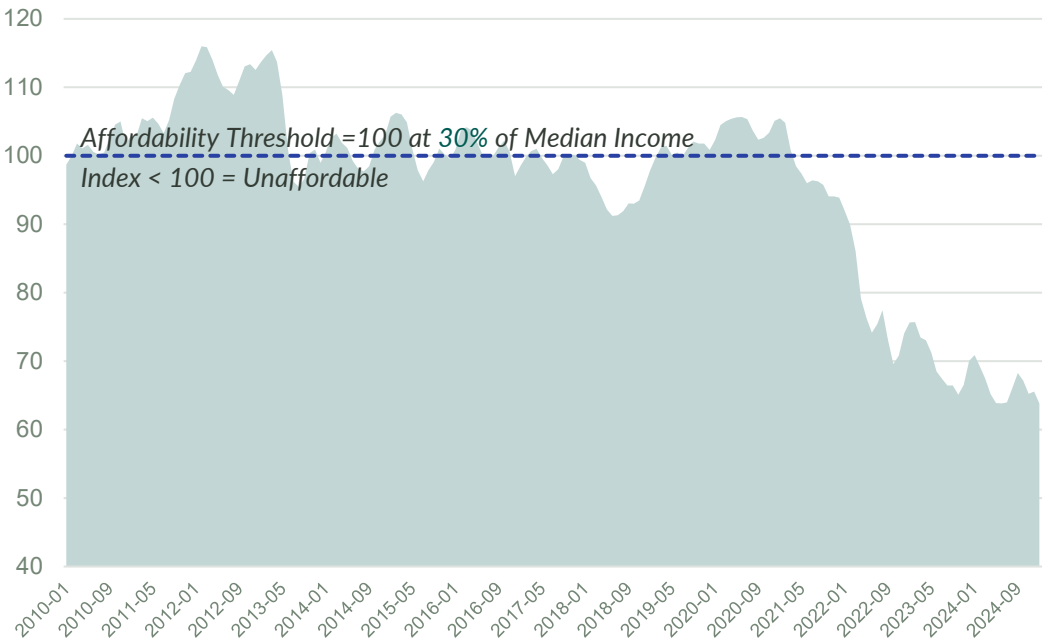
Our disciplined approach to market pricing positioning of our community acquisitions provides considerable mitigation of supply pressures from new product, while simultaneously maintaining an affordability gap, enabling targeted renovation programs.

Affordability and Target Vintage Rent Growth Outperformance

Housing affordability is under pressure – especially for our target residents. Additionally, Class B¹ product is insulated from new supply, with affordability gap between 20% to ~60% in additional monthly rent to move to new product.

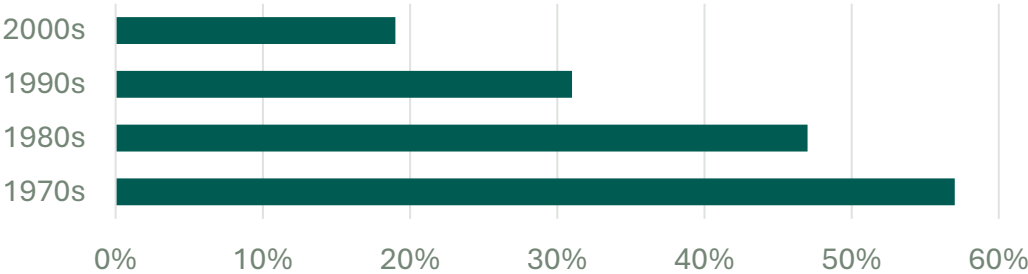
Mid-Market Renters Priced Out of Homeownership Nationally

Federal Reserve Bank of Atlanta NHOW Monitor National; Jan 2010 – Jan 2025



Rent Premium %

2020+ Product vs. Class B Vintages; Q2 2020-Q1 2025



Class B Vintage Outperformance

Spread in Averages of YoY Eff Rent Growth
Class B vs. All Product & Class B vs. Class A; Q2 2020-Q1 2025

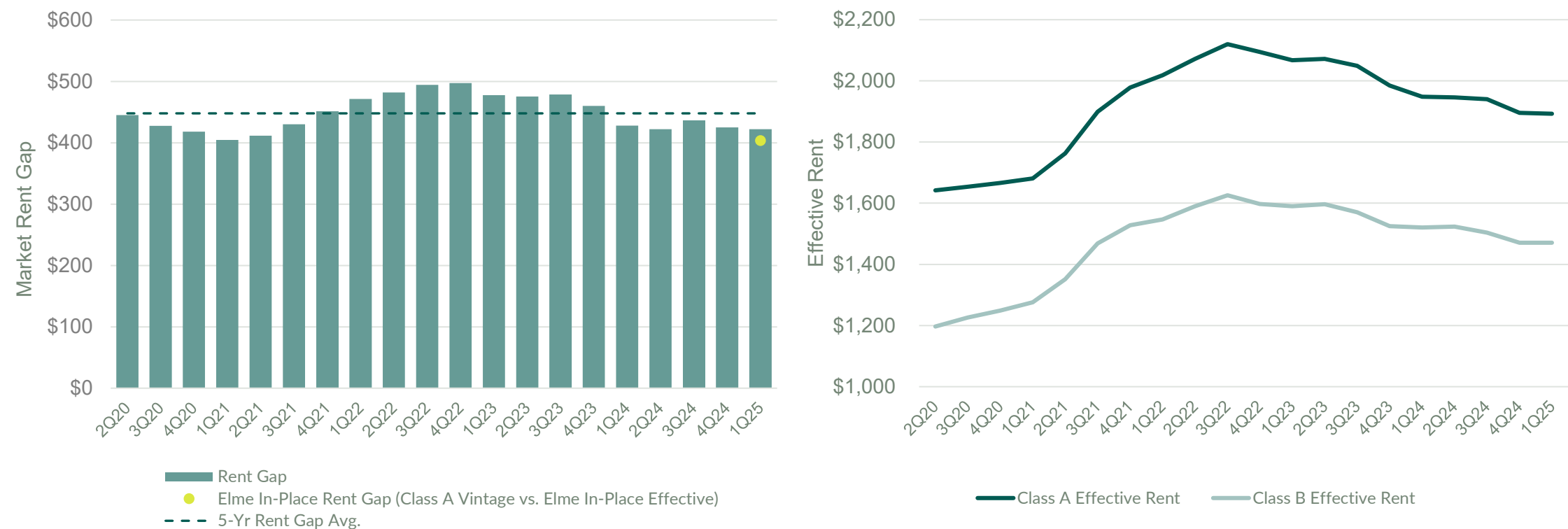
WSH	ATL
79 bps relative to all product / 97 bps relative to Class A	54 bps relative to all product / 178 bps relative to Class A

Our mid-market focus is well positioned in a period of decreased affordability and increased supply pressure.

¹Class A product defined as product delivered in 2010+; Class B product defined as vintage built in the 2000s, 1990s, 1980s, and 1970s.
Source: RealPage Q1 2025 data; Home Ownership Affordability Monitor data from Federal Reserve Bank of Atlanta.

Affordability Gap in the Atlanta Market

Rent Gap and Quarterly Effective Rent
Class B Vintage vs. Class A Vintage¹
Q2 2020 through Q1 2025

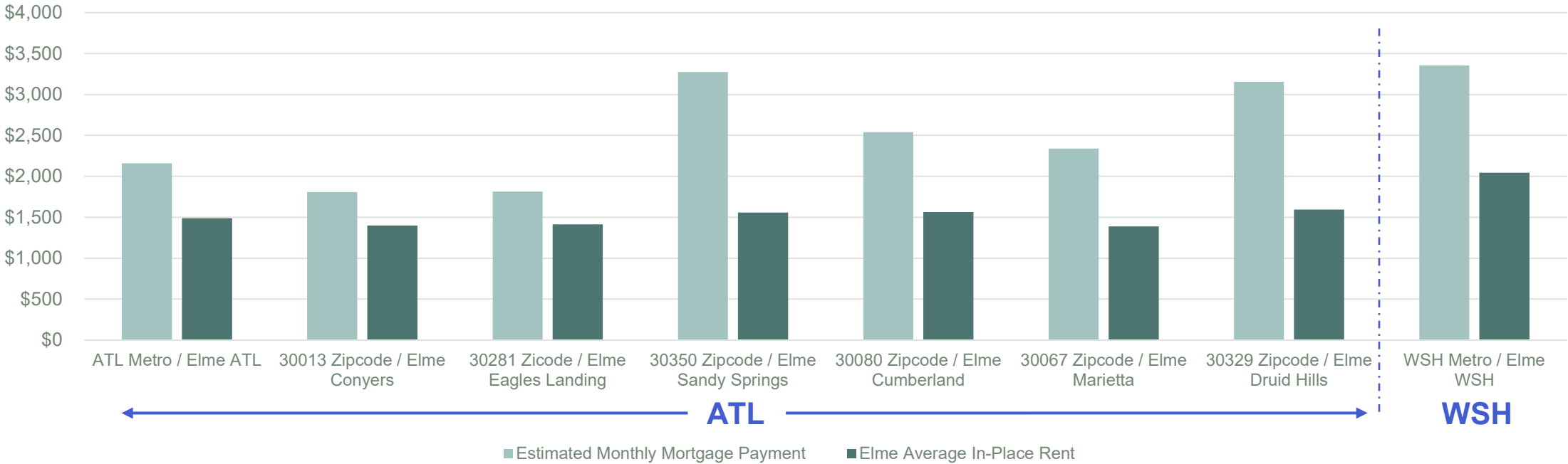


In Q1 of 2025, the rent gap between Class A vintage and Class B vintage in the Atlanta market was ~\$420 in monthly effective rent. Compared to Elme's Atlanta in-place effective rent, the rent gap was ~\$400.

¹Class A product defined as product delivered in 2010+; Class B product defined as vintage built in the 2000s, 1990s, 1980s, and 1970s.
Source: RealPage Q1 2025 data; Elme ATL rents from Elme Communities Q1 2025 data.

Elme Rent Vs. Cost to Own

Affordability Gap Between Renting and Owning
Monthly Mortgage Payment¹ and Elme In-Place Rent
Atlanta and Washington – Q1 2025



With a 20% down payment and current interest rates, the cost to own is significantly higher than renting at our communities. In our Atlanta submarkets, the average entry-level ownership premium is above \$1,000, while in Washington it is greater than \$1,100.

¹Estimated monthly mortgage payment based on median sale price discounted 10% and assumes 30-year fixed interest rate at 6.65% as of end of March 2025, inclusive of taxes and insurance.
Source: Washington and Atlanta metro median sale price data from NAR (Q3 2024 due to release lag) and zip code median sale price data from Redfin Market Insights (average of trailing 2-months of January and February 2025 due to release lag); Elme rents from Elme Communities Q1 2025 data; other mortgage payment assumptions from third-party websites.



Multifamily Strategies & Target Market

Portfolio Strategies

We target submarkets with attributes we believe are most likely to drive rent growth, tailoring our specific investment strategy to best create value.

CLASS A-

VINTAGE:	2000s
PRICE POINT:	100% – 110% of market median rent
RENT GROWTH DRIVERS:	Operational improvements, unit upgrades, prop-tech, submarket rent growth, future renovations



CLASS B VALUE-ADD

VINTAGE:	1980s, 1990s, 2000s
PRICE POINT:	80% – 95% of market median, pre-renovation rent
RENT GROWTH DRIVERS:	Operational improvements, full renovations, submarket rent growth



CLASS B

VINTAGE:	1980s, 1990s, 2000s
PRICE POINT:	80% – 95% of market median
RENT GROWTH DRIVERS:	Operational improvements, submarket rent growth, future renovations



Primary Resident Segmenting and Strategy

We target a diverse set of renters across markets and prices creating greater portfolio stability and strength.

CLASS A-

- Mix of single householders and married couples in their mid-20s to late-30s.
- Environmentally, health, and image conscientious — all impacting their purchasing decisions.
- Household income is generally between \$80,000 – \$100,000, varying by market.

Renters are partial to city living and convenience — our Class A- strategy focuses on urban and suburban assets that are perceived as a value play to renters.

CLASS B VALUE-ADD

- Diverse mix of families and singles, some with roommates.
- Characterized by careful spending — but with different drivers: some residents tend to be price savvy but will pay for brands they trust, while others carefully balance spending with student loans or retirement funds.
- Household income generally between \$70,000 – \$90,000, varying by market.

Renters are savvy and look for both value and social alignment — our Class B Value-Add strategy provides upgraded living at affordable prices.

CLASS B

- Mix of life stages — from new college graduates to retirees, and a mix of education and jobs — from blue collar workers to new college graduates.
- Characterized as careful spenders due to their limited incomes, Class B renters are hard working and striving to get ahead.
- Household income generally between \$65,000 – \$85,000, varying by market.

Renters are price-conscious and hard working — our Class B strategy appeals to the largest rental cohort with broad demographic characteristics who are long-term renters.

Execution Track Record Continues

Since 2013, we completed ~\$5.1 billion of strategic portfolio transactions to significantly reduce concentrations of non-core retail and office assets, while becoming a value-oriented multifamily company.

In 2019, our research-led suburban multifamily Elme (formerly known as Assembly) portfolio acquisition added value to our portfolio and outperformed our expectations during the pandemic.

In 2020, we leveraged a covered land site to deliver Trove, a 401-home, Class A project 1.5 miles from Amazon HQ2, at a >30% total basis discount to current value.

In 2021-2023, we initiated our geographic expansion and have since closed on six acquisitions in Atlanta and continue to pursue additional value-add opportunities.

\$1.6 Billion of Value-Oriented Multifamily Investments since 2015





Environmental, Social, Governance

Demonstrating Leadership in ESG

We believe that sustainable and healthy buildings should be available to all price points, including the value living sector.



In Q3 of 2024, Elme became an EPA ENERGY STAR® Partner, affirming our commitment to promoting energy efficiency within the management of our communities and for our residents.

8 properties received ENERGY STAR Certifications in 2024



Electric Vehicle Charging

43%

Homes have access to EV Charging Equipment¹

¹ Calculated by number of homes

² Calculated by floor area of our communities



1.1M SF of communities certified to Fitwel Health & Wellness Standards



Achieved ENERGY STAR Certifications at over 37% of communities²



75%

Multifamily communities currently holding one or more sustainability certification²



Achieved Green Lease Leaders Gold



Reporting and Ratings

Improving our ESG Ratings¹

- **MSCI:** In Feb 2025, we upgraded to an A rating within MSCI's ESG Ratings Program, demonstrating our continued efforts and success deploying a holistic ESG program.
- **ISS:** In 2024, we achieved a "Prime" status within the ISS Corporate ESG Performance program.
- **Sustainalytics:** In 2024, our Sustainalytics ESG Risk Profile decreased to 9.8, and we received a "Negligible Risk" rating when it comes to ESG, helping investors feel confident in our REIT.
- **GRESB:** Over the years, we saw an increase in our GRESB score by over 30 points thanks to our teams' efforts and focus on ESG across all departments. In 2023, we filed for the first time as a multifamily company, and despite being in a new and highly competitive peer group, continued to achieve "Green Star" recognition with a score of 76, outperforming GRESB averages. We will be submitting for the GRESB assessment in 2025.

¹ Historical ESG Ratings may reference the Company's former name and ticker, "Washington Real Estate Investment Trust" or "WRE", respectively.

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MSCI
ESG RATINGS

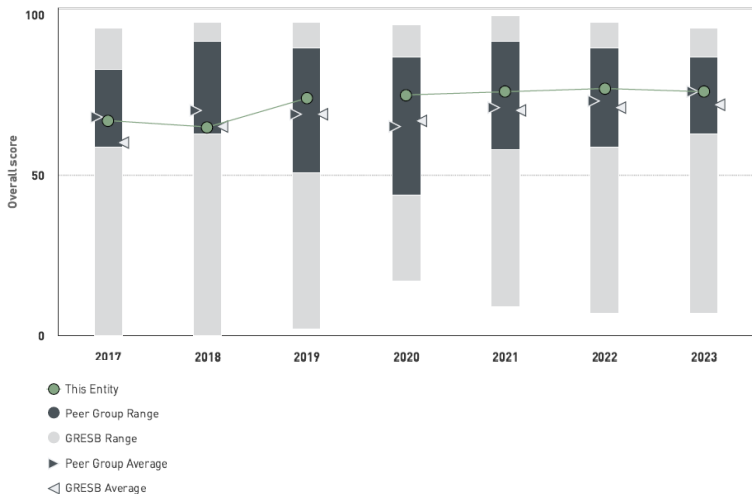


CCC	B	BB	BBB	A	AA	AAA
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Corporate ESG
Performance

Prime

RATED BY
ISS ESG



Our Commitment to Financial Inclusion

Our partnership has provided **\$461,000+** in rent support, established **1,100+** credit scores, and we have **13,300+** residents reporting¹



99%² Homes affordable to households earning the Area Median Income (AMI)

94% Homes affordable to households earning 80% of AMI

42% Homes affordable to households earning 60% of AMI

We aim to increase the availability and equality of financial service opportunities, remove barriers to the financial sector, and enable individuals to improve their financial wellbeing.



To that end, we have launched a partnership with **Esusu**. Through this partnership, 100% of Elme Communities will be reporting on-time rent payments (but never delinquencies) for participating residents to all three credit bureaus every month, helping residents build credit just by living with us. Additionally, all residents can apply for interest-free housing stability loans through the program, covering up to three months of rent during times of need.

¹ Metrics through March 2025

² Percentages of homes affordable are based on average rents by community by apartment type as of Dec 2024

Our Commitment to the Environment

We are delivering on opportunities to bring clean energy to the value living sector.

Solar Production

1,502,193 kWh

Solar Production through
Q1 2025

>2,024,000

Lbs. of GHG
Emissions Avoided

+15,000

Equivalent Number of
Trees in Sequestered
Carbon

>\$440,000

Net Sales of Solar
Renewable Energy
Certificates (SRECs)

>\$167,000

Avoided Utility Costs by
Powering Our Own
Communities

*Updated through Q1 2025



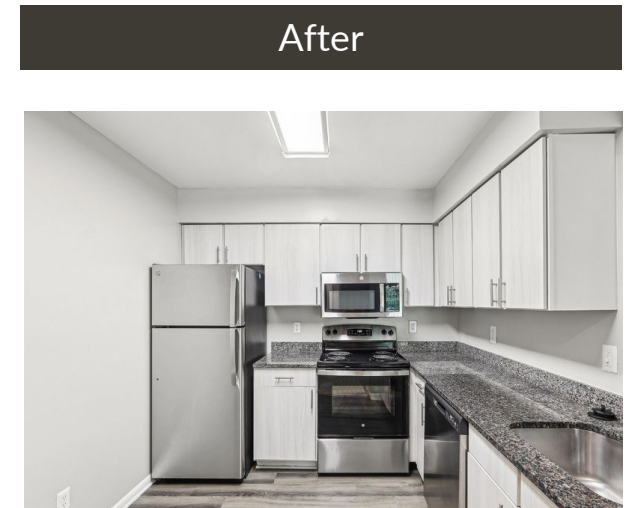
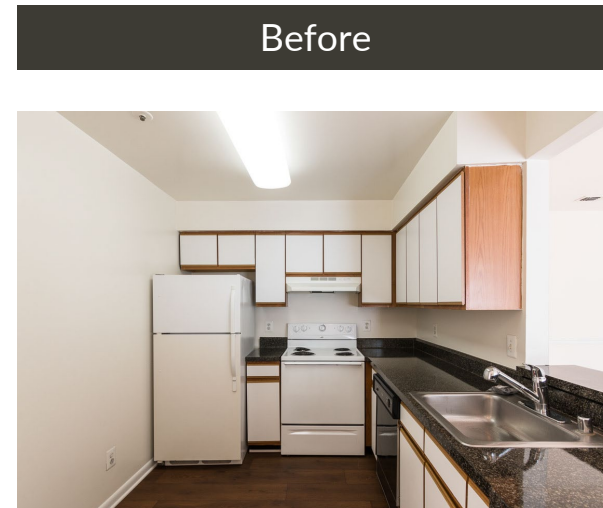


Appendix

Renovation Case Study: Elme Manassas

Creating value through renovations that impact resident experience and margin expansion

	Acquired (2019)	10/31/2024	Change
Revenue (T12)	\$6.8M	\$8.8M	29.5%
NOI (T12)	\$4.4M	\$6.0M	37.7%
NOI Margin	64.0%	68.1%	+ 406 bps
Avg. Eff. Monthly Rent	\$1,402	\$1,805	28.7%
Economic Occ % (TTM)	91.6%	95.1%	3.5%



239
Completed
Renovations
*59% of Homes
(as of October 2024)*

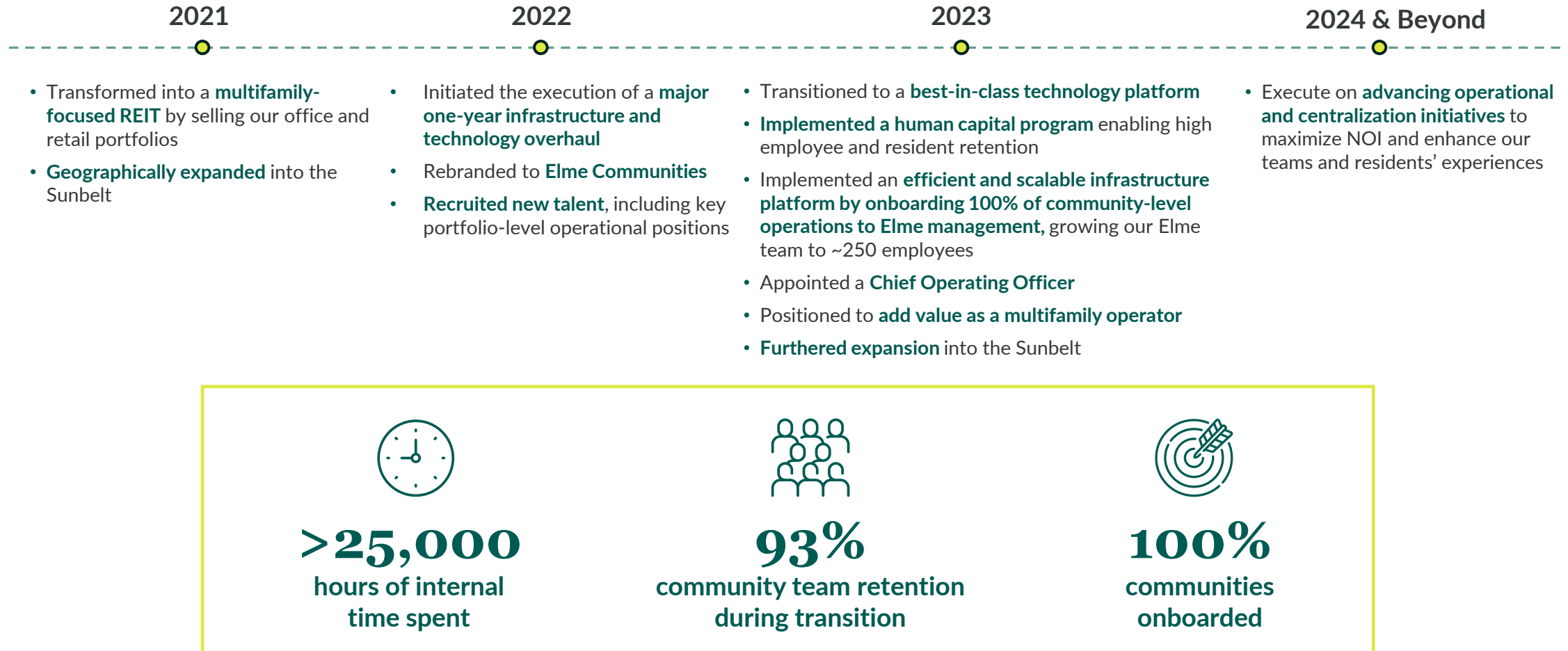
\$3.3M
Renovation
Investment
Since 2019

\$205
Avg. Monthly
Renovation Rent
Premium

18%
Renovation
ROI
*(excluding market rent
growth on comparable units)*

4%
NOI Margin
Expansion

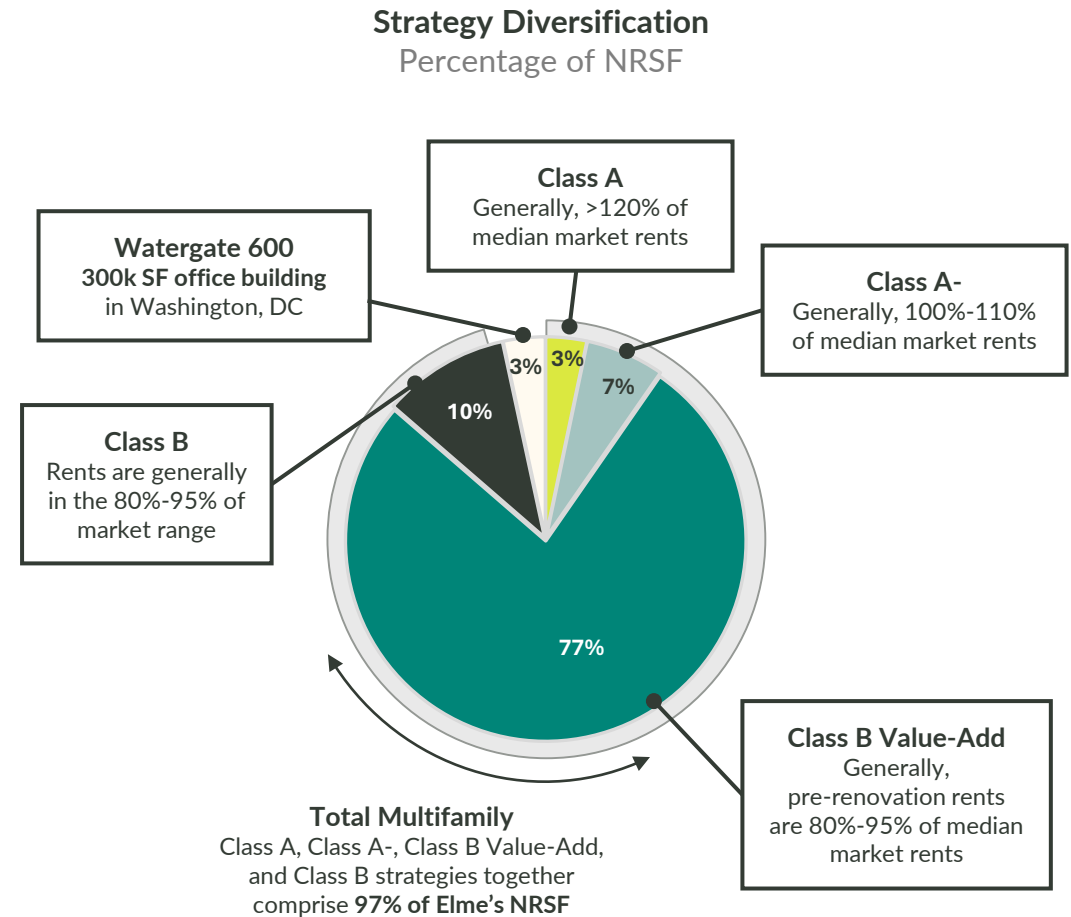
Strategic Transformation



The completion of our strategic transformation positions us to focus on adding value as a multifamily operator.

Community Details

Properties	Location	Class	Homes	NRSF (000s)
Cascade at Landmark	Alexandria, VA	B Value-Add	277	273
Clayborne	Alexandria, VA	A-	74	60
Elme Alexandria	Alexandria, VA	B Value-Add	532	437
Riverside Apartments	Alexandria, VA	B Value-Add	1,222	1,001
Bennett Park	Arlington, VA	A-	224	215
Park Adams	Arlington, VA	B Value-Add	200	173
The Maxwell	Arlington, VA	A-	163	116
The Paramount	Arlington, VA	B	135	141
The Wellington	Arlington, VA	B Value-Add	710	600
Trove	Arlington, VA	A	401	293
Roosevelt Towers	Falls Church, VA	B Value-Add	191	170
Elme Dulles	Herndon, VA	B Value-Add	328	361
Elme Herndon	Herndon, VA	B Value-Add	283	221
Elme Leesburg	Leesburg, VA	B Value-Add	134	124
Elme Manassas	Manassas, VA	B Value-Add	408	390
The Ashby at McLean	McLean, VA	B Value-Add	268	27
3801 Connecticut Avenue	Washington, DC	B Value-Add	307	178
Kenmore Apartments	Washington, DC	B Value-Add	371	268
Yale West	Washington, DC	A-	216	173
Elme Bethesda	Bethesda, MD	B	193	225
Elme Watkins Mill	Gaithersburg, MD	B	210	193
Elme Germantown	Germantown, MD	B Value-Add	218	211
Elme Conyers	Conyers, GA	B	240	228
Elme Marietta	Marietta, GA	B Value-Add	420	415
Elme Sandy Springs	Sandy Springs, GA	B Value-Add	389	506
Elme Cumberland	Smyrna, GA	B Value-Add	270	321
Elme Eagles Landing	Stockbridge, GA	B Value-Add	490	534
Elme Druid Hills	Atlanta, GA	B Value-Add	500	477
Total // Stabilized Multifamily Communities			9,374	8,578
Watergate 600	Washington, DC	-	N/A	300



Financials from Q1 2025 Supplement

Consolidated Statements of Operations (In thousands, except per share data) (Unaudited)



	Three Months Ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
OPERATING RESULTS					
Revenues					
Real estate rental revenue	\$ 61,493	\$ 61,264	\$ 61,055	\$ 60,103	\$ 59,513
Expenses					
Property operating and maintenance	(14,175)	(14,727)	(14,095)	(13,996)	(13,464)
Real estate taxes and insurance	(7,819)	(8,015)	(8,163)	(7,986)	(8,255)
Property management	(2,246)	(2,233)	(2,235)	(2,175)	(2,218)
General and administrative	(9,229)	(6,281)	(6,354)	(6,138)	(6,196)
Depreciation and amortization	(23,239)	(23,623)	(23,474)	(23,895)	(24,943)
	<u>(56,708)</u>	<u>(54,879)</u>	<u>(54,321)</u>	<u>(54,190)</u>	<u>(55,076)</u>
Real estate operating income	4,785	6,385	6,734	5,913	4,437
Other (expense) income					
Interest expense	(9,460)	(9,400)	(9,557)	(9,384)	(9,494)
Loss on extinguishment of debt	—	—	(147)	—	—
Other income	—	—	—	—	1,410
Net loss	<u>\$ (4,675)</u>	<u>\$ (3,015)</u>	<u>\$ (2,970)</u>	<u>\$ (3,471)</u>	<u>\$ (3,647)</u>
Per Share Data:					
Net loss	\$ (0.05)	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ (0.04)
Fully diluted weighted average shares outstanding	88,064	87,955	87,930	87,910	87,885
Percentage of Revenues:					
General and administrative expenses	15.0 %	10.3 %	10.4 %	10.2 %	10.4 %
Net loss	(7.6)%	(4.9)%	(4.9)%	(5.8)%	(6.1)%
Ratios:					
Adjusted EBITDA ⁽¹⁾ / Interest expense	3.3x	3.2x	3.2x	3.2x	3.1x

(1) Certain immaterial amounts in prior periods have been reclassified to conform with the current period presentation

(2) Adjusted EBITDA is a non-GAAP measure. See "Definitions" for the definition of Adjusted EBITDA.

Financials from Q1 2025 Supplement

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (In thousands) (Unaudited)



	Three Months Ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Adjusted EBITDA⁽¹⁾					
Net loss	\$ (4,675)	\$ (3,015)	\$ (2,970)	\$ (3,471)	\$ (3,647)
Add/(deduct):					
Interest expense	9,460	9,400	9,557	9,384	9,494
Real estate depreciation and amortization	23,239	23,623	23,474	23,895	24,943
Non-real estate depreciation	199	168	160	197	111
Severance expense	—	—	13	64	—
Structuring expenses ⁽²⁾	3,041	128	—	60	—
Loss on extinguishment of debt	—	—	147	—	—
Gain on land easements	—	—	—	—	(1,410)
Adjusted EBITDA	\$ 31,264	\$ 30,304	\$ 30,381	\$ 30,129	\$ 29,491

(1) Adjusted EBITDA is a non-GAAP measure. See "Definitions" for the definition of Adjusted EBITDA.

Financials from Q1 2025 Supplement

Consolidated Balance Sheets
(In thousands, except per share data)
(Unaudited)



	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Assets					
Land	\$ 383,808	\$ 383,808	\$ 383,808	\$ 383,808	\$ 383,808
Income producing property	2,004,162	1,999,525	1,986,596	1,976,127	1,966,412
	2,387,970	2,383,333	2,370,404	2,359,935	2,350,220
Accumulated depreciation and amortization	(640,061)	(618,299)	(595,533)	(573,054)	(550,421)
Net income producing property	1,747,909	1,765,034	1,774,871	1,786,881	1,799,799
Properties under development or held for future development	30,980	30,980	30,980	30,980	30,980
Total real estate held for investment, net	1,778,889	1,796,014	1,805,851	1,817,861	1,830,779
Cash and cash equivalents	6,396	6,144	4,840	5,629	4,199
Restricted cash	2,556	2,465	2,358	2,263	2,704
Rents and other receivables	12,206	12,511	12,676	12,575	12,886
Prepaid expenses and other assets	27,532	28,628	27,434	23,147	25,971
Total assets	<u>\$ 1,827,579</u>	<u>\$ 1,845,762</u>	<u>\$ 1,853,159</u>	<u>\$ 1,861,475</u>	<u>\$ 1,876,539</u>
Liabilities					
Notes payable, net	\$ 523,061	\$ 522,953	\$ 522,914	\$ 522,734	\$ 522,539
Line of credit	182,000	176,000	168,000	156,000	160,000
Accounts payable and other liabilities	31,082	36,293	36,295	37,283	31,112
Dividend payable	15,943	15,898	15,906	15,905	15,888
Advance rents	6,010	6,257	4,801	5,074	4,361
Tenant security deposits	6,282	6,283	6,270	6,334	6,235
Total liabilities	764,378	763,684	754,186	743,330	740,135
Equity					
Preferred shares, \$0.01 par value; 10,000 shares authorized	—	—	—	—	—
Shares of beneficial interest, \$0.01 par value; 150,000 shares authorized	882	880	880	880	880
Additional paid-in capital	1,741,220	1,740,078	1,739,319	1,737,941	1,736,524
Distributions in excess of net income	(666,713)	(646,095)	(627,186)	(608,310)	(588,923)
Accumulated other comprehensive loss	(12,467)	(13,066)	(14,323)	(12,651)	(12,365)
Total shareholders' equity	1,062,922	1,081,797	1,098,690	1,117,860	1,136,116
Noncontrolling interests in subsidiaries	279	281	283	285	288
Total equity	1,063,201	1,082,078	1,098,973	1,118,145	1,136,404
Total liabilities and equity	<u>\$ 1,827,579</u>	<u>\$ 1,845,762</u>	<u>\$ 1,853,159</u>	<u>\$ 1,861,475</u>	<u>\$ 1,876,539</u>

Financials from Q1 2025 Supplement

NAREIT Funds from Operations/ Adjusted Funds From Operations (In thousands, except per share data) (Unaudited)



	Three Months Ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Funds from operations (FFO)					
Net loss	\$ (4,675)	\$ (3,015)	\$ (2,970)	\$ (3,471)	\$ (3,647)
Real estate depreciation and amortization	23,239	23,623	23,474	23,895	24,943
NAREIT funds from operations (FFO)⁽¹⁾	18,564	20,608	20,504	20,424	21,296
Loss on extinguishment of debt	—	—	147	—	—
Severance expense	—	—	13	64	—
Structuring expenses ⁽²⁾	3,041	128	—	60	—
Gain on land easements	—	—	—	—	(1,410)
Core FFO⁽¹⁾	\$ 21,605	\$ 20,736	\$ 20,664	\$ 20,548	\$ 19,886
Allocation to participating securities ⁽³⁾	(89)	(50)	(78)	(79)	(80)
NAREIT FFO per share - basic	\$ 0.21	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24
NAREIT FFO per share - fully diluted	\$ 0.21	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24
Core FFO per share - fully diluted	\$ 0.24	\$ 0.24	\$ 0.23	\$ 0.23	\$ 0.23
Common dividend per share	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Average shares - basic	88,064	87,955	87,930	87,910	87,885
Average shares - fully diluted (for NAREIT FFO and Core FFO)	88,457	88,001	87,994	87,975	87,897

⁽¹⁾ See "Definitions" for the definitions of non-GAAP measures: NAREIT FFO and Core FFO.

⁽²⁾ Structuring expenses during Q1 2025 include advisory and legal services provided by third parties related to our previously announced formal strategic review alternatives and the previously disclosed cooperation agreement with Argosy-Lionbridge Management, LLC

⁽³⁾ Adjustment to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS

Financials from Q1 2025 Supplement

NAREIT Funds from Operations/ Adjusted Funds From Operations (continued)
(In thousands, except per share data)
(Unaudited)



	Three Months Ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Adjusted funds from operations (AFFO)⁽¹⁾					
NAREIT FFO⁽¹⁾	\$ 18,564	\$ 20,608	\$ 20,504	\$ 20,424	\$ 21,296
Non-cash loss on extinguishment of debt	—	—	147	—	—
Leasing commissions capitalized	—	(107)	(30)	—	—
Recurring capital improvements	(2,917)	(3,143)	(2,284)	(2,144)	(2,771)
Straight-line rent, net	80	41	26	25	15
Non-real estate depreciation and amortization of debt costs	1,271	1,303	1,326	1,259	1,170
Amortization of lease intangibles, net	(169)	(184)	(201)	(163)	(162)
Amortization and expensing of restricted share and unit compensation	1,373	1,504	1,578	1,045	1,090
AFFO⁽¹⁾	18,202	20,022	21,066	20,446	20,638
Non-share-based severance expense	—	—	13	64	—
Structuring expenses ⁽²⁾	3,041	128	—	60	—
Gain on land easements	—	—	—	—	(1,410)
Core AFFO⁽¹⁾	<u>\$ 21,243</u>	<u>\$ 20,150</u>	<u>\$ 21,079</u>	<u>\$ 20,570</u>	<u>\$ 19,228</u>

⁽¹⁾ See "Definitions" for the definitions of non-GAAP measures: NAREIT FFO, Core FFO, AFFO and Core AFFO

⁽²⁾ Structuring expenses during Q1 2025 include advisory and legal services provided by third parties related to our previously announced formal strategic review alternatives and the previously disclosed cooperation agreement with Argosy-Lionbridge Management, LLC

Financials from Q1 2025 Supplement

Net Operating Income (NOI) - Multifamily (Dollars In thousands)



	Apartment Homes as of March 31, 2025	Three Months Ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	
Rental and other property revenues						
Same-store rental and other property operations ⁽¹⁾	9,374	\$ 57,007	\$ 56,848	\$ 56,427	\$ 55,492	
Property operating expenses						
Same-store		20,546	21,208	20,759	20,565	
Development		63	58	61	57	
Total property operating expenses		<u>\$ 20,609</u>	<u>\$ 21,266</u>	<u>\$ 20,820</u>	<u>\$ 20,622</u>	
Net Operating Income (NOI)⁽²⁾						
Same-store		36,461	35,640	35,668	34,927	
Development		(63)	(58)	(61)	(57)	
Total NOI		<u>\$ 36,398</u>	<u>\$ 35,582</u>	<u>\$ 35,607</u>	<u>\$ 34,870</u>	
Same-store metrics						
Operating margin ⁽³⁾		64%	63%	63%	63%	
Retention		62%	69%	66%	65%	
Same-store effective lease rate growth						
New		(2.0)%	(3.9)%	(2.2)%	(0.1)%	
Renewal		5.0%	4.9%	4.4%	5.4%	
Blended		1.9%	1.0%	1.8%	3.1%	

⁽¹⁾ Utility costs reimbursed by residents are included in real estate rental revenue on our consolidated statements of operations. Utility reimbursements totaled \$2.4 million, \$2.4 million, \$2.3 million, \$2.1 million and \$2.4 million for the three months ended March 31, 2025, December 31, 2024, September 30, 2024, June 30, 2024 and March 31, 2024, respectively.

⁽²⁾ NOI is a non-GAAP measure. See "Definitions".

⁽³⁾ Operating margin is calculated by dividing the same-store NOI (non-GAAP) by same-store rental and other property revenues.

Financials from Q1 2025 Supplement + Guidance Reconciliation

The following tables contain reconciliations of net loss to NOI and same-store NOI for the periods presented (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (4,675)	\$ (3,647)
Adjustments:		
Property management expense	2,246	2,218
General and administrative expense	9,229	6,196
Real estate depreciation and amortization	23,239	24,943
Interest expense	9,460	9,494
Other income	—	(1,410)
Total Net Operating Income (NOI)	<u>\$ 39,499</u>	<u>\$ 37,794</u>
Multifamily NOI:		
Same-store Portfolio	\$ 36,461	\$ 34,570
Development	(63)	(57)
Total	<u>36,398</u>	<u>34,513</u>
Other NOI (Watergate 600)	<u>3,101</u>	<u>3,281</u>
Total NOI	<u>\$ 39,499</u>	<u>\$ 37,794</u>

2025 Guidance Reconciliation Table

A reconciliation of projected net loss per diluted share to projected Core FFO per diluted share for the full year ending December 31, 2025 is as follows:

	Low	High
Net loss per diluted share	\$(0.17)	\$(0.11)
Real estate depreciation and amortization	1.05	1.05
NAREIT FFO per diluted share	0.88	0.94
Core adjustments	0.03	0.03
Core FFO per diluted share	\$0.91	\$0.97

Definitions

Adjusted EBITDA is earnings before interest expense, taxes, depreciation, amortization, gain/loss on sale of real estate, casualty gain/loss, real estate impairment, gain/loss on extinguishment of debt, gain/loss on interest rate derivatives, severance expense, acquisition expenses, gain from non-disposal activities, adjustment to deferred taxes, write-off of pursuit costs, Transformation Costs and gain on land easements. Adjusted EBITDA is included herein because we believe it helps investors and lenders understand our ability to incur and service debt and to make capital expenditures. Adjusted EBITDA is a non-GAAP and non-standardized measure and may be calculated differently by other REITs.

Adjusted Funds From Operations ("AFFO") is a non-GAAP measure. It is calculated by subtracting from FFO (1) recurring improvements, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream (excluding items contemplated prior to acquisition or associated with development / redevelopment of a property) and (2) straight line rents, then adding (3) non-real estate depreciation and amortization, (4) non-cash fair value interest expense and (5) amortization of restricted share compensation, then adding or subtracting the (6) amortization of lease intangibles, (7) real estate impairment and (8) non-cash gain/loss on extinguishment of debt, as appropriate. AFFO is included herein, because we consider it to be a performance measure of a REIT's ability to incur and service debt and to distribute dividends to its shareholders. AFFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Core Adjusted Funds From Operations ("Core AFFO") is calculated by adjusting AFFO for the following items (which we believe are not indicative of the performance of Elme Communities' operating portfolio and affect the comparative measurement of Elme Communities' operating performance over time): (1) gains or losses on extinguishment of debt and gains or losses on interest rate derivatives, (2) expenses related to acquisition and structuring activities, (3) non-share-based executive transition costs, severance expenses and other expenses related to corporate restructuring and executive retirements or resignations, (4) property impairments, casualty gains and losses, and gains or losses on sale not already excluded from Core AFFO, as appropriate, (5) relocation expense, (6) Transformation Costs, (7) write-off of pursuit costs, (8) adjustment to deferred taxes and (9) gain on land easements. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core AFFO serves as a useful, supplementary performance measure of Elme Communities' ability to incur and service debt, and distribute dividends to its shareholders. Core AFFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Core Funds From Operations ("Core FFO") is calculated by adjusting NAREIT FFO for the following items (which we believe are not indicative of the performance of Elme Communities' operating portfolio and affect the comparative measurement of Elme Communities' operating performance over time): (1) gains or losses on extinguishment of debt and gains or losses on interest rate derivatives, (2) expenses related to acquisition and structuring activities, (3) executive transition costs, severance expenses and other expenses related to corporate restructuring and executive retirements or resignations, (4) property impairments, casualty gains and losses, and gains or losses on sale not already excluded from NAREIT FFO, as appropriate, (5) relocation expense, (6) Transformation Costs, (7) write-off of pursuit costs, (8) adjustment to deferred taxes and (9) gain on land easements. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of Elme Communities' ability to incur and service debt, and distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

NAREIT Funds From Operations ("FFO") is defined by 2018 National Association of Real Estate Investment Trusts, Inc. ("NAREIT") FFO White Paper Restatement, as net income (computed in accordance with generally accepted accounting principles ("GAAP")) excluding gains (or losses) associated with the sales of properties, impairments of depreciable real estate and real estate depreciation and amortization. We consider NAREIT FFO to be a standard supplemental measure for real estate investment trusts ("REITs") because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that NAREIT FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs. Our NAREIT FFO may not be comparable to FFO reported by other REITs. These other REITs may not define the term in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently. NAREIT FFO is a non-GAAP measure.

Net Debt to Adjusted Annualized EBITDA represents net debt as of period end divided by adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four) or on a trailing 12 month basis. We define net debt as the total outstanding debt reported as per our consolidated balance sheets less cash and cash equivalents at the end of the period.

Net Operating Income ("NOI"), defined as real estate rental revenue less direct real estate operating expenses, is a non-GAAP measure. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain or loss on sale, if any), plus interest expense, depreciation and amortization, lease origination expenses, general and administrative expenses, acquisition costs, real estate impairment, casualty gain and losses and gain or loss on extinguishment of debt. NOI does not include management expenses, which consist of corporate property management costs and property management fees paid to third parties. NOI is the primary performance measure we use to assess the results of our operations at the property level. We believe that NOI is a useful performance measure because, when compared across periods, it reflects the impact on operations of trends in occupancy rates, rental rates and operating costs on an unleveraged basis, providing perspective not immediately apparent from net income. NOI excludes certain components from net income in order to provide results more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. As a result of the foregoing, we provide NOI as a supplement to net income, calculated in accordance with GAAP. NOI does not represent net income or income from continuing operations calculated in accordance with GAAP. As such, NOI should not be considered an alternative to these measures as an indication of our operating performance.

Definitions

Average Effective Monthly Rent Per Home represents the average of effective rent (net of concessions) for in-place leases plus the market rent for vacant homes, divided by the total number of homes. We believe Average Effective Monthly Rent Per Home is a useful metric in evaluating the average pricing of our homes. It is a component of Residential Revenue, which is used to calculate our NOI. It does not represent actual rental revenue collected per unit.

Average Occupancy is based on average daily occupied apartment homes as a percentage of total apartment homes.

Current Strategy represents the class of each community in our portfolio based on a set of criteria. Our strategies consist of the following subcategories: Class A, Class A-, Class B Value-Add and Class B. A community's class is dependent on a variety of factors, including its vintage, site location, amenities and services, rent growth drivers and rent relative to the market.

- Class A communities are recently-developed, well-located, have competitive amenities and services and command average rental rates well above market median rents.
- Class A- communities have been developed within the past 20 years and feature operational improvements and unit upgrades and command rents at or above median market rents.
- Class B Value-Add communities are over 20 years old but feature operational improvements and strong potential for unit renovations. These communities command average rental rates below median market rents for units that have not been renovated.
- Class B communities are over 20 years old, feature operational improvements and command average rental rates below median market rents.

Debt Service Coverage Ratio is computed by dividing earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt, severance expense, relocation expense, acquisition and structuring expenses, gain/loss from non-disposal activities and gain on land easements by interest expense (including interest expense from discontinued operations) and principal amortization.

Debt to Total Market Capitalization is total debt divided by the sum of total debt plus the market value of shares outstanding at the end of the period.

Earnings to Fixed Charges Ratio is computed by dividing earnings attributable to the controlling interest by fixed charges. For this purpose, earnings consist of income from continuing operations (or net income if there are no discontinued operations) plus fixed charges, less capitalized interest. Fixed charges consist of interest expense (excluding interest expense from discontinued operations), including amortized costs of debt issuance, plus interest costs capitalized.

Ending Occupancy is calculated as occupied homes as a percentage of total homes as of the last day of that period.

Lease Rate Growth is defined as the average percentage change in either gross (excluding the impact of concessions) or effective rent (net of concessions) for a new or renewed multifamily lease compared to the prior lease based on the move-in date. The blended rate represents the weighted average of new and renewal lease rate growth achieved.

Recurring Capital Improvements represent non-accretive building improvements required to maintain a property's income and value. Recurring capital improvements do not include acquisition capital that was taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard". This category includes improvements made as needed upon vacancy of an apartment. Aside from improvements related to apartment turnover, these improvements include facade repairs, installation of new heating and air conditioning equipment, asphalt replacement, permanent landscaping, new lighting and new finishes.

Relocation expenses represent costs associated with the relocation of the corporate headquarters to a new location in the Washington metro region.

Retention represents the percentage of multifamily leases renewed that were set to expire in the period presented.

Same-store Portfolio includes properties that were owned for the entirety of the years being compared and exclude properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared. We categorize our properties as "same-store" or "non-same-store" for purposes of evaluating comparative operating performance. We define development properties as those for which we have planned or ongoing major construction activities on existing or acquired land pursuant to an authorized development plan. Development properties are categorized as same-store when they have reached stabilized occupancy (90%) before the start of the prior year. We define redevelopment properties as those for which we have planned or ongoing significant development and construction activities on existing or acquired buildings pursuant to an authorized plan, which has an impact on current operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. We categorize a redevelopment property as same-store when redevelopment activities have been complete for the majority of each year being compared. We currently have two same-store portfolios: "Same-store multifamily" which is comprised of our same-store apartment communities and "Other same-store" which is comprised of our Watergate 600 commercial property.



Elme Communities

“elevating home”



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