



Investor Presentation

February 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 risks associated with ownership of real estate in general and our real estate assets in particular; [our ability to work through elevated eviction backlogs; our ability to benefit from core growth drivers across our Washington Metro communities and end the year in a strong position; our ability to ramp up renovations over the course of this year; our ability to achieve above market growth after 2024 driven by renovations; 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 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 2023 Form 10-K filed on February 16, 2024. 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

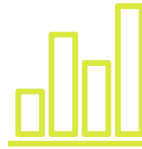
Elme at a Glance

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.



Washington Metro Stability

Allocation to Washington Metro should provide stability across business cycles



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



Affordable Rents

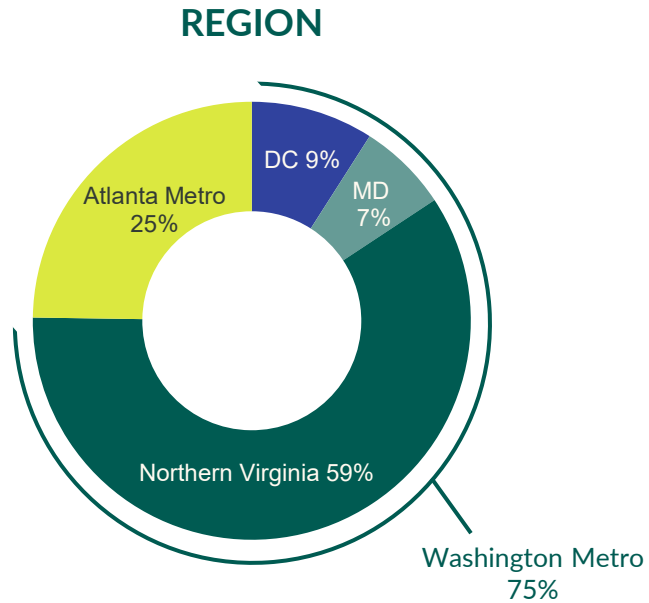
Value-oriented price points provide insulation from new supply and favorable long-term demand outlook



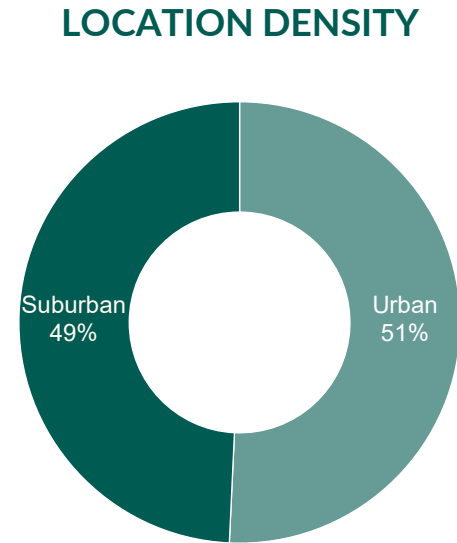
Investment-Grade Balance Sheet

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

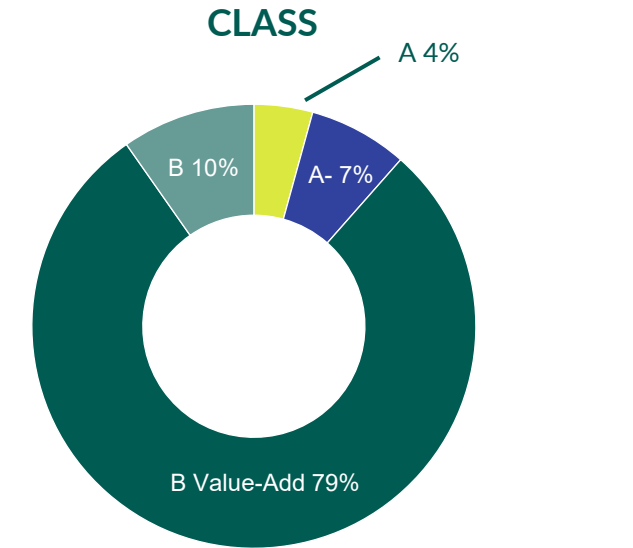
Apartment Portfolio Overview



~9,400
Apartment Homes



~3,000
5 Year Renovation Pipeline
(homes)



\$2.1 - 2.4M
Anticipated Operational Upside
(2025)

Charts are based on number of homes

Value-oriented apartment communities with strong long-term growth prospects

Washington Metro Elme Communities

~23%

Median Rent to Income
New Residents / Q1 2024 – Q4 2024 Avg.

1.66

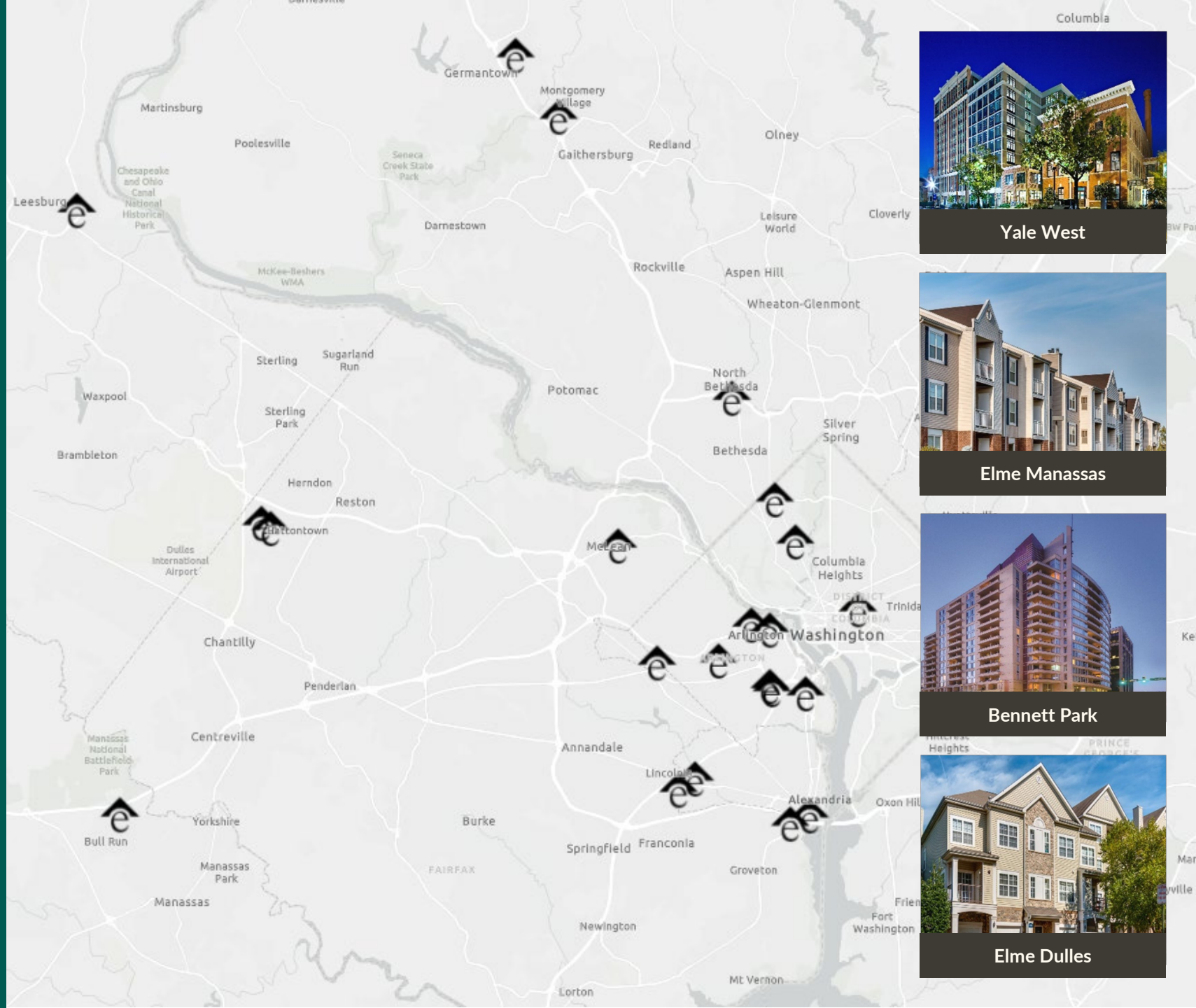
Average Household Size
as of December 2024

36.6

Average Resident Age
as of December 2024

~75% of our Washington Metro apartment homes are situated in northern Virginia, where, per BLS data, more than 50% of overall employment in the Washington Metro region stems from.

Source: Elme Communities December 2024 demographic data and Q4 2024 (rolling four quarters) income data.



Atlanta Metro Elme Communities

~22%

Median Rent to Income
New Residents / Q1 2024 – Q4 2024 Avg.

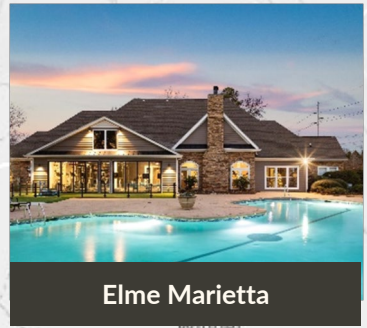
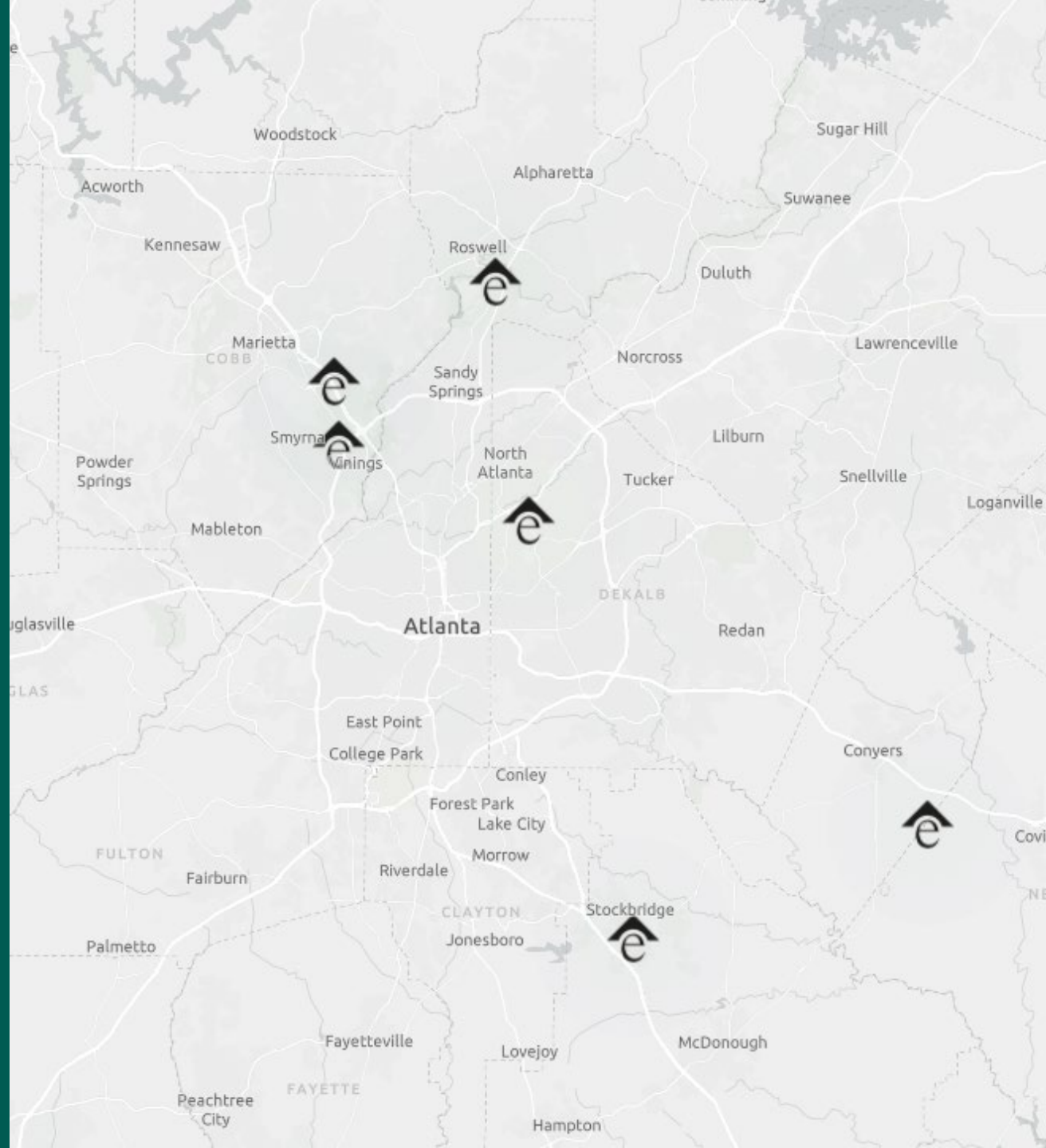
1.63

Average Household Size
as of December 2024

36.4

Average Resident Age
as of December 2024

Source: Elme Communities December 2024 demographic data
and Q4 2024 (rolling four quarters) income data.



Elme Marietta



Elme Sandy Springs



Elme Druid Hills



Elme Cumberland



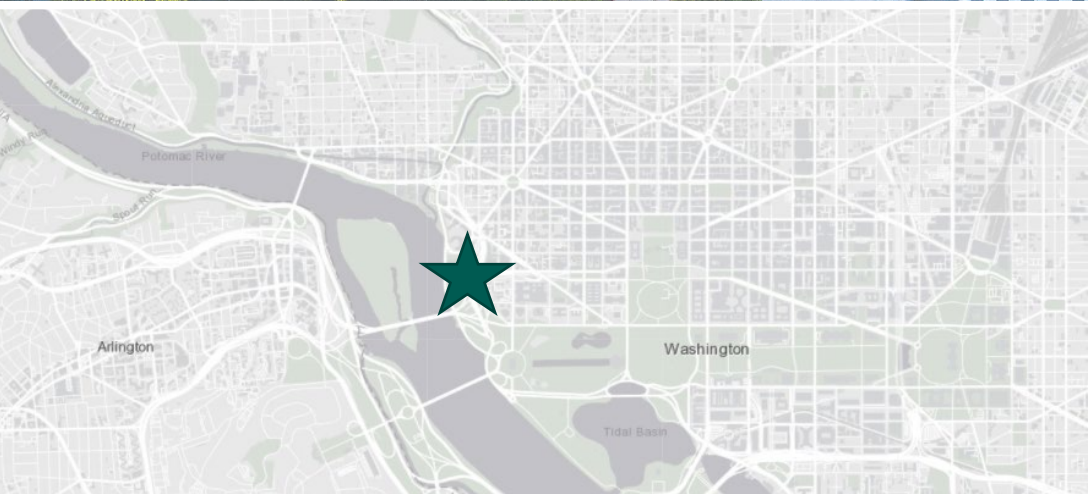
Watergate 600

- Watergate 600 has a high-quality institutional tenant base and a weighted average lease term of approximately 5.2 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

84.7%
Occupied
as of December 31, 2024

~5.2
WALT (Years)



MAJOR TENANTS



ATLANTICMEDIA

ML MOLOLAMKEN



Q4 Update

Direct exposure to federal employment is limited

6.2%

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

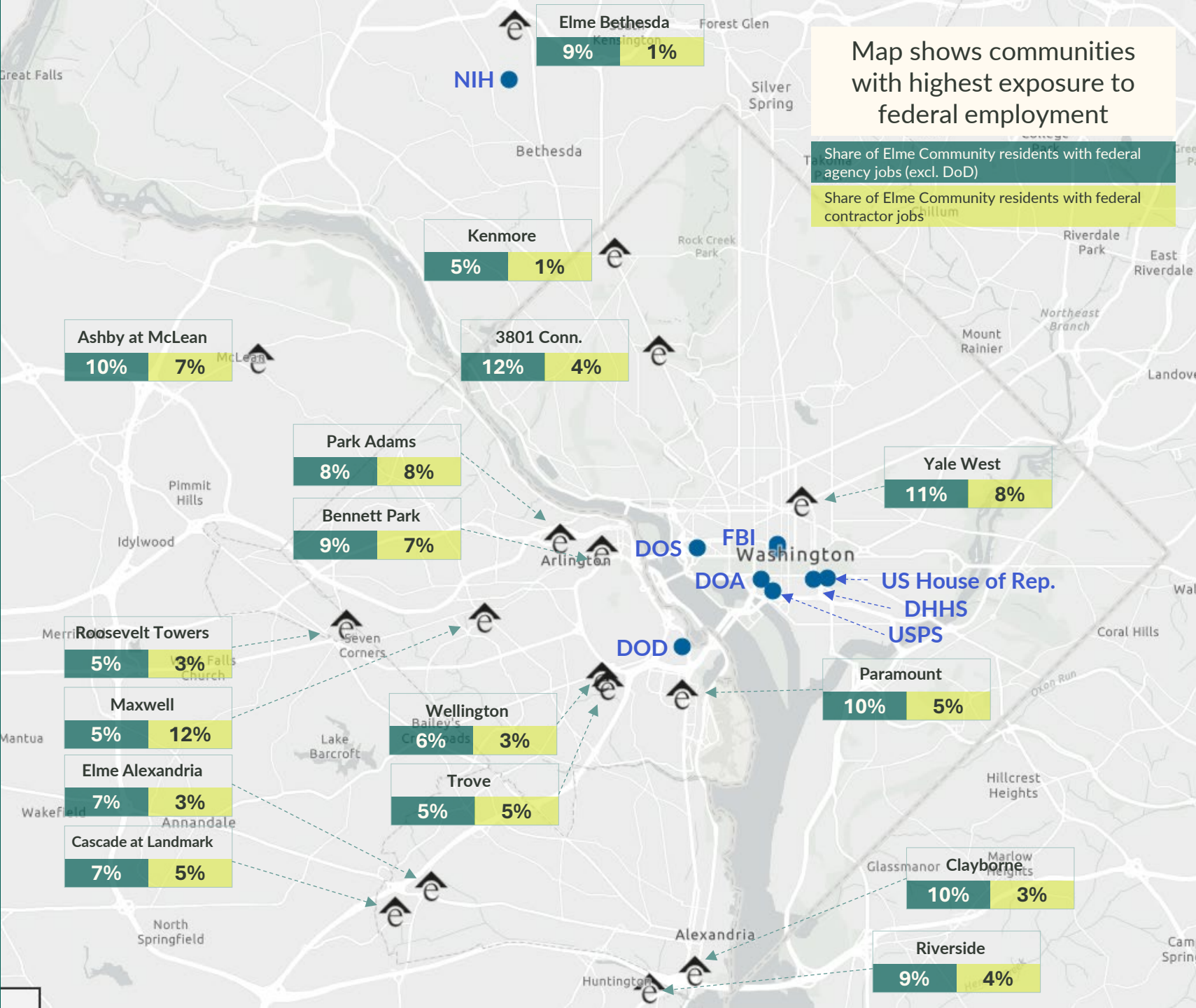
4.0%

Elme’s Washington Metro residents with federal contractor jobs

Source: Elme Communities, as stated by current resident pool as of January 2025. This data is based on current WSH residents with reliable job-level data, which covers approximately 61% of our WSH resident base.

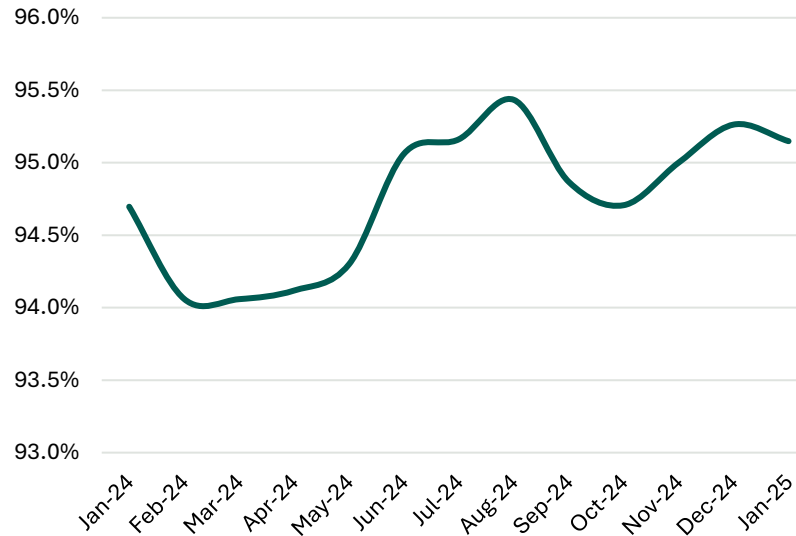
¹If we were to include Department of Defense jobs, the share would be approximately 10.5%, as Department of Defense jobs comprise 40% of Elme’s federal agency exposure in the Washington Metro.

Note: Mapped federal agencies are selected based on Elme WSH residents’ overall highest exposure to these agencies.

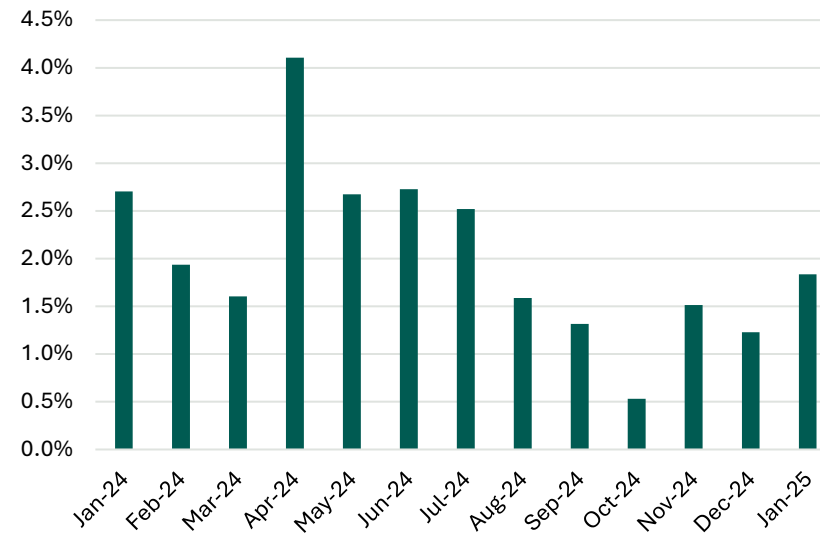


Occupancy and bad debt improved year-over-year and pricing increased sequentially in January

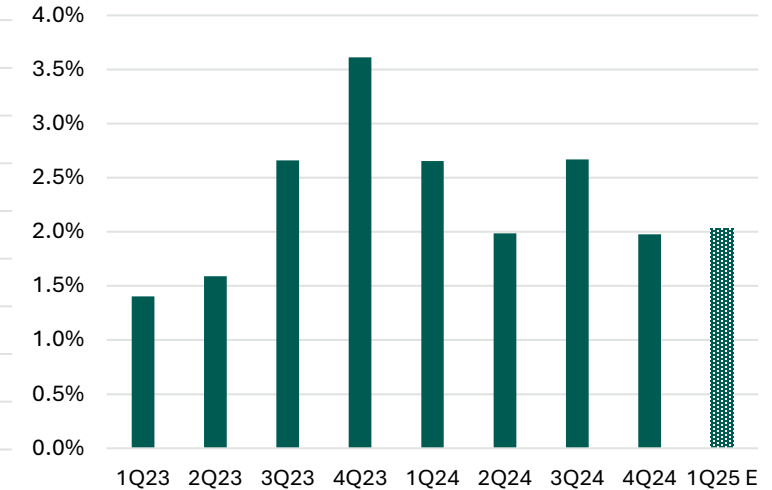
Average Occupancy
2025 Same-store portfolio



Effective Blended Lease Rate Growth
2025 Same-store portfolio



Quarterly Bad Debt to Revenue¹
2025 Same-store portfolio



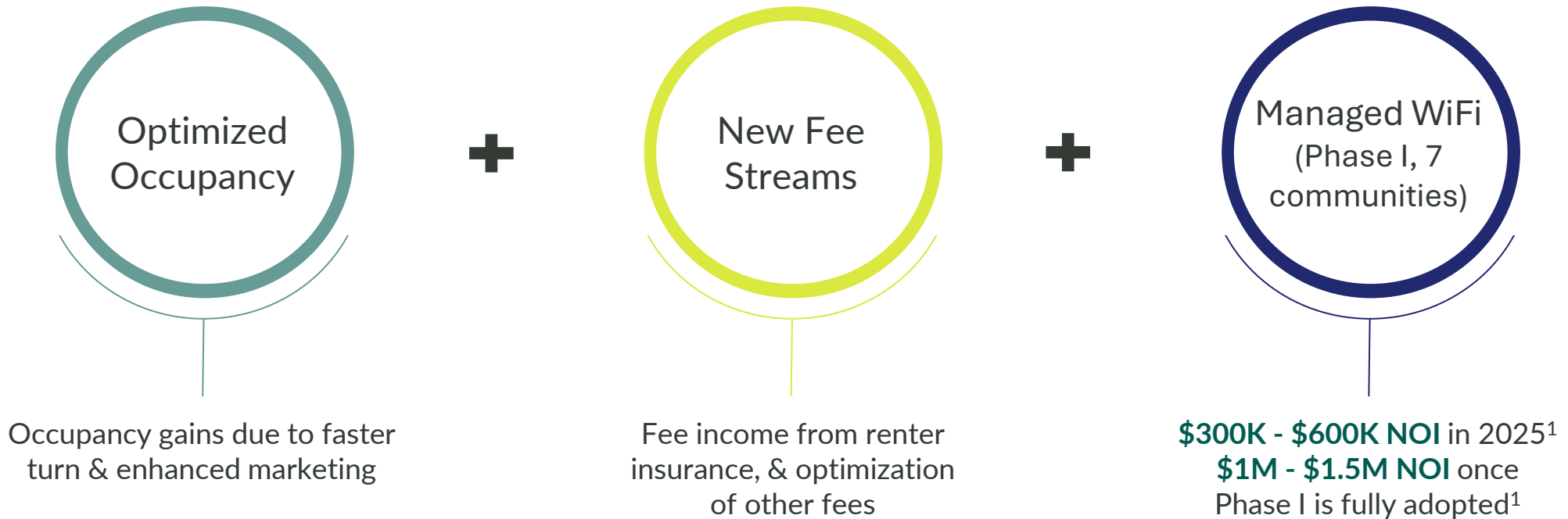
Same-store occupancy averaged 95.1% in January, up 40 bps year-over-year.

Effective blended lease rate growth averaged 1.8% in January, comprised of new lease rate growth of -2.1% and renewal rate growth of 5.0%.

Bad debt is trending flat in Q1 25 vs Q4 24, in line with our expectations for the winter leasing season. We expect bad debt to improve throughout the year.

¹ Represents bad debt, reserves, and associated fees (e.g. late fees, reimbursements and early termination fees) as a percentage of revenue. Q1 25 bad debt to revenue is projected to be between 1.75% and 2.25%. Q1 2023 through Q3 2023 excludes Elme Druid Hills.

Operational improvements driving better performance and profitability



~\$2.1 to \$2.4 million NOI Upside¹ in 2025

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

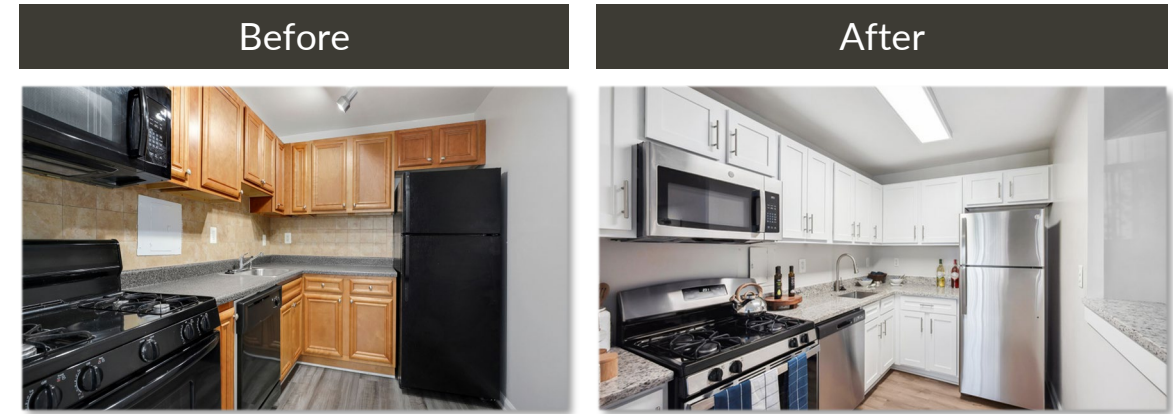
Our renovation pipeline of ~3,000 units represents more than enough runway to deliver renovation-led value creation for the foreseeable future.

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.

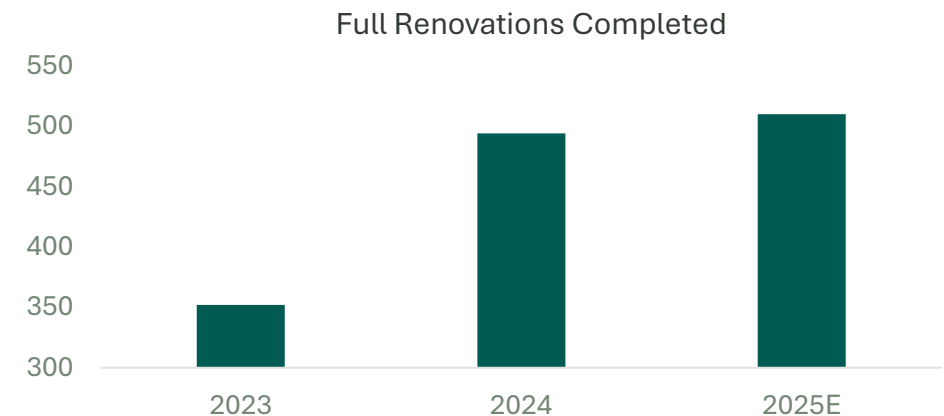
Flexible: By executing renovations as units turn, we can minimize downtime, maximize revenue, and maintain the flexibility to adjust the pace of renovations in response to changes in the market environment.

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) - \$17,000 (full renovation)
Total 2025 Expected Spend: \$9 million

~17% ROI



2025 Guidance and Assumptions^{1,4}

Core FFO per diluted share ²	\$0.91 - \$0.97
Same-store Multifamily Revenue Growth	2.1% - 3.6%
Same-store Multifamily Expense Growth	2.75% - 4.25%
Same-store Multifamily NOI Growth	1.5% - 3.5%
Other same-store NOI ³	\$11.5 million - \$12.25 million
Property Management Expense	\$8.75 million - \$9.25 million
G&A, net of core adjustments	\$25.25 million - \$26.25 million
Interest Expense	\$37.35 million - \$38.35 million

¹ Guidance and assumptions as of February 13, 2025.

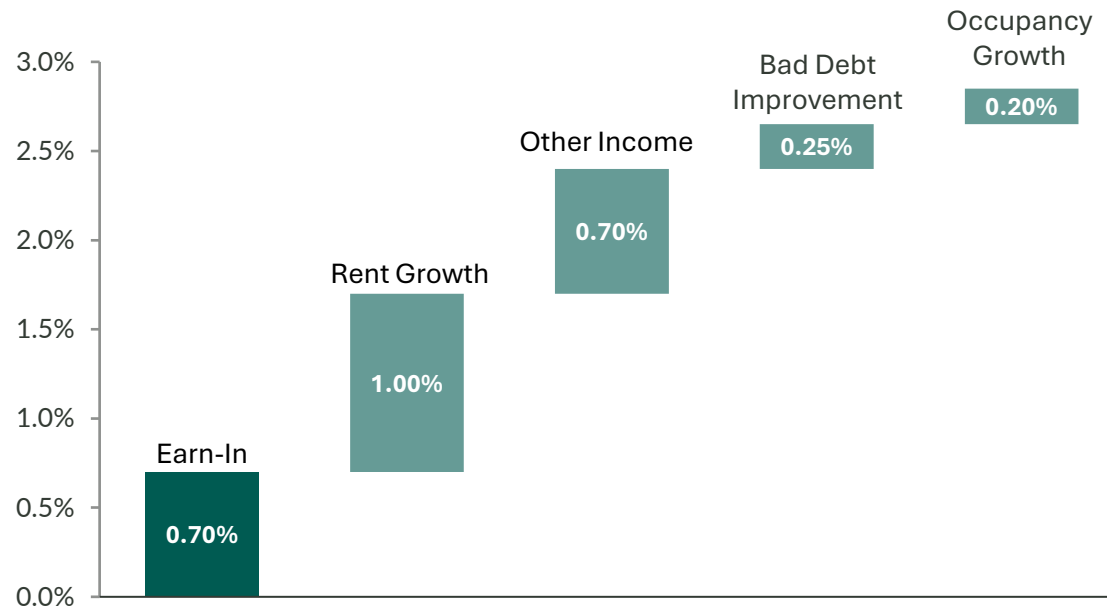
² Does not consider any potential future acquisitions or dispositions in 2025

³ Consists of Watergate 600

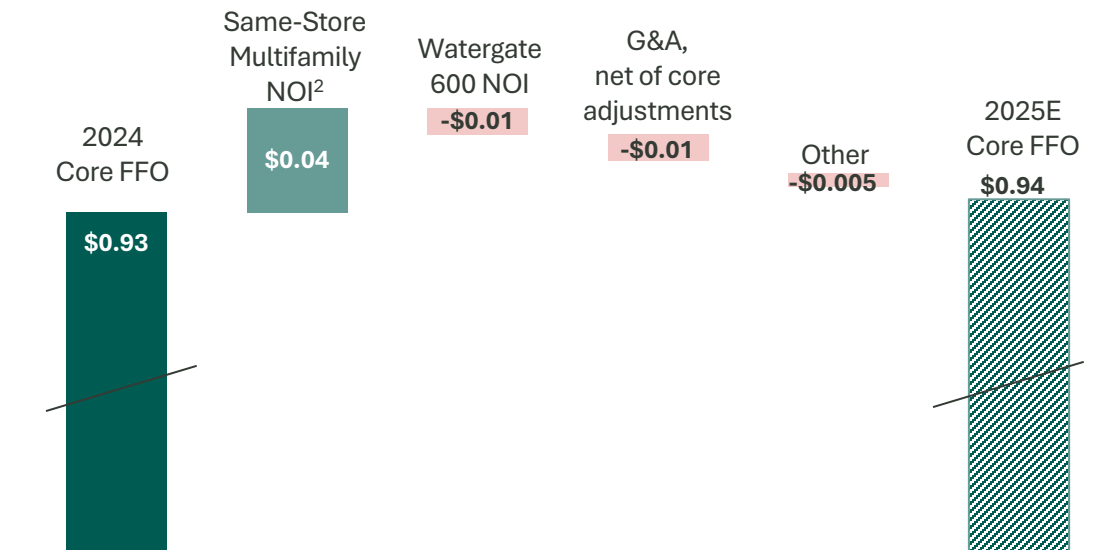
⁴ Elme Communities' 2025 Core FFO guidance and outlook are based on a number of factors, many of which are outside the Company's control and all of which are subject to change. Elme Communities may change the guidance provided during the year as actual and anticipated results vary from these assumptions,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

2025 Growth Drivers

Components of 2025 SS Revenue Growth Midpoint¹
(Guidance Range: 2.1% to 3.6%)



Components of 2025 Core FFO per Share Midpoint¹
(Guidance Range: \$0.91 to \$0.97)



We expect revenue growth in 2025 to be primarily driven by embedded and future rent growth and increased fee income related to our platform initiatives

Same-store Multifamily NOI growth is expected to drive an increase in Core FFO, partially offset by Watergate 600 NOI, higher G&A, and Other (property management expense and vested share awards)

- 1) This is a hypothetical presentation of Same-Store Revenue Growth Drivers and Core FFO per Share and is dependent on numerous assumptions, which may not be accurate, many of which are outside Elme's control and all of which are subject to change. Actual results may differ materially from these estimates. Please see the forward-looking statement on slide 2 of this presentation for a discussion of risks that could cause actual results to differ materially from any potential or estimated results. Please see the forward-looking statement on slide 2 of this presentation for a discussion of risks that could cause actual results to differ materially from any potential or estimated results.
- 2) Same-Store Multifamily NOI includes multifamily and retail operations at multifamily properties. Non-same-store Multifamily NOI reflects Riverside Development in 2025.

Strong and Flexible Balance Sheet

Our investment grade balance sheet provides optionality and ample liquidity

BBB / Baa2

Investment Grade
Ratings

100%

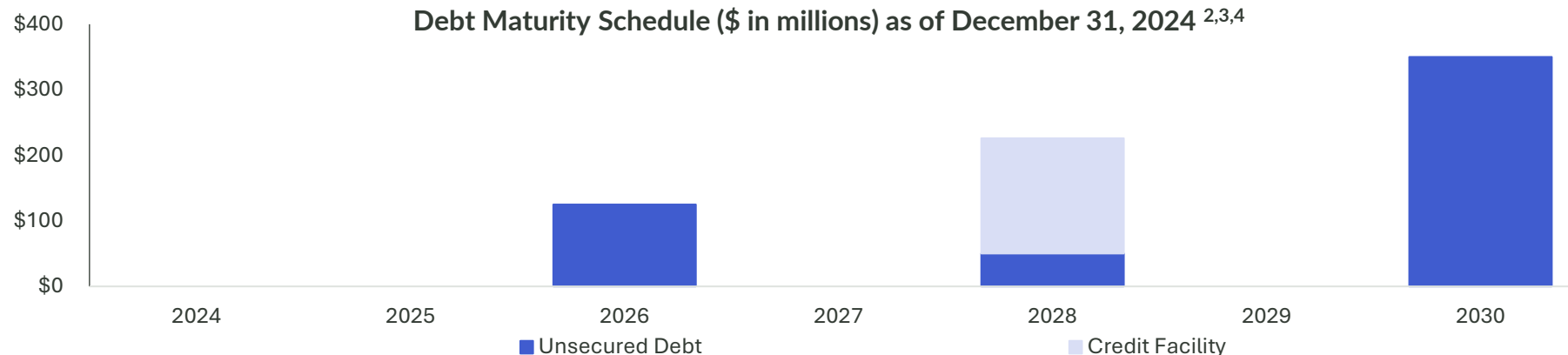
Unsecured Debt

5.7x

Net Debt to Adjusted
Annualized EBITDA¹

~65%

Capacity under the
amended credit
facility¹



1) As of December 31, 2024

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 (the "Amended 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.

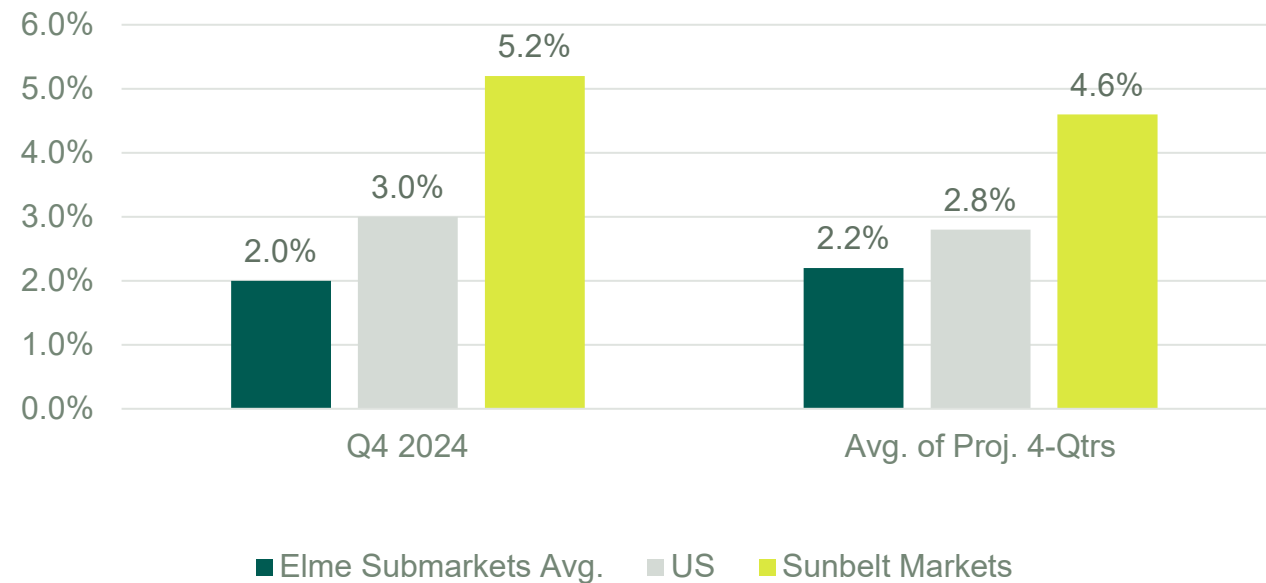


Current Market Dynamics

Annual Net Inventory Growth

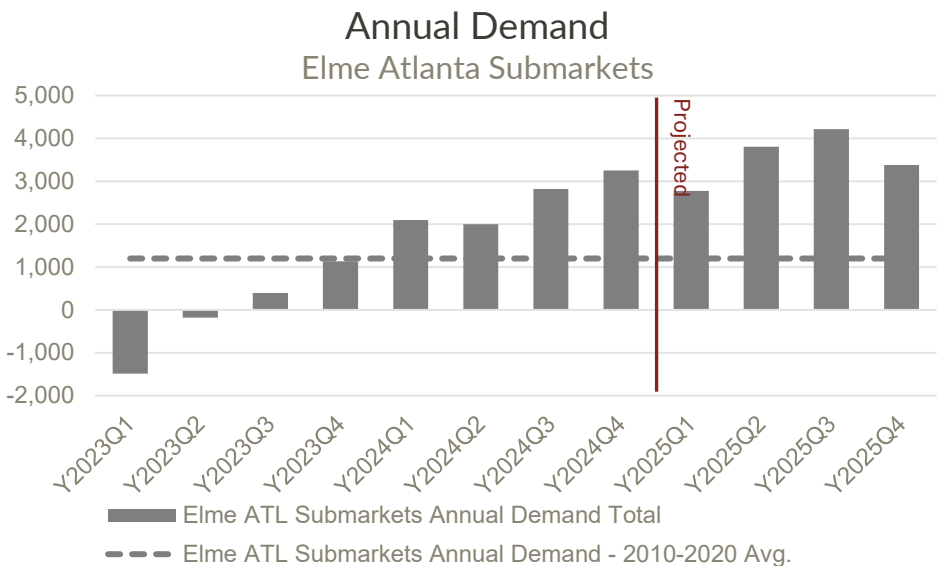
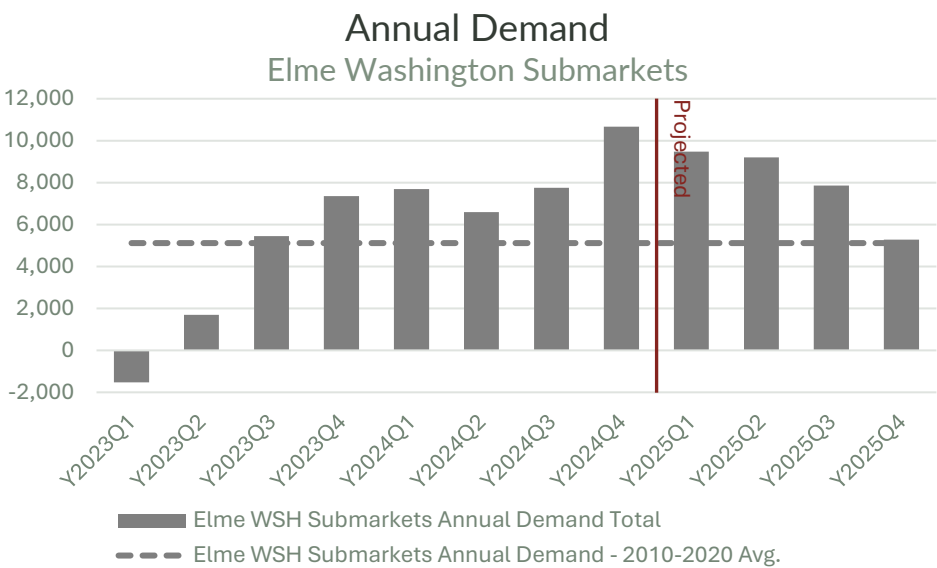
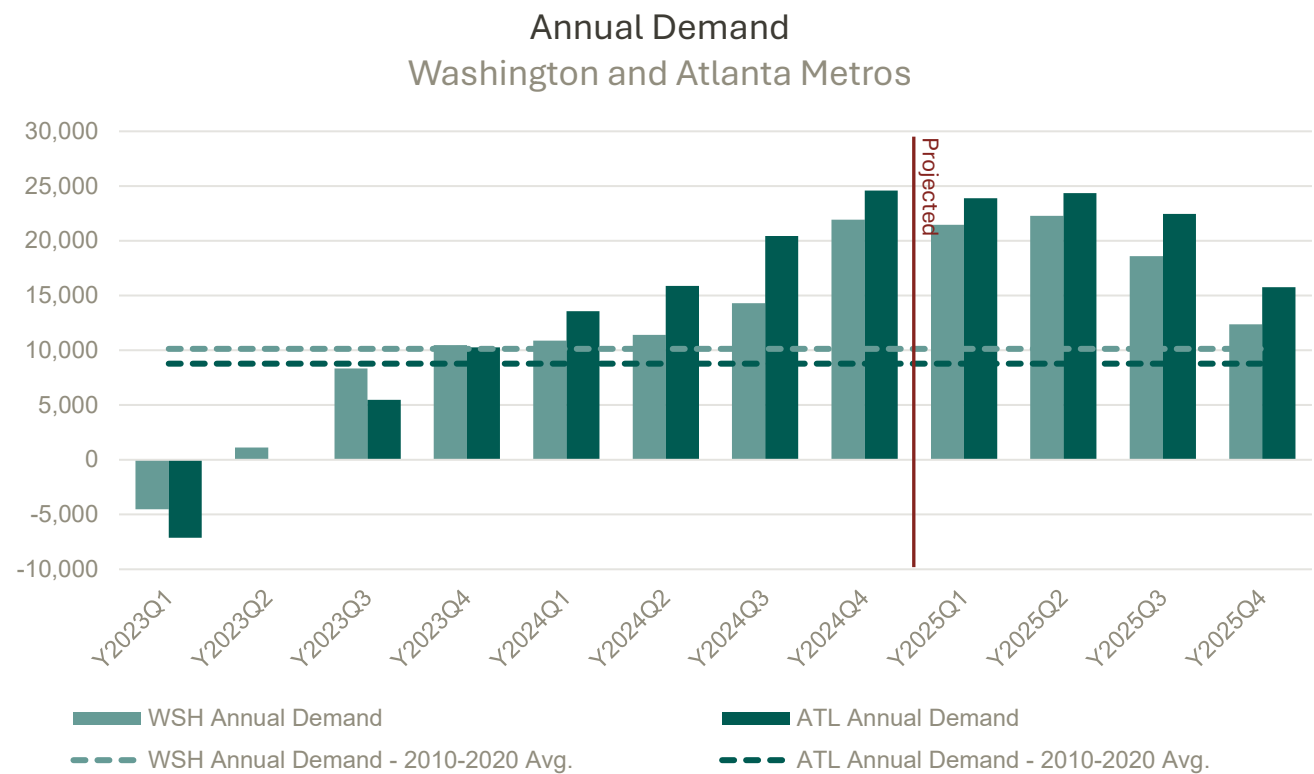
Relative to the US and Sunbelt Markets, Elme submarkets are expected to have lower supply pressure with a projected average of 2.2% annual net inventory growth over the next four quarters.

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 Q4 2024 data and forecasted data as of Q1 2025.

Absorption Outlook





Source: RealPage Q4 2024 data and forecasted data as of Q1 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 2025.

Construction Activity Outlook

Units under construction declined by 47% and 45% in the Washington and Atlanta metros respectively, relative to their recent peaks.

Annual unit starts declined by 68% and 65% in the Washington and Atlanta metros respectively, relative to their recent peaks.

		Units Under Construction	Annual Unit Starts
WSH Metro		-47% <small>change since peak in Q3 '22</small>	-68% <small>change since peak in Q3 '22</small>
ATL Metro		-45% <small>change since peak in Q1 '23</small>	-65% <small>change since peak in Q3 '22</small>

Source: RealPage Q4 2024 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	~\$97,600	~23.2%	36.6	2.83
Atlanta Metro Portfolio	~\$77,400	~21.6%	36.4	2.21
Elme Portfolio	~\$93,000	~23.1%	36.5	2.68

Median Home Price in Elme Zip Codes ^{3,4}	Cost to Own Entry-Level Home vs. Rent at Elme ^{3,4}	Move Outs to Purchase a Home ³
~\$728,000	~1.9X up to \$2,600 ⁵ spread across our zip codes	~8.2%
~\$448,000	~1.7X up to \$1,100 spread across our zip codes	~9.3%
		~8.5%

¹Average of trailing four quarters, Q1 2024 through Q4 2024;

²As of December 31st, 2024;

³Q4 2024;

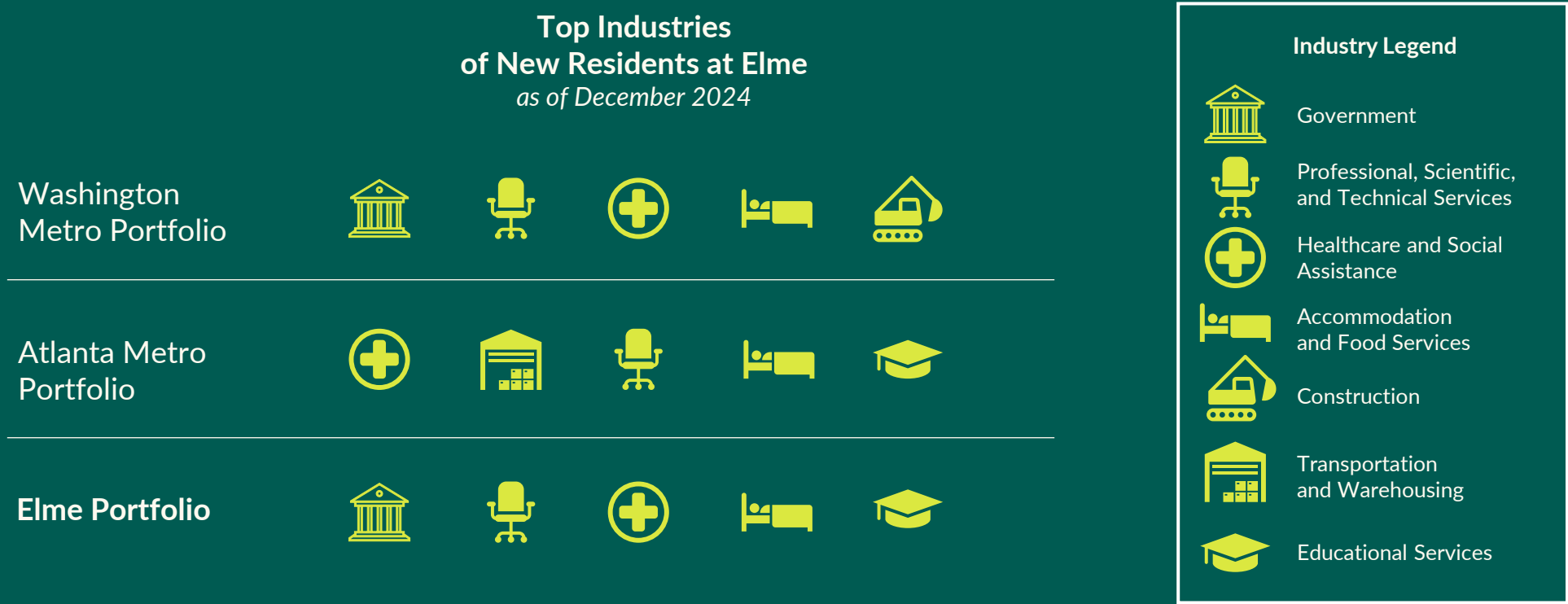
⁴Zip code median sale price data from Redfin Market Insights (average of trailing 3-months for Q4 2024); Elme in-place rents from Elme Communities; Other mortgage payment assumptions from third-party websites; Estimated monthly mortgage payment based on median sale price discounted 10%; assumes 30-year fixed interest rate at 6.91% as of end of December 2024, inclusive of taxes and insurance;

⁵Maximum spread excludes spreads around The Ashby at McLean and The Kenmore, each ~\$8,600 and ~\$6,500 respectively.

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 65% of new move-ins as of December commute to work 30 minutes or less.

Source: Elme Communities demographic stats as of December 31, 2024.

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 1.4% 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



~23.4% / ~\$97K

Median Rent to Income / Median HH Incomes⁴

~37% / ~24%

with Bachelor's / with Graduate Degree³

~52%

choose Elme Communities for location³

¹See Industry Legend on previous page.

²RealPage Q4 2024 data and forecasted data as of Q1 2025.

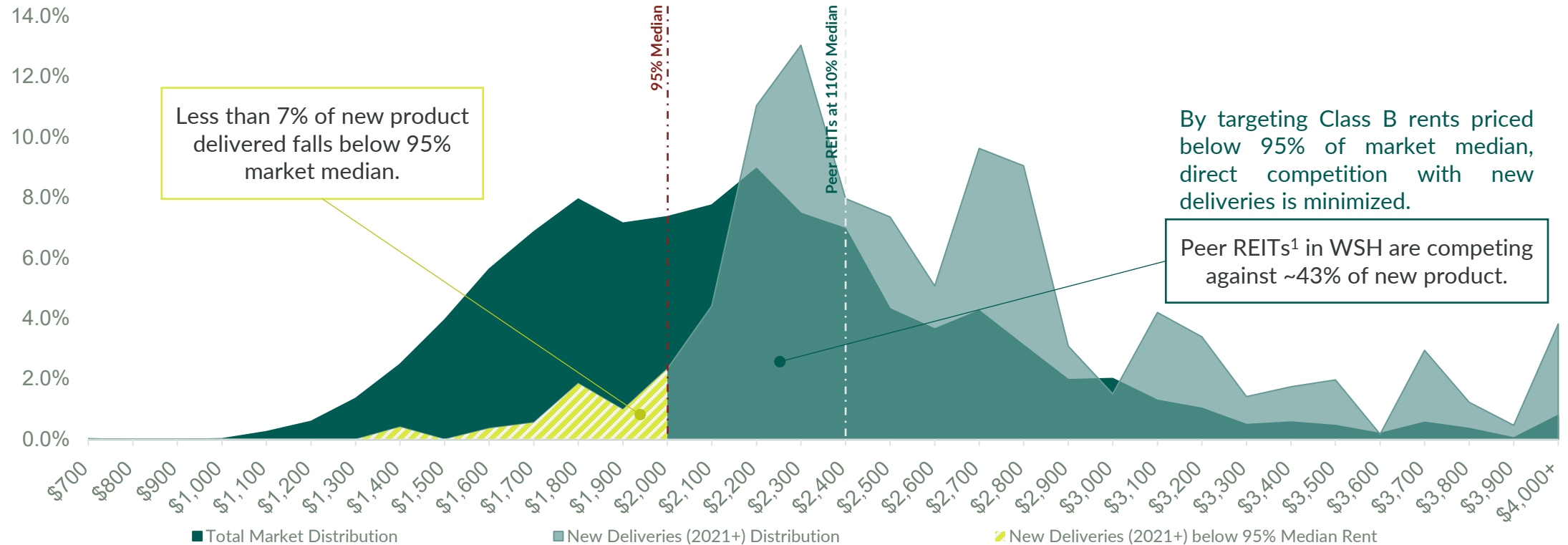
³New NoVa Residents as of December 31st, 2024.

⁴New NoVa Residents Q1 2024-Q4 2024 average.

Source: Elme Communities demographic data, as of December 31st 2024, and income data as average of trailing four quarters, Q1 2024 through Q4 2024.

Price Point Insulation from New Supply

Total Market Rent Distribution vs. New Product (2021+) Deliveries
WSH Metro – Q4 2024

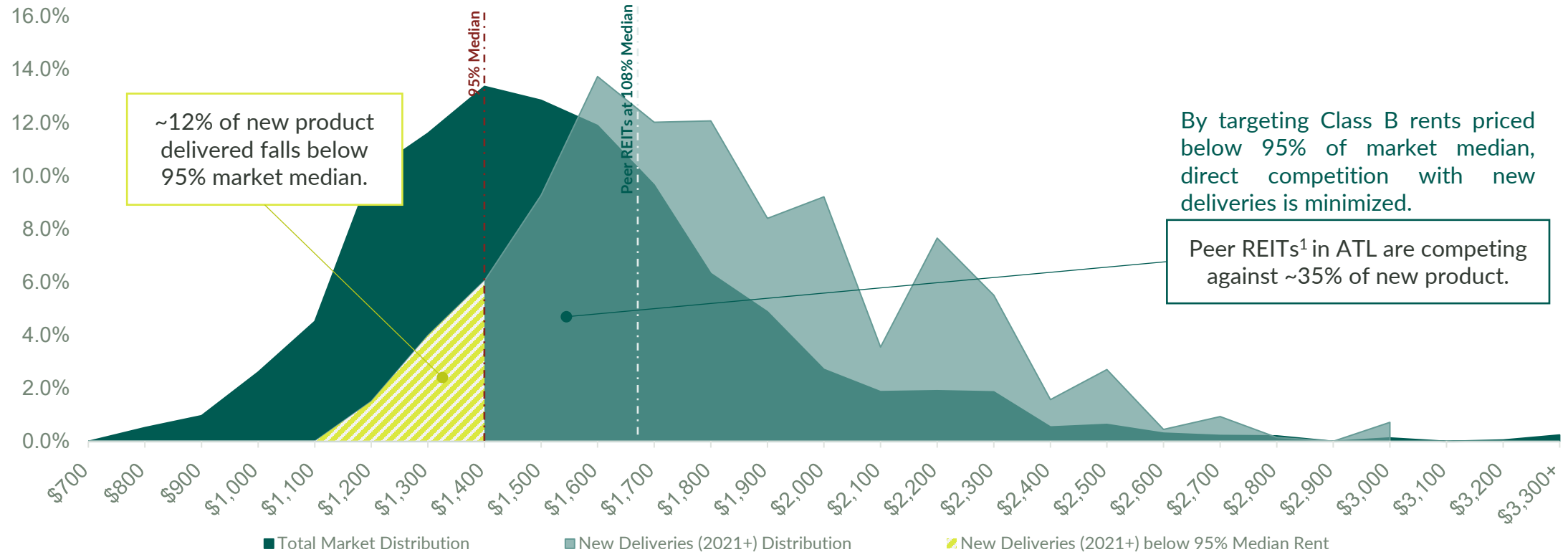


¹Peer REITs include AVB; CPT; EQR; MAA; and UDR, and analysis compares the average of their WSH portfolio effective rents relative to the WSH market median.
Source: RealPage Q4 2024 data.

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 – Q4 2024



¹Peer REITs include CPT; EQR; IRT; MAA; and NXRT, and analysis compares the average of their ATL portfolio effective rents relative to the ATL market median.
Source: RealPage Q4 2024 data.

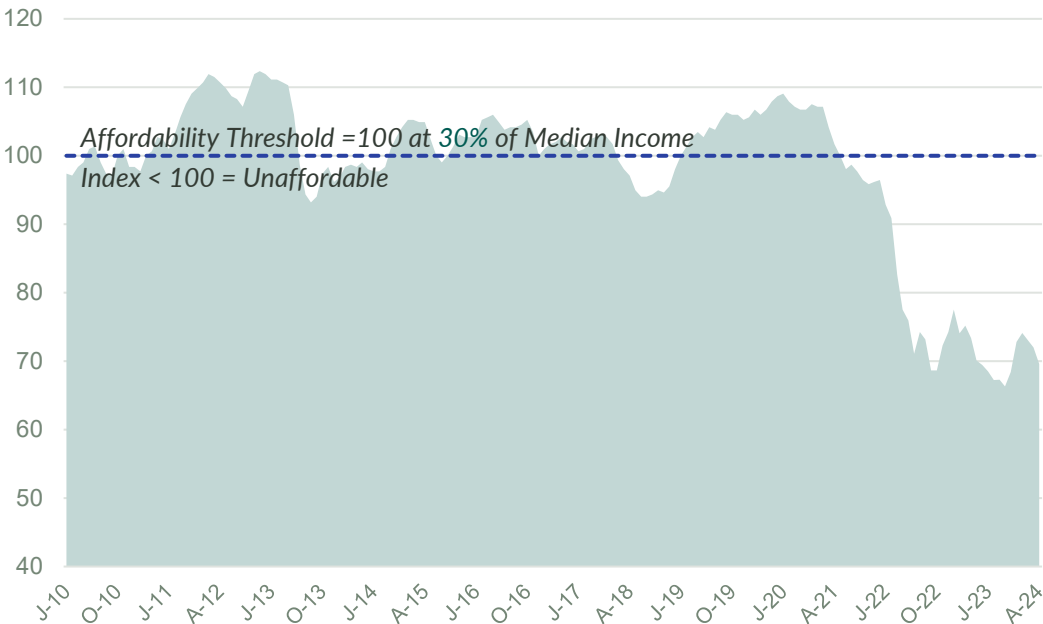
Our disciplined approach to market pricing positioning of our community acquisitions provides considerable mitigation of supply pressures from new product, while simultaneously maintaining an affordability gap, enabling targeted renovation programs.

Affordability and Target Vintage Rent Growth Outperformance

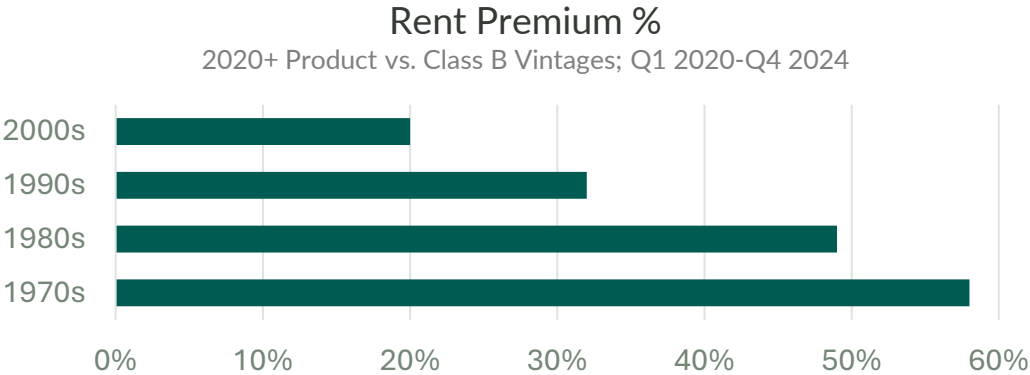
Housing affordability is under pressure – especially for our target residents. Additionally, Class B product is insulated from new supply, with affordability gap between 20% to ~60% in additional monthly rent to move to new product.

Mid-Market Renters Priced Out of Homeownership Nationally

Federal Reserve Bank of Atlanta NHOW Monitor National; Jan 2010 – August 2024



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 Q4 2024 data; NHOW Monitor data from Federal Reserve Bank of Atlanta.



Class B Vintage Outperformance

Spread in Averages of YoY Eff Rent Growth
Class B vs. All Product & Class B vs. Class A; Q1 2020-Q4 2024

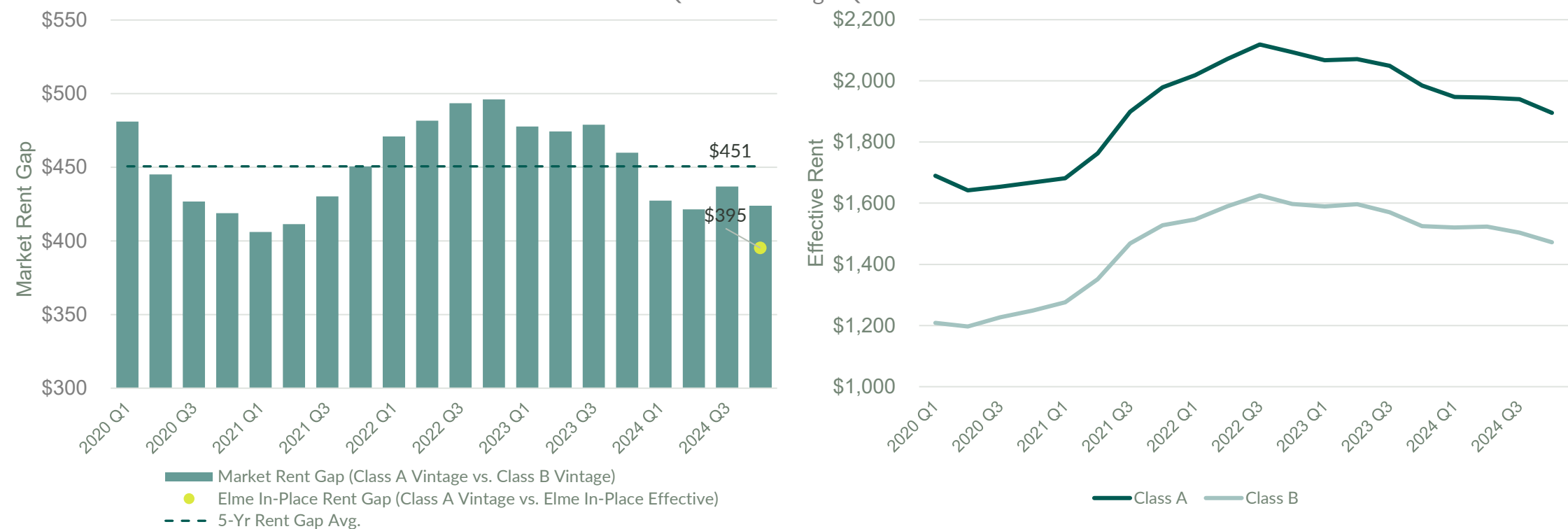
WSH
82 bps relative to all product /
108 bps relative to Class A

ATL
60 bps relative to all product /
196 bps relative to Class A

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

Affordability Gap in the Atlanta Market

Rent Gap and Quarterly Effective Rent
Class B Vintage vs. Class A Vintage¹
Q1 2020 through Q4 2024

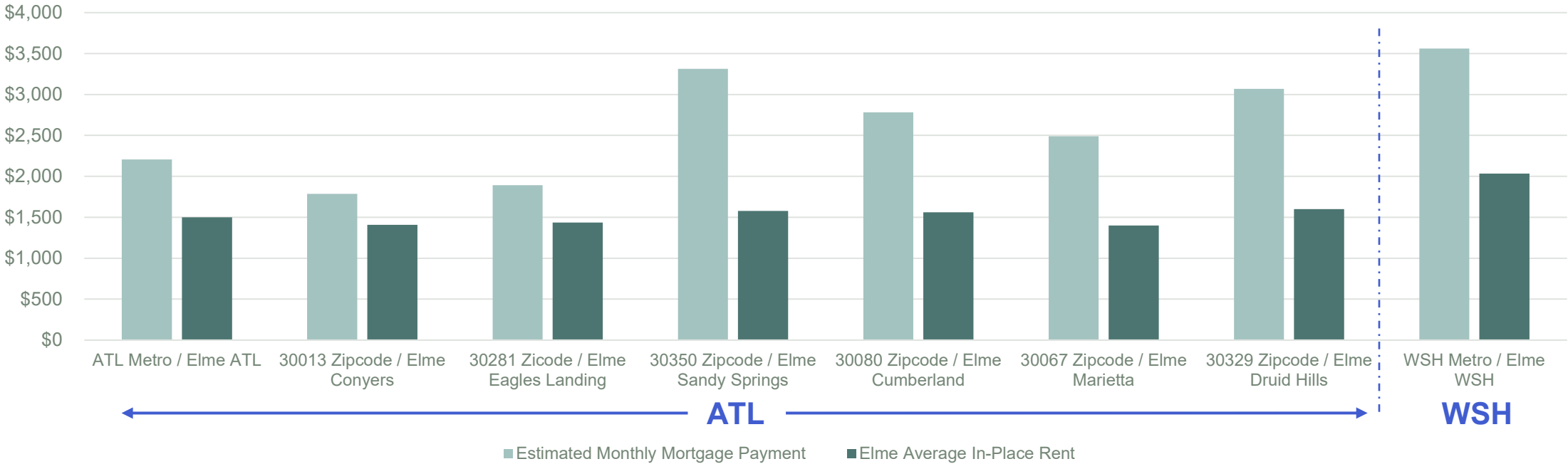


¹Class A product defined as product delivered in 2010+; Class B product defined as vintage built in the 2000s, 1990s, 1980s, and 1970s.
Source: RealPage Q4 2024 data; Elme ATL rents from Elme Communities Q4 2024 data.

In Q4 of 2024, the rent gap between Class A vintage and Class B vintage in the Atlanta market was ~\$450 in monthly effective rent. Compared to Elme’s Atlanta in-place effective rent, the rent gap was ~\$400.

Elme Rent Vs. Cost to Own

Affordability Gap Between Renting and Owning
Monthly Mortgage Payment¹ and Elme In-Place Rent
Atlanta and Washington – Q4 2024



¹Estimated monthly mortgage payment based on median sale price discounted 10%; assumes 30-year fixed interest rate at 6.91% as of end of December 2024, 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 3-months for Q4 2024); Elme rents from Elme Communities Q4 2024 data; other mortgage payment assumptions from third-party websites.

With a 20% down payment and at current interest rates, the cost to own is significantly higher than renting across our communities. In our Atlanta submarkets, the entry-level ownership premium is above \$1,000, while in Washington it is greater than \$1,300.



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

2023 Elme Communities ESG Report



ESG Report Highlights

- Five new Fitwel Certifications achieved reflecting our commitment to health and wellness for our residents.
- Solar arrays in DC produced enough power to avoid over 419 Tons of CO2 emissions.
- Continued progress towards our efficiency goals, including a 7% decrease in energy consumption across the multifamily portfolio.
- Continued to see increases in diversity of our staff.
- Increased to 81% of homes with Prop Tech solutions installed.
- Elme was among the founding members of the Real Talk Initiative, promoting inclusion and diversity within the real estate technology space.

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

39%

Homes have access to EV Charging Equipment¹

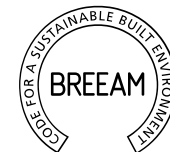
¹ Calculated by floor area of our homes, inclusive of our 2022 and 2023 acquisitions



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



Achieved recognition within ENERGY STAR Certification Nation by achieving ENERGY STAR Certifications at over 37% of communities¹



69%

Multifamily communities currently holding one or more sustainability certification¹



Achieved Green Lease Leaders Gold

Our Commitment to the Environment

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

Solar Now Online

1,043,162 kWh

Solar Production in
2023 + 2024*

1,405,000

Lbs. of GHG
Emissions Avoided

10,544

Equivalent Number of
Trees in Sequestered
Carbon

>\$387,000

Net Sales of Solar
Renewable Energy
Certificates (SRECs)

>\$145,000

Avoided Utility Costs by
Powering Our Own
Communities

*Updated through year end 2024



Location-Specific Transitional Risk

We monitor legislation by market to ensure compliance with local + regional building performance standards, GHG emissions requirements, or other potentially impactful regulations.



State / Region	Location-Specific Transitional Risk (as of 12/31/24)
Virginia	None <i>No known pending or upcoming legislation in our specific cities/counties.</i>
Georgia	None <i>No known pending or upcoming legislation in our specific cities/counties.</i>
Washington, DC	Compliant <i>All four of our DC assets are covered under the DC Building Energy Performance Standards (BEPS), and all four are compliant per the city, having exceeded the required ENERGY STAR rating.</i>
Maryland	None <i>None of our communities are included in the covered list of buildings under Montgomery County Building Energy Performance Standards (BEPS) due to their small size.</i>



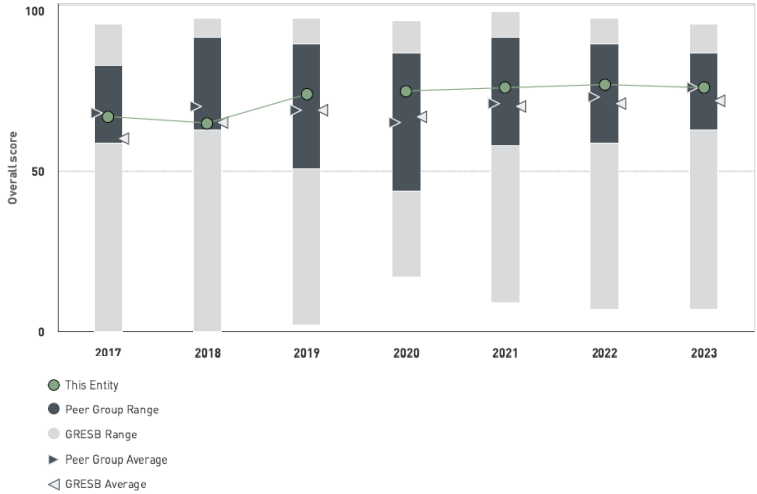
Reporting and Ratings

Improving our ESG Ratings¹

- **MSCI:** In 2024, we received a BBB 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.

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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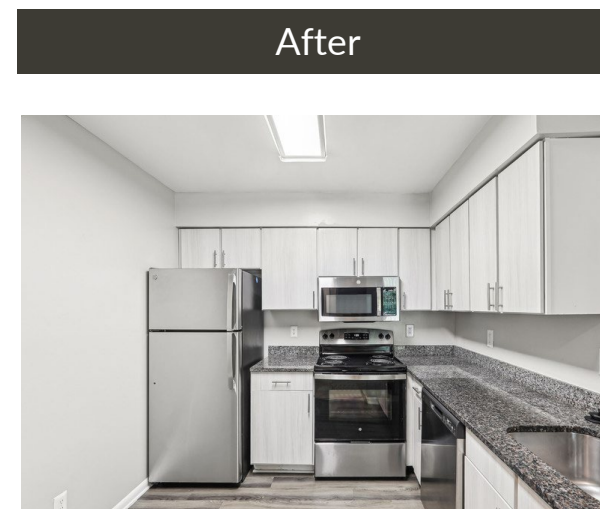
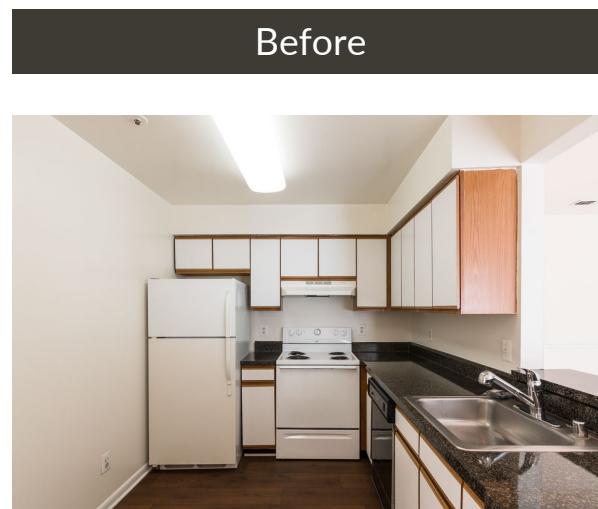


Appendix

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)*

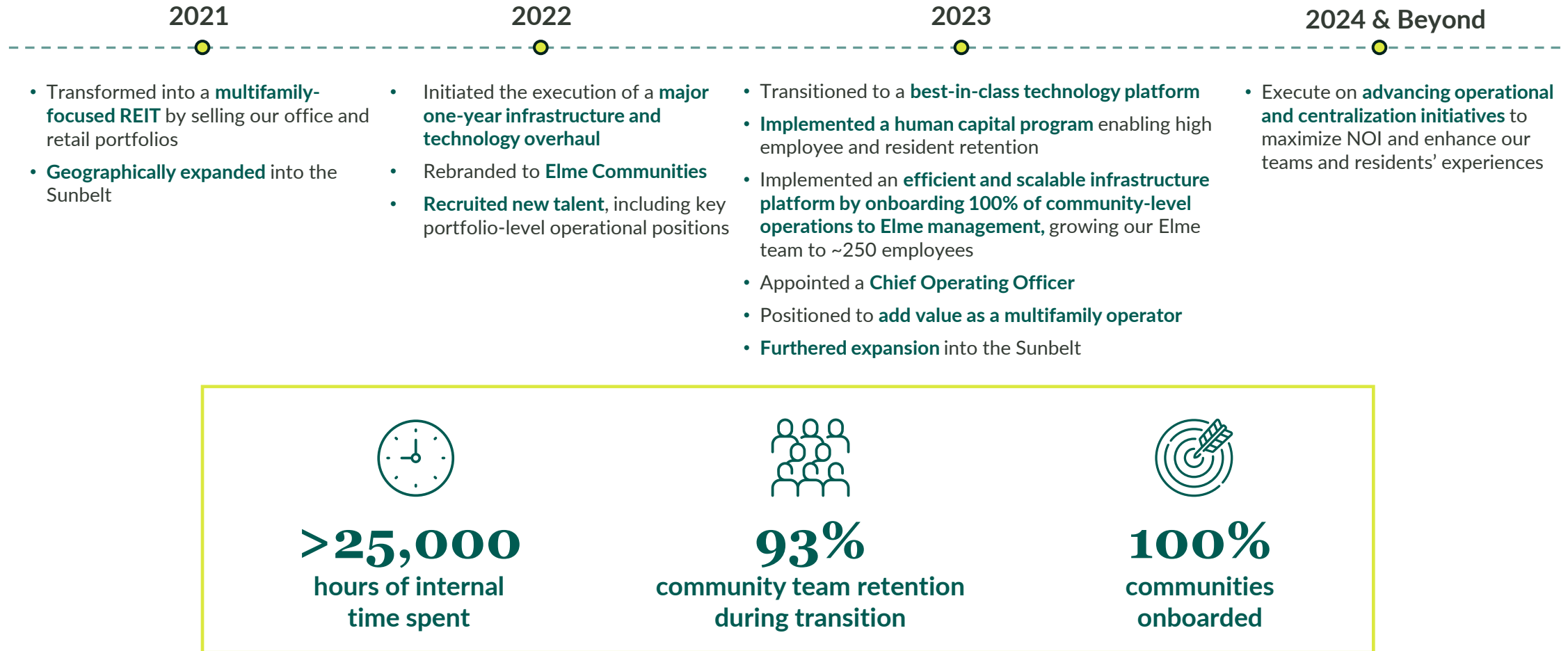
\$3.3M
Renovation
Investment
Since 2019

\$205
Avg. Monthly
Renovation Rent
Premium

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

4%
NOI Margin
Expansion

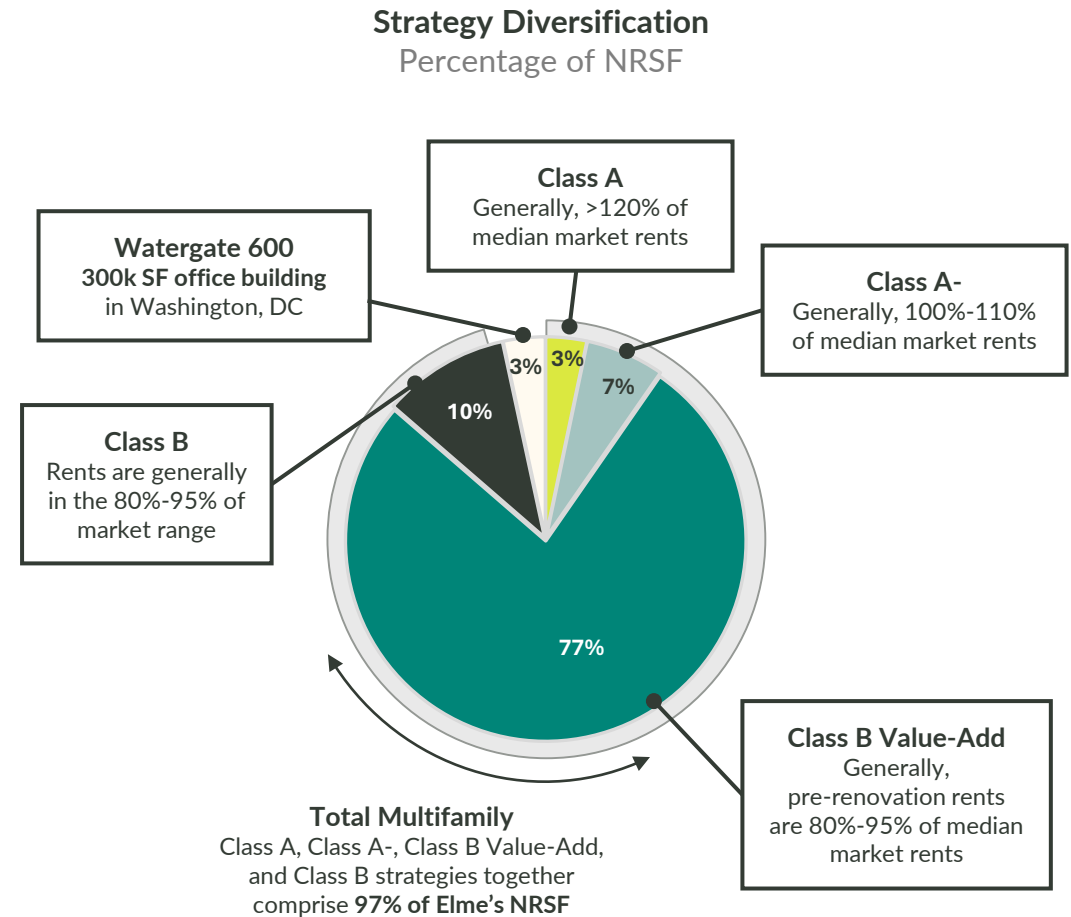
Strategic Transformation



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	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 Q4 2024 Supplement

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



	Twelve Months Ended		Three Months Ended				
	December 31, 2024	December 31, 2023	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
OPERATING RESULTS							
Revenues							
Real estate rental revenue	\$ 241,935	\$ 227,911	\$ 61,264	\$ 61,055	\$ 60,103	\$ 59,513	\$ 58,852
Expenses							
Property operating and maintenance ⁽¹⁾	(56,282)	(50,985)	(14,727)	(14,095)	(13,996)	(13,464)	(12,625)
Real estate taxes and insurance ⁽¹⁾	(32,419)	(28,845)	(8,015)	(8,163)	(7,986)	(8,255)	(7,629)
Property management	(8,861)	(8,108)	(2,233)	(2,235)	(2,175)	(2,218)	(2,226)
General and administrative	(24,969)	(25,887)	(6,281)	(6,354)	(6,138)	(6,196)	(5,996)
Transformation costs	—	(6,339)	—	—	—	—	—
Depreciation and amortization	(95,935)	(88,950)	(23,623)	(23,474)	(23,895)	(24,943)	(24,095)
Real estate impairment	—	(41,860)	—	—	—	—	—
	(218,466)	(250,974)	(54,879)	(54,321)	(54,190)	(55,076)	(52,571)
Real estate operating income (loss)	23,469	(23,063)	6,385	6,734	5,913	4,437	6,281
Other income (expense)							
Interest expense	(37,835)	(30,429)	(9,400)	(9,557)	(9,384)	(9,494)	(9,386)
Loss on extinguishment of debt	(147)	(54)	—	(147)	—	—	—
Other income	1,410	569	—	—	—	1,410	—
Net loss	\$ (13,103)	\$ (52,977)	\$ (3,015)	\$ (2,970)	\$ (3,471)	\$ (3,647)	\$ (3,105)
Per Share Data:							
Net loss	\$ (0.15)	\$ (0.61)	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.04)
Fully diluted weighted average shares outstanding	87,920	87,735	87,955	87,930	87,910	87,885	87,788
Percentage of Revenues:							
General and administrative expenses	10.3 %	11.4 %	10.3 %	10.4 %	10.2 %	10.4 %	10.2 %
Net loss	(5.4)%	(23.2)%	(4.9)%	(4.9)%	(5.8)%	(6.1)%	(5.3)%
Ratios:							
Adjusted EBITDA ⁽²⁾ / Interest expense	3.2x	3.8x	3.2x	3.2x	3.2x	3.1x	3.2x

(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. See page 51 for a reconciliation of Net loss to Adjusted EBITDA.

Financials from Q4 2024 Supplement

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



	Twelve Months Ended		Three Months Ended				
	December 31, 2024	December 31, 2023	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Adjusted EBITDA⁽¹⁾							
Net loss	\$ (13,103)	\$ (52,977)	\$ (3,015)	\$ (2,970)	\$ (3,471)	\$ (3,647)	\$ (3,105)
Add/(deduct):							
Interest expense	37,835	30,429	9,400	9,557	9,384	9,494	9,386
Real estate depreciation and amortization	95,935	88,950	23,623	23,474	23,895	24,943	24,095
Real estate impairment	—	41,860	—	—	—	—	—
Non-real estate depreciation	636	886	168	160	197	111	158
Severance expense	77	785	—	13	64	—	391
Transformation costs	—	6,339	—	—	—	—	—
Relocation expense	—	629	—	—	—	—	3
Structuring expenses	188	60	128	—	60	—	—
Loss on extinguishment of debt	147	54	—	147	—	—	—
Adjustment to deferred taxes	—	(526)	—	—	—	—	(526)
Write-off of pursuit costs ⁽²⁾	—	73	—	—	—	—	24
Gain on land easements	(1,410)	—	—	—	—	(1,410)	—
Adjusted EBITDA	\$ 120,305	\$ 116,562	\$ 30,304	\$ 30,381	\$ 30,129	\$ 29,491	\$ 30,426

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

(2) Adjusted EBITDA in prior periods has been updated to conform with the current period presentation and definition to include write-off of pursuit costs.

Financials from Q4 2024 Supplement

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



	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Assets					
Land	\$ 383,808	\$ 383,808	\$ 383,808	\$ 383,808	\$ 384,097
Income producing property	1,999,525	1,986,596	1,976,127	1,966,412	1,960,020
	2,383,333	2,370,404	2,359,935	2,350,220	2,344,117
Accumulated depreciation and amortization	(618,299)	(595,533)	(573,054)	(550,421)	(528,024)
Net income producing property	1,765,034	1,774,871	1,786,881	1,799,799	1,816,093
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	1,796,014	1,805,851	1,817,861	1,830,779	1,847,073
Cash and cash equivalents	6,144	4,840	5,629	4,199	5,984
Restricted cash	2,465	2,358	2,263	2,704	2,554
Rents and other receivables	12,511	12,676	12,575	12,886	17,642
Prepaid expenses and other assets	28,628	27,434	23,147	25,971	26,775
Total assets	<u>\$ 1,845,762</u>	<u>\$ 1,853,159</u>	<u>\$ 1,861,475</u>	<u>\$ 1,876,539</u>	<u>\$ 1,900,028</u>
Liabilities					
Notes payable, net	\$ 522,953	\$ 522,914	\$ 522,734	\$ 522,539	\$ 522,345
Line of credit	176,000	168,000	156,000	160,000	157,000
Accounts payable and other liabilities	36,293	36,295	37,283	31,112	38,997
Dividend payable	15,898	15,906	15,905	15,888	15,863
Advance rents	6,257	4,801	5,074	4,361	5,248
Tenant security deposits	6,283	6,270	6,334	6,235	6,225
Total liabilities	<u>763,684</u>	<u>754,186</u>	<u>743,330</u>	<u>740,135</u>	<u>745,678</u>
Equity					
Preferred shares, \$0.01 par value; 10,000 shares authorized	—	—	—	—	—
Shares of beneficial interest, \$0.01 par value; 150,000 shares authorized	880	880	880	880	879
Additional paid-in capital	1,740,078	1,739,319	1,737,941	1,736,524	1,735,530
Distributions in excess of net income	(646,095)	(627,186)	(608,310)	(588,923)	(569,391)
Accumulated other comprehensive loss	(13,066)	(14,323)	(12,651)	(12,365)	(12,958)
Total shareholders' equity	<u>1,081,797</u>	<u>1,098,690</u>	<u>1,117,860</u>	<u>1,136,116</u>	<u>1,154,060</u>
Noncontrolling interests in subsidiaries	281	283	285	288	290
Total equity	<u>1,082,078</u>	<u>1,098,973</u>	<u>1,118,145</u>	<u>1,136,404</u>	<u>1,154,350</u>
Total liabilities and equity	<u>\$ 1,845,762</u>	<u>\$ 1,853,159</u>	<u>\$ 1,861,475</u>	<u>\$ 1,876,539</u>	<u>\$ 1,900,028</u>

Financials from Q4 2024 Supplement

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



	Twelve Months Ended		Three Months Ended				
	December 31, 2024	December 31, 2023	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Funds from operations (FFO)							
Net loss	\$ (13,103)	\$ (52,977)	\$ (3,015)	\$ (2,970)	\$ (3,471)	\$ (3,647)	\$ (3,105)
Real estate depreciation and amortization	95,935	88,950	23,623	23,474	23,895	24,943	24,095
Real estate impairment	—	41,860	—	—	—	—	—
NAREIT funds from operations (FFO)⁽¹⁾	82,832	77,833	20,608	20,504	20,424	21,296	20,990
Loss on extinguishment of debt	147	54	—	147	—	—	—
Severance expense	77	785	—	13	64	—	391
Transformation costs	—	6,339	—	—	—	—	—
Relocation expense	—	629	—	—	—	—	3
Structuring expenses	188	60	128	—	60	—	—
Write-off of pursuit costs	—	73	—	—	—	—	24
Adjustment to deferred taxes	—	(526)	—	—	—	—	(526)
Gain on land easements	(1,410)	—	—	—	—	(1,410)	—
Core FFO⁽¹⁾	\$ 81,834	\$ 85,247	\$ 20,736	\$ 20,664	\$ 20,548	\$ 19,886	\$ 20,882
Allocation to participating securities ⁽²⁾	(287)	(255)	(50)	(78)	(79)	(80)	(46)
NAREIT FFO per share - basic	\$ 0.94	\$ 0.88	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24	\$ 0.24
NAREIT FFO per share - fully diluted	\$ 0.94	\$ 0.88	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24	\$ 0.24
Core FFO per share - fully diluted	\$ 0.93	\$ 0.97	\$ 0.24	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.24
Common dividend per share	\$ 0.72	\$ 0.72	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Average shares - basic	87,920	87,735	87,955	87,930	87,910	87,885	87,788
Average shares - fully diluted (for NAREIT FFO and Core FFO)	87,967	87,815	88,001	87,994	87,975	87,897	87,836

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

⁽²⁾ Adjustment to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS.

Financials from Q4 2024 Supplement

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



	Twelve Months Ended		Three Months Ended				
	December 31, 2024	December 31, 2023	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Adjusted funds from operations (AFFO)⁽¹⁾							
NAREIT FFO⁽¹⁾	\$ 82,832	\$ 77,833	\$ 20,608	\$ 20,504	\$ 20,424	\$ 21,296	\$ 20,990
Non-cash loss on extinguishment of debt	147	54	—	147	—	—	—
Tenant improvements and incentives, net of reimbursements	—	(277)	—	—	—	—	(267)
Leasing commissions capitalized	(137)	(56)	(107)	(30)	—	—	—
Recurring capital improvements	(10,342)	(8,592)	(3,143)	(2,284)	(2,144)	(2,771)	(2,642)
Straight-line rent, net	107	(187)	41	26	25	15	(27)
Non-real estate depreciation and amortization of debt costs	5,058	5,108	1,303	1,326	1,259	1,170	1,217
Amortization of lease intangibles, net	(710)	(818)	(184)	(201)	(163)	(162)	(248)
Amortization and expensing of restricted share and unit compensation ⁽³⁾	5,217	5,474	1,504	1,578	1,045	1,090	1,508
AFFO⁽¹⁾	82,172	78,539	20,022	21,066	20,446	20,638	20,531
Non-share-based severance expense	77	653	—	13	64	—	313
Relocation expense	—	629	—	—	—	—	3
Structuring expenses	188	60	128	—	60	—	—
Transformation costs ⁽⁴⁾	—	6,339	—	—	—	—	—
Write-off of pursuit costs	—	73	—	—	—	—	24
Adjustment to deferred taxes	—	(526)	—	—	—	—	(526)
Gain on land easements	(1,410)	—	—	—	—	(1,410)	—
Core AFFO⁽¹⁾	\$ 81,027	\$ 85,767	\$ 20,150	\$ 21,079	\$ 20,570	\$ 19,228	\$ 20,345

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

⁽³⁾ Includes share award modifications related to transformation costs

⁽⁴⁾ Excludes share award modifications related to transformation costs

Financials from Q4 2024 Supplement

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



	Apartment Homes as of December 31, 2024	Twelve Months Ended		Three Months Ended				
		December 31, 2024	December 31, 2023	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Rental and other property revenues								
Same-store	8,874	\$ 213,670	\$ 206,762	\$ 54,326	\$ 53,949	\$ 53,021	\$ 52,374	\$ 51,660
Acquisitions	500	9,968	2,549	2,522	2,478	2,471	2,497	2,495
Development	N/A	—	—	—	—	—	—	—
Total rental and other property revenues⁽¹⁾	9,374	\$ 223,638	\$ 209,311	\$ 56,848	\$ 56,427	\$ 55,492	\$ 54,871	\$ 54,155
Property operating expenses								
Same-store		78,470	73,431	20,076	19,535	19,505	19,354	17,988
Acquisitions		4,363	880	1,132	1,224	1,060	947	862
Development		233	224	58	61	57	57	56
Total property operating expenses		\$ 83,066	\$ 74,535	\$ 21,266	\$ 20,820	\$ 20,622	\$ 20,358	\$ 18,906
Net Operating Income (NOI)⁽²⁾								
Same-store		135,200	133,331	34,250	34,414	33,516	33,020	33,672
Acquisitions		5,605	1,669	1,390	1,254	1,411	1,550	1,633
Development		(233)	(224)	(58)	(61)	(57)	(57)	(56)
Total NOI		\$ 140,572	\$ 134,776	\$ 35,582	\$ 35,607	\$ 34,870	\$ 34,513	\$ 35,249
Same-store metrics								
Operating margin ⁽³⁾		63%	64%	63%	64%	63%	63%	65%
Retention		66%	63%	68%	66%	65%	65%	65%
Same-store effective lease rate growth								
New		(1.7)%	(0.8)%	(3.6)%	(1.5)%	0.2%	(2.1)%	(3.6)%
Renewal		5.1%	6.1%	5.1%	4.5%	5.4%	6.2%	5.9%
Blended		2.3%	3.0%	1.3%	2.1%	3.2%	2.3%	1.8%

(1) Utility costs reimbursed by residents are included in real estate rental revenue on our consolidated statements of operations. Utility reimbursements totaled \$9.0 million and \$8.0 million for the twelve months ended December 31, 2024 and 2023 respectively, and \$2.4 million, \$2.2 million, \$2.0 million, \$2.4 million and \$1.9 million for the three months ended December 31, 2024, September 30, 2024, June 30, 2024, March 31, 2024 and December 31, 2023, 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 Q4 2024 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 December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Net loss	\$ (3,015)	\$ (3,105)	\$ (13,103)	\$ (52,977)
Adjustments:				
Property management expense	2,233	2,226	8,861	8,108
General and administrative expense	6,281	5,996	24,969	25,887
Transformation costs	—	—	—	6,339
Real estate depreciation and amortization	23,623	24,095	95,935	88,950
Real estate impairment	—	—	—	41,860
Interest expense	9,400	9,386	37,835	30,429
Loss on extinguishment of debt	—	—	147	54
Other income	—	—	(1,410)	(569)
Total Net Operating Income (NOI)	<u>\$ 38,522</u>	<u>\$ 38,598</u>	<u>\$ 153,234</u>	<u>\$ 148,081</u>
Multifamily NOI:				
Same-store Portfolio	\$ 34,250	\$ 33,672	\$ 135,200	\$ 133,331
Acquisitions	1,390	1,633	5,605	1,669
Development	(58)	(56)	(233)	(224)
Total	<u>35,582</u>	<u>35,249</u>	<u>140,572</u>	<u>134,776</u>
Other NOI (Watergate 600)	2,940	3,349	12,662	13,305
Total NOI	<u>\$ 38,522</u>	<u>\$ 38,598</u>	<u>\$ 153,234</u>	<u>\$ 148,081</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	<u>\$(0.16)</u>	<u>\$(0.10)</u>
Real estate depreciation and amortization	1.07	1.07
NAREIT FFO per diluted share	<u>0.91</u>	<u>0.97</u>
Core adjustments	—	—
Core FFO per diluted share	<u>\$0.91</u>	<u>\$0.97</u>

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.

Transformation Costs include costs related to the strategic shift away from the commercial sector to the residential sector, including the allocation of internal costs, consulting, advisory and termination benefits.



Elme Communities

“elevating home”



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