



centerspace

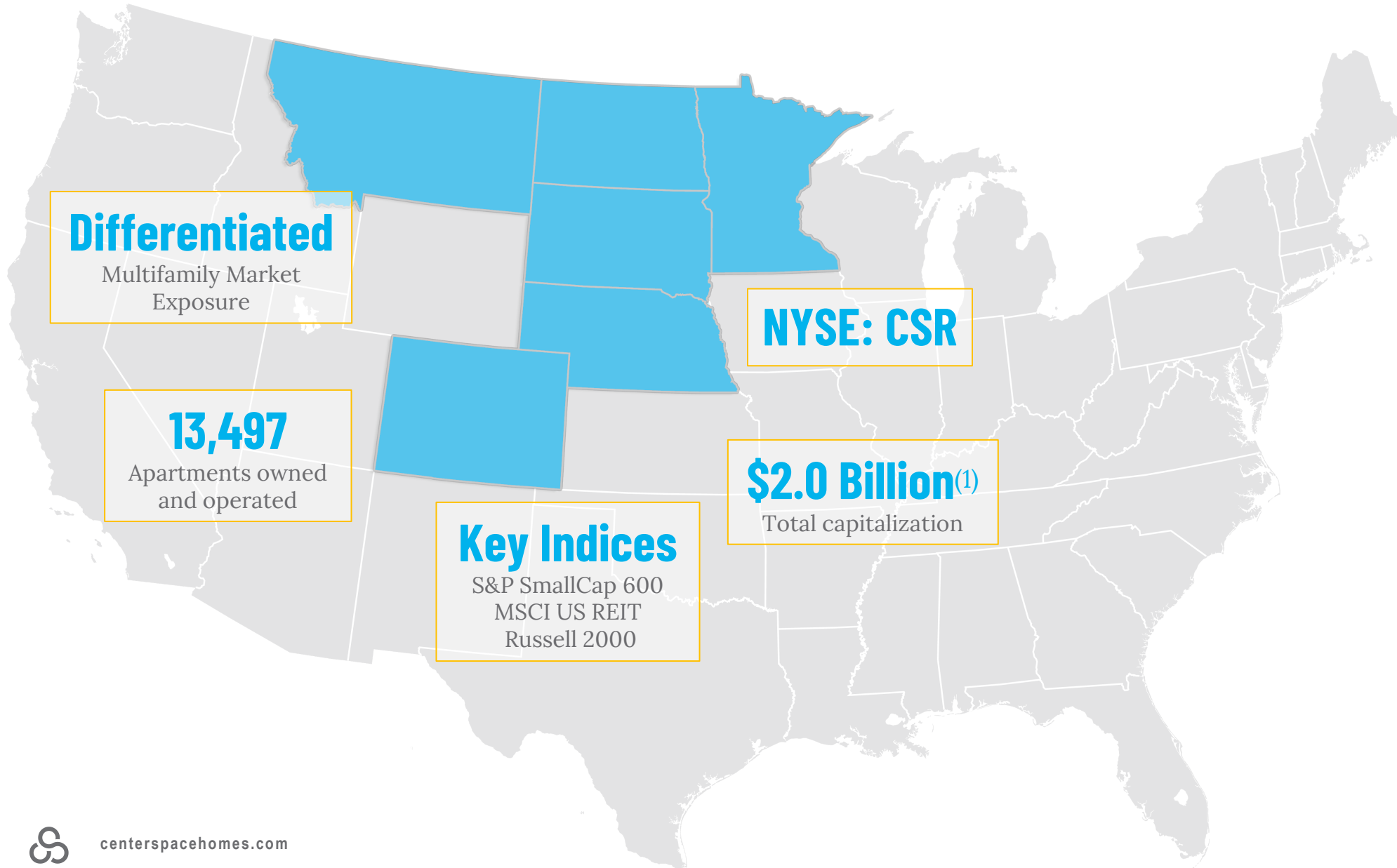
INVESTOR PRESENTATION

May 2023

Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from expected results. These statements may be identified by our use of words such as “expects,” “plans,” “estimates,” “anticipates,” “projects,” “intends,” “believes,” and similar expressions that do not relate to historical matters. Such risks, uncertainties, and other factors include, but are not limited to, changes in general and local economic and real estate market conditions, rental conditions in our markets, fluctuations in interest rates, the effect of government regulations, the availability and cost of capital and other financing risks, risks associated with our value-add and redevelopment opportunities, the failure of our property acquisitions and disposition activities to achieve expected results, competition in our markets, our ability to attract and retain skilled personnel, our ability to maintain our tax status as a real estate investment trust (REIT), and those risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission, including the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” contained in our Form 10-K for the period ended December 31, 2022. We assume no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.



COMPANY OVERVIEW



RESULTS
INNOVATION
SERVICE
ENGAGEMENT

RISE is Centerspace’s commitment to Results, Innovation, Service, and Engagement. It is how we monitor and measure our performance in our quest to provide a great home - for our residents, our team, and our investors.





RESULTS – 2023 FINANCIAL OUTLOOK

	Q1 2023	-----2023 Guidance Range-----		
	Actual	Low	Mid-Point	High
Same-Store Growth				
Revenue	10.5%	6.00%	7.00%	8.00%
Expenses	9.9%	4.75%	5.50%	6.25%
NOI	11.0%	7.00%	8.00%	9.00%
Per Share				
Earnings	\$2.76	\$2.73	\$3.18	\$3.62
FFO	\$0.89	\$4.03	\$4.18	\$4.33
Core FFO	\$1.07	\$4.27	\$4.42	\$4.56
Other Key Assumptions				

- Same-store capital expenditures of \$1,100 per home to \$1,150 per home
- Value-add expenditures of \$24.5 million to \$27.5 million
- Disposition proceeds of \$155 million to \$165 million

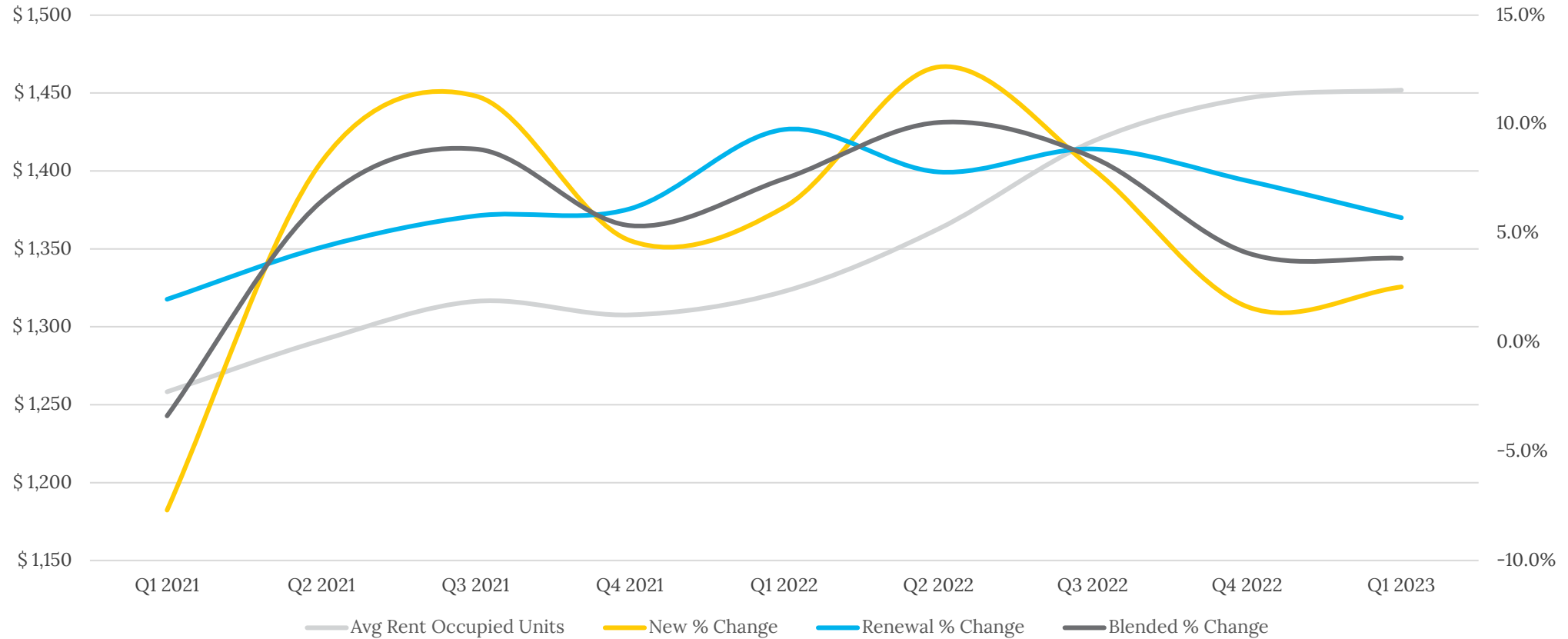




RESULTS – PORTFOLIO STABILITY AND RESILIENCY

Centerspace has grown average rents even in volatile economic times

SAME STORE LEASING



	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Apr 2023
Occupancy	94.5%	95.2%	94.1%	94.5%	94.8%	94.8%
Expirations	20.1%	33.6%	34.6%	15.2%	19.6%	3.9%



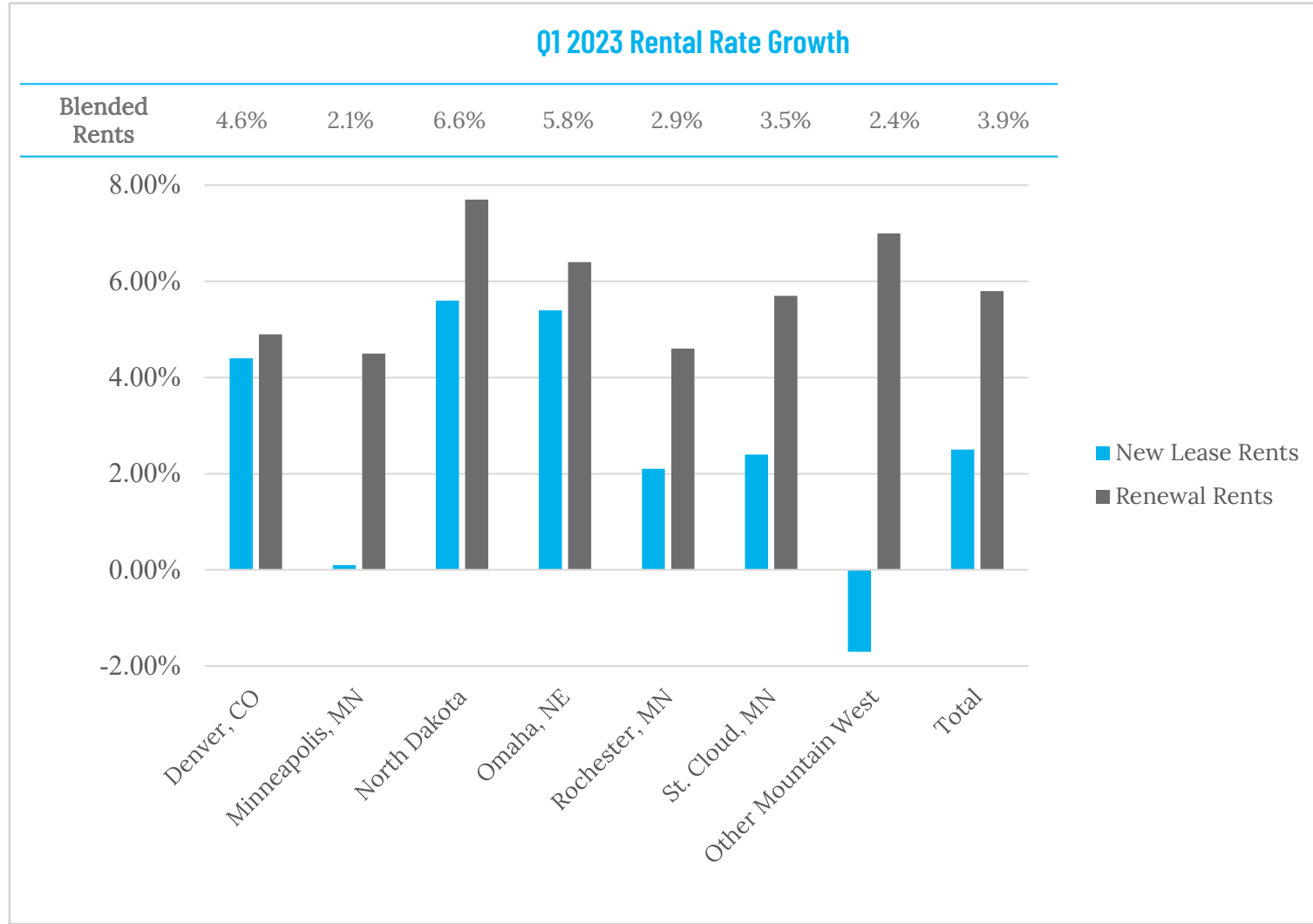


RESULTS – NOI COMPOSITION AND RENTAL RATE GROWTH

Market	% of NOI Contribution
Minneapolis, MN	34.4%
Denver, CO	23.7%
North Dakota	13.8%
Rochester, MN	9.3%
Other Mountain West	9.0%
Omaha, NE	5.3%
St. Cloud, MN	4.5%
Total	100.0%



Palisades Apartments – Roseville, Minnesota



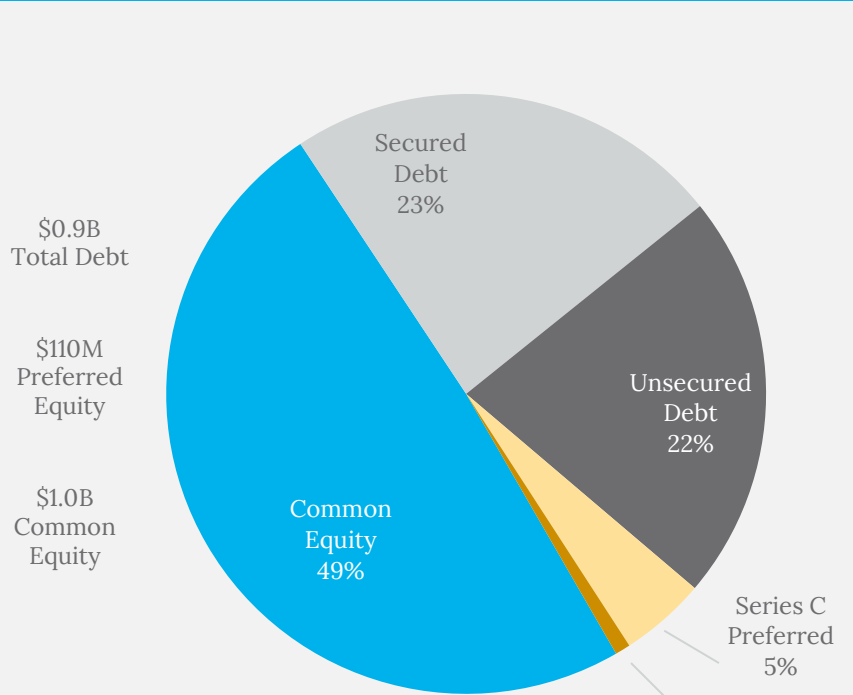
Note: NOI Contribution is for Q1 2023. Rental rate growth is Q1 2023 compared to Q4 2022.





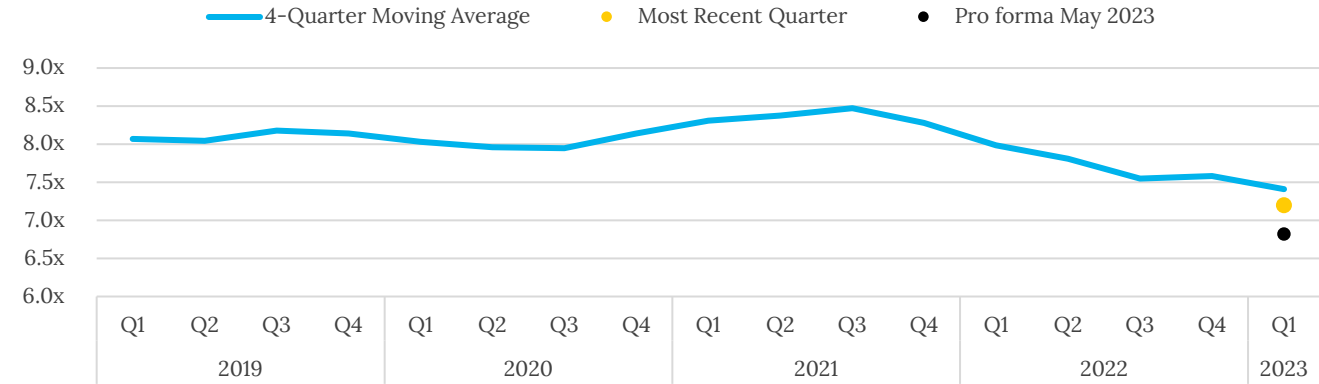
RESULTS – BALANCE SHEET POSITIONED FOR GROWTH

Large Permanent Capital Base (\$2.0B Total Capitalization)



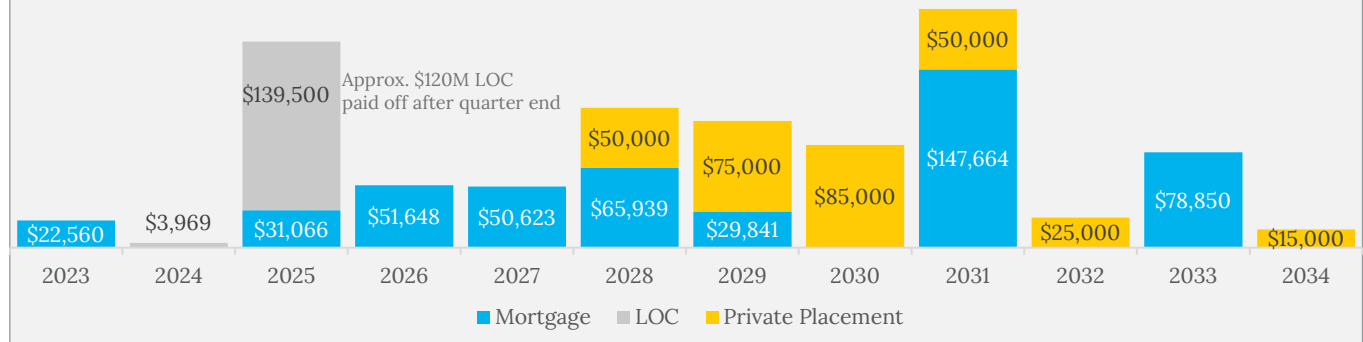
*Share price \$54.63 as of 3/31/2023

Quarterly Net Debt / Annualized Trailing EBITDA⁽¹⁾



Low Maturities through 2025

Most Recent Quarter Wtd Avg Int Rate 3.71% & Wtd Avg Maturity 6.06 Year
Pro forma May 2023 Wtd Avg Int Rate 3.53% & Wtd Avg Maturity 7.17 Year ⁽²⁾ (in thousands, except percentages)



Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
% of Total Maturing	2.4%	0.4%	18.5%	5.6%	5.5%	12.6%	11.4%	9.2%	21.4%	2.7%	8.6%	1.6%
Weighted Average Interest Rate	4.1%	7.2%	5.5%	3.7%	3.5%	3.1%	4.0%	2.6%	3.2%	2.7%	2.9%	2.8%



(1) Net debt is the total outstanding debt balance less cash and cash equivalents and net tax deferred exchange proceeds (included within restricted cash). Adjusted EBITDA is annualized for periods less than one year. Net debt and adjusted EBITDA are non-GAAP financial measures and should not be considered a substitute for operating results determined in accordance with GAAP. Refer to the Adjusted EBITDA definition included within the Reconciliation to Non-GAAP Measures section in the Appendix.
 (2) Subsequent to quarter end, we received approximately \$48M of sale proceeds and closed on a \$90M fixed rate financing both of which were used to paydown the outstanding balances on our variable rate line of credit.

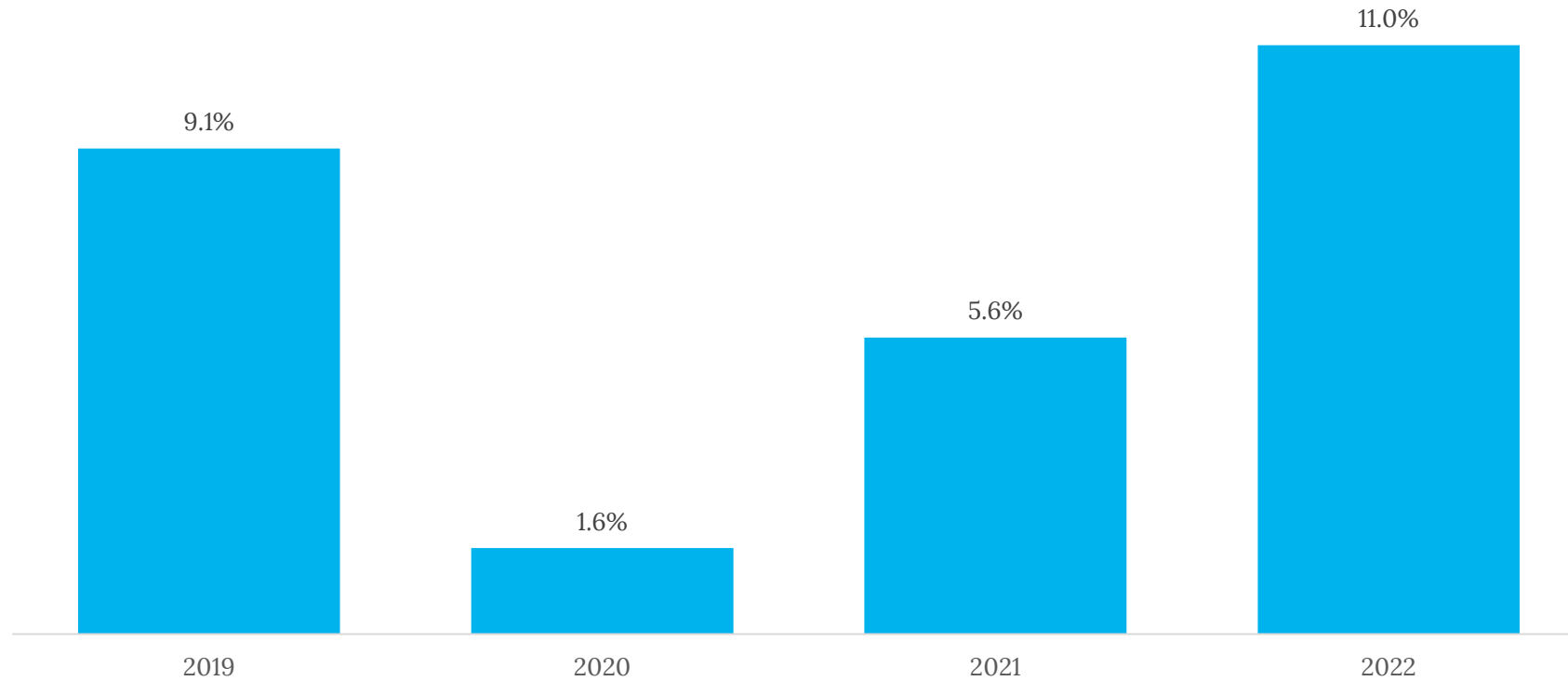


RESULTS – STABLE UNDERLYING PORTFOLIO AND CONSISTENT EARNINGS

Centerspace is one of four public multifamily companies to grow Core FFO per share annually since 2019

Differentiated and low supply exposure markets insulate portfolio from broader economic and multifamily fundamental weakness

Core FFO per Share Growth



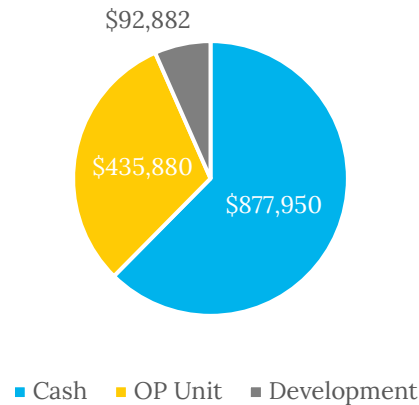


INNOVATION – PORTFOLIO IMPROVEMENT SINCE 2017

Improvement since 2017 driven by disciplined capital allocation and creative deal structuring

Acquisition Structure

(\$ in thousands)



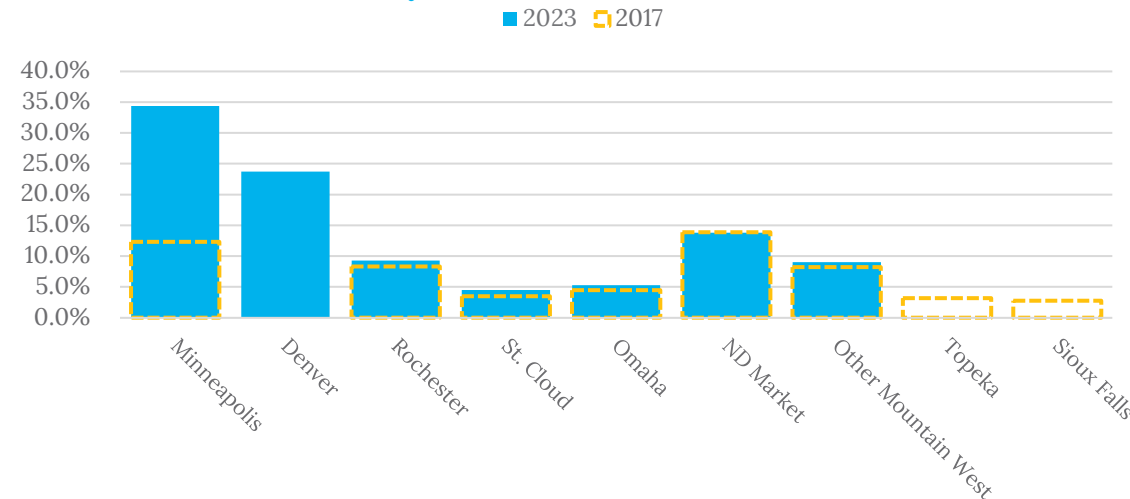
- Acquired 33 communities in our target markets for \$1.4 billion including through unique deal structuring which has provided a competitive advantage in transaction market
- \$500 million in non-core dispositions as we reduce our exposure to less efficient communities in lower-growth markets

While a similar portfolio home count, investment and disposition activity has resulted in a more efficient and higher quality portfolio

	2017	Today ⁽¹⁾
Communities	100	75
Homes	13,212	13,497
Homes per Community	132	180
Average Monthly Rent	\$980	\$1,470
% of NOI in 50 Largest MSAs	13%	58%

(1) Q1 2023 multifamily only excluding dispositions

% of NOI by Market – March 2023 vs 2017





INNOVATION – ADVANCING PORTFOLIO CONSTRUCTION THROUGH DISPOSITIONS

Recent sales of lower rent, inefficient non-core communities strengthens portfolio quality

Metric ⁽¹⁾	Pre-2023 Dispositions	2023 Dispositions	Post 2023 Dispositions
Avg. Monthly Rent / Home	\$1,417	\$1,002	\$1,465
Avg. Monthly Rev. / Occupied Home	\$1,562	\$1,121	\$1,613
Communities	84	9	75
Homes	15,065	1,567	13,497
Homes / Community	179	174	180
Avg Age (Years)	28	48	25
Gross Margin	72.4%	58.2%	73.6%
NOI Margin	56.8%	38.8%	58.3%
EBITDA Margin	48.4%	36.8%	49.2%

- Average capitalization rate of the 2023 dispositions was 5.9%, while the implied capitalization rate for the portfolio is 7.6% based upon the common stock closing price at 3/31/2023 (\$54.63 per share)
- Proceeds from 2023 dispositions were used to restore capacity on our line of credit while also reducing exposure to floating rate debt
- 2023 Company guidance includes projected further non-core dispositions to enhance portfolio quality and leverage main street v. wall street valuation

(1) Multifamily only except for EBITDA margin, using 2022 Q4 data





INNOVATION – GROWTH IN DENVER

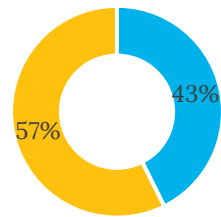


MARKET HIGHLIGHTS

- 7 CSR communities, 2,104 homes, entered Denver 4Q 2017 and achieved critical mass
- 19th largest MSA, 3.0M population
- 21 Fortune 1,000 companies headquartered in Colorado
- Diversified economy with large presence of aviation/aerospace, healthcare, telecommunications and tech employers
- \$90,716 median household income is 30% higher than the United States median
- 804,200 forecasted job additions between 2020-2050 (+37%)

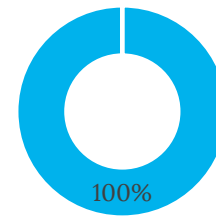
CSR HIGHLIGHTS

Location By NOI



■ Urban ■ Suburban

Asset Class



■ Class A



Lyra: 215-home community in Centennial; 2022 built in Denver's SE Business Corridor

CSR Portfolio NOI %	23.7%
CSR Denver Portfolio Average Rent	\$1,934
CSR YTD Average Annual Income	\$127,335
CSR YTD Rent-to-Income Ratio	22.5%
CSR 1Q 2023 Denver Portfolio Occupancy %	95.5%
Median Home Value	\$594,624
Unemployment Rate	3.2%



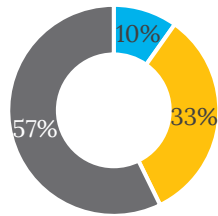


MARKET HIGHLIGHTS

- 29 CSR communities, 4,916 homes, scaled portfolio with opportunities in operating partnership unit transactions, mezzanine financing and development participation, and capital recycling
- 16th largest MSA, 3.7M population
- 15 Fortune 500 companies headquartered
- Diversified economy with large presence of healthcare, finance, food production and retail employers
- \$87,433 median household income is 25% higher than the United States median
- 493,000 forecasted job additions between 2020-2050 (+31%)

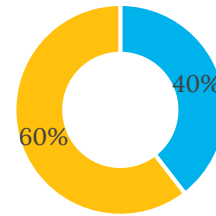
CSR HIGHLIGHTS

Location By NOI



■ Urban Core ■ Inner Ring ■ Outer Ring

Asset Class



■ Class A ■ Class B



Noko: 130-home community built in 2021 with 24k SF grocer adjacent to Lake Nokomis

CSR Portfolio NOI %	34.4%
CSR Minneapolis Portfolio Average Rent	\$1,479
CSR YTD Average Annual Income	\$96,386
CSR YTD Rent-to-Income Ratio	22.7%
CSR 1Q 2023 Minneapolis Portfolio Occupancy %	94.9%
Median Home Value	\$357,511
Unemployment Rate	3.2%





INNOVATION – PROVIDING DIFFERENTIATED EXPOSURE

Portfolio hallmarks include low unemployment rates, affordability of rents, resident financial strength, and diversified economies

Region	% of NOI ⁽¹⁾	Population	Market Homes	Median Household Income	Unemployment Rate	3-Month Avg Job Growth	Median Home Value	Trailing 12-Month Deliveries ⁽⁴⁾	Market Vacancy ⁽⁴⁾	YoY Market Rent Growth ⁽⁴⁾	Homes Under Construction / % of Stock ⁽⁴⁾	Centerspace YTD Avg Annual Income ⁽⁵⁾	Centerspace YTD Rent-To-Income Ratio ⁽⁵⁾
Minneapolis, MN	34.4%	3,690,512	262,330	\$87,433	3.2%	1.8%	357,511	9,841	7.3%	1.7%	15,869 / 6.0%	\$96,386	22.7%
Denver, CO	23.7%	2,972,566	280,536	\$90,716	3.2%	1.4%	594,624	8,930	7.3%	2.1%	30,061 / 10.7%	\$127,335	22.5%
North Dakota ⁽²⁾	13.8%	314,465	23,569	\$66,838	2.8%	1.9%	263,664	52	4.9%	5.2%	165 / 0.7%	\$88,891	21.5%
Rochester, MN	9.3%	227,151	9,956	\$80,434	3.1%	2.4%	297,539	0	4.9%	3.6%	939 / 9.4%	\$125,485	22.4%
Other Mountain West ⁽³⁾	9.0%	329,016	12,911	\$67,725	2.4%	1.9%	353,537	1,123	7.0%	2.8%	774 / 6.0%	\$82,988	22.5%
Omaha, NE	5.3%	971,637	79,070	\$73,720	2.5%	0.9%	265,404	2,177	5.7%	7.2%	5,221 / 6.6%	\$93,594	20.9%
St. Cloud, MN	4.5%	200,406	15,450	\$65,641	4.0%	2.7%	270,680	44	2.9%	3.4%	209 / 1.4%	\$88,498	21.3%

Note: Median household income, unemployment rate, 3-month avg job growth, median home value, CSR avg annual income, and CSR rent-to-income ratio are weighted by NOI contribution of metro/micro market within North Dakota and Other Mountain West. Market vacancy and rent growth are weighted by total inventory of homes in each metro/micro market. All other data is summation of each metro/micro market

Sources: US Census Bureau, Bureau of Labor Statistics, FRED, Zillow, CoStar

(1) Q1 2023 multifamily only excluding dispositions

(2) Includes Bismarck, ND, Grand Forks, ND, and Minot, ND

(3) Includes Billings, MT and Rapid City, SD

(4) As of Q1 2023

(5) Yardi Resident Screening data for approved applicants as of 4/14/2023

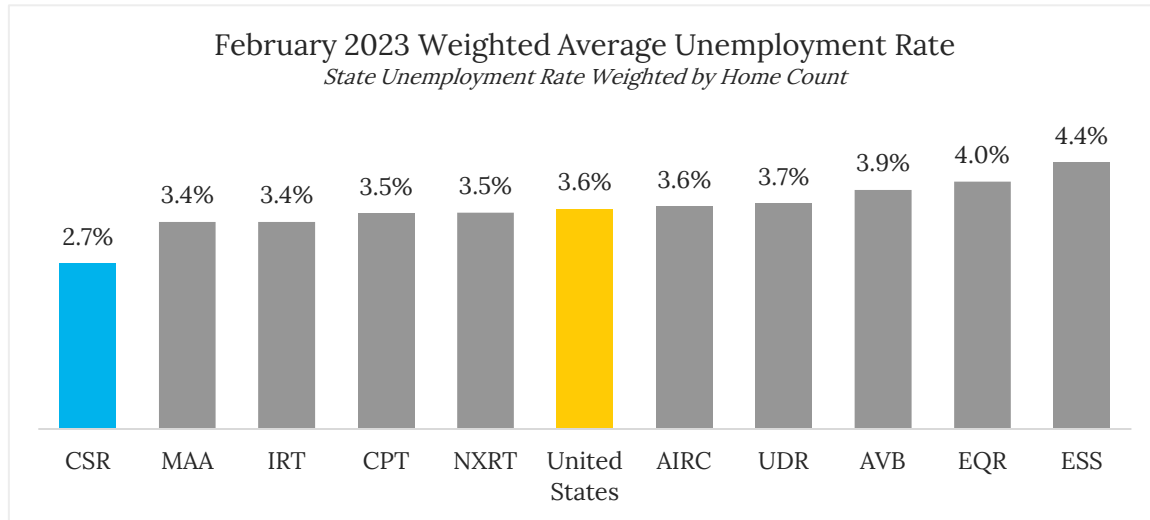
- 684k apartment homes in CSR portfolio markets, set against 22M total apartment homes in United States
- Centerspace resident rent-to-income ratio of 21%-23% by market compares to 30% United States median rent-to-income ratio





INNOVATION – PORTFOLIO COMPARES FAVORABLY ON UNEMPLOYMENT AND SUPPLY

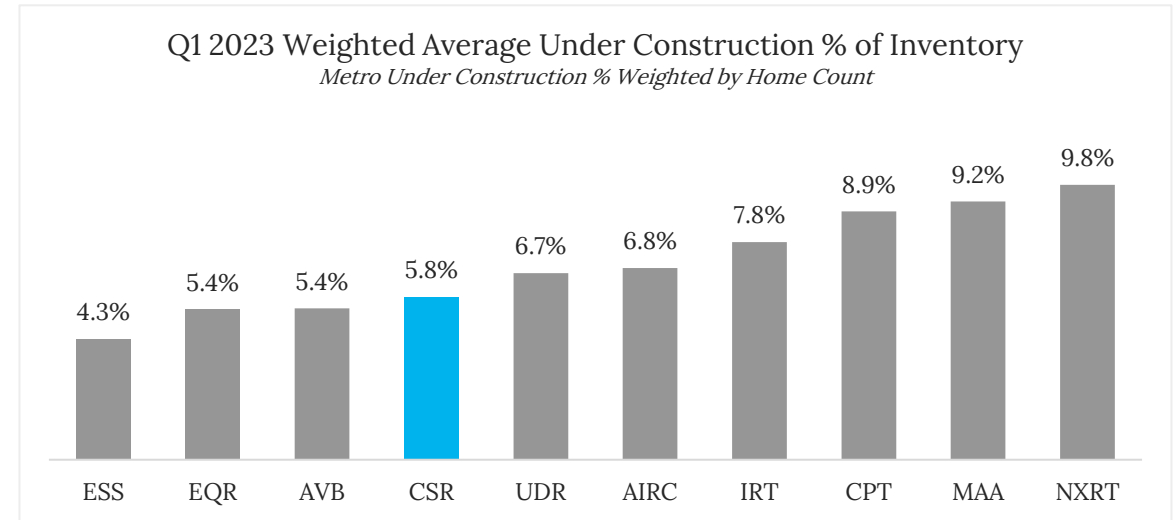
Creditworthiness of residents produces strong rent collection rates; low unemployment in Centerspace portfolio markets can insulate performance in recessionary conditions



Source: SNL, BLS

- Low unemployment in our portfolio relative to all housing sectors- apartment, manufactured housing, and single-family rentals, is leading to strong collection rates.
- Centerspace’s portfolio has the lowest weighted average unemployment rate among public multifamily companies across its markets

Measured supply pipeline in Centerspace portfolio markets allows the ability to drive rent growth and retain occupancy



Source: SNL, CoStar

- Less competition from new supply allows the ability to push rents while maintaining occupancy
- Among public multifamily companies, Centerspace’s markets have the fourth lowest number of homes under construction as a percentage of total market inventory





SERVICE – ENHANCING RESIDENT EXPERIENCE AND OPTIMIZING REVENUE

VALUE-ADD HIGHLIGHTS

- Value-add opportunities to drive maximum revenue across the portfolio include home and common area renovations and adding amenities including clubhouses, fitness centers, dog park, outdoor kitchens, and package locker solutions. Enhancements improve asset position within the market, maintain competitive advantage and keep up with market demand
- Value-add renovations enhance sustainability efforts by conserving water, reducing energy waste, and implementing environmentally friendly alternatives when able. ESG considerations include:
 - LED lighting
 - ENERGY STAR appliances
 - Updated countertops and cabinetry
 - Low-VOC paint
 - Cradle to Cradle flooring
 - Pollinator-friendly landscaping

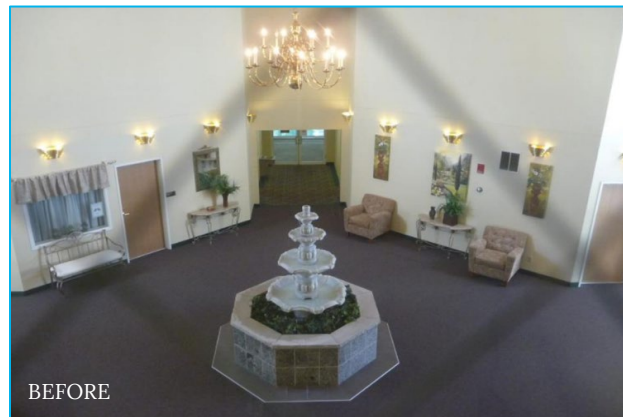
IN-HOME VALUE-ADD RESULTS

	2020	2021	2022	2023 YTD
Homes Completed	404 homes	686 homes	945 homes	93 homes
Average Cost per Home ⁽¹⁾	\$11,003	\$14,259	\$18,549	\$13,151
Average Rent Increase ⁽²⁾	\$191	\$222	\$229	\$192
Average Return ⁽³⁾	21%	19%	15%	18%

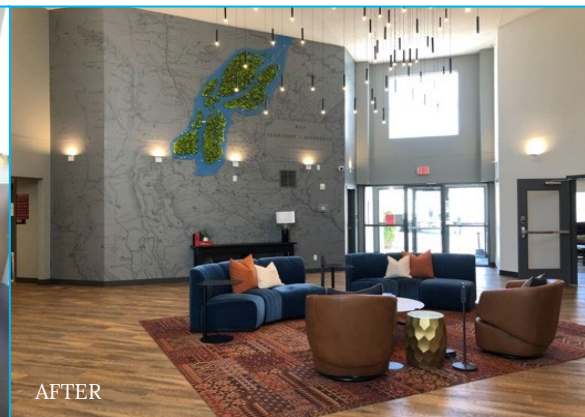
⁽¹⁾ Does not include costs related to amenity or common area upgrades

⁽²⁾ Achieved premium is reflective of the completed and leased homes and does not include market rent changes

⁽³⁾ Annualized Average Annual Rent Increase divided by Average Cost Per Home



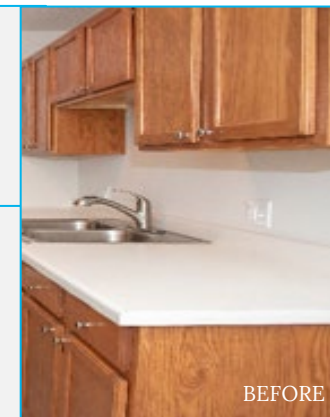
BEFORE



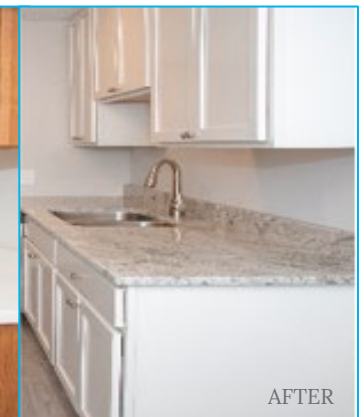
AFTER

Regency Park lobby renovation

Connelly on Eleven Interior Renovation



BEFORE



AFTER





SERVICE – TECHNOLOGY ENHANCEMENTS AND BEST-IN-CLASS PARTNERS


New technology implementations enhance automation, self-service delivery and resident experience

Centerspace is committed to enhancing both productivity and customer experience through the use of effective software solutions. Beginning with a migration from MRI to Yardi as its property management platform in 2021, Centerspace has reviewed existing software solutions and implemented new technology to enhance automation, self-service delivery, and additional functionality.

We are proud to partner with some of the best-in-class technology partners in the multifamily industry.




Full-service property management platform




RENTCafé®

Websites, resident and applicant portals, resident app, and robust CRM solution



Maintenance IQ

Mobile maintenance platform



Procure to Pay


Electronic invoicing, vendor marketplace, and automated workflows



Revenue management system for new leases and renewals



Online learning management system tracks compliance and charts learning paths



Combines chat, email, video conferencing, data storage, and company intranet in a single environment




Simplified utility management



Renters insurance coverage



Reputation management, local listing management, and social media management in one place



AI Leasing Assistant responds to email and text inquiries 24-hours a day



Complete talent acquisition and human resource management solution

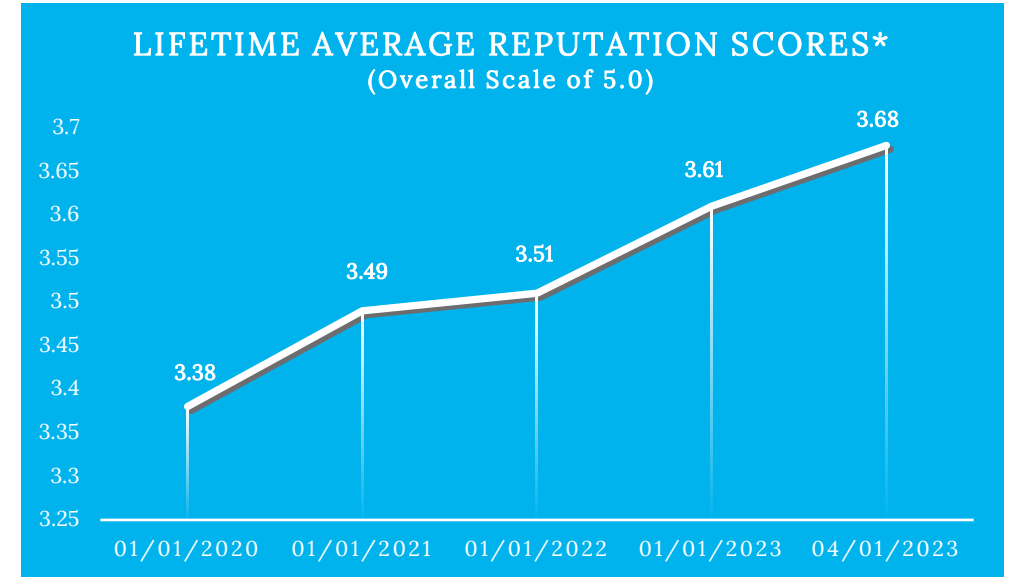
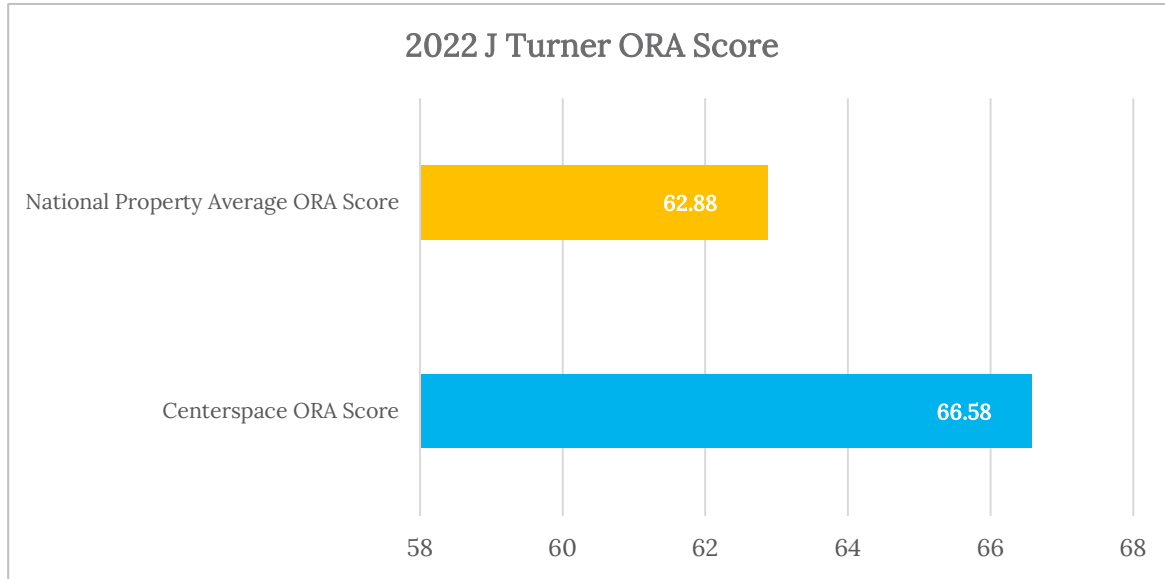


Smart home technology including locks, thermostats and leak sensors (at select communities.)





SERVICE – ENHANCING CUSTOMER EXPERIENCE IS A CORE GOAL



*All Current Properties



ORA TOP PERFORMERS

Red 20 Apartments in Minneapolis, MN and Ironwood Apartments in New Hope, MN were named to the 2022 Elite 1% in the J Turner Research 2022 ORA Power Rankings report. This report highlights the nation's top 1% of communities ranked by ORA.





ENGAGEMENT – ESG HIGHLIGHTS

ENVIRONMENTAL

- Participated in the GRESB annual assessment to identify risks and opportunities and benchmark performance amongst real estate peers
- Implemented an Environmental Management System (EMS) aligned with ISP 14001 to gather, track, and improve upon environmental data
- Created ENERGY STAR portfolios for 100% of our portfolio to ensure we comply with environmental laws and regulations

SOCIAL

- Donated to \$74,832 to national, regional, and diversity-promoting charities
- Named a Top Workplace by the Minneapolis Star Tribune for the third consecutive year
- Maintain a strong Diversity, Equity, and Inclusion committee that upholds our DE&I Corporate Policy
- Team members completed 1,676 volunteer hours in 2022

GOVERNANCE

- Maintain a Supermajority Independent Board with 87.5% of board members being independent
- Senior leadership team is 55.6% female – we were placed on the prestigious Honor Roll for the Minnesota Census of Women in Corporate Leadership for the third consecutive year
- Received a #1 governance score from Institutional Shareholder Services

AWARDS AND RECOGNITION



LEADING ORGANIZATION IN DIVERSITY, EQUITY, AND INCLUSION



TOP WORKPLACE FOR THREE CONSECUTIVE YEARS



EIGHT MADACS AWARDS IN 2022





ENGAGEMENT – BEST-IN-CLASS GOVERNANCE

EXECUTIVE MANAGEMENT TEAM



Anne Olson
President and CEO



Bhairav Patel
EVP and CFO

ISS rated top score of 1 -
indicating highest quality
corporate governance
practices and lowest
governance risk

BOARD OF TRUSTEES



Jeffrey P. Caira
Since 2015



Michael T. Dance
Since 2016



**Mark O. Decker
Jr.**
Since 2017



**Emily Nagle
Green**
Since 2018



Linda J. Hall
Since 2011



Anne Olson
Since 2023



John A. Schissel
Since 2016



Mary J. Twinem
Since 2018



**Rodney Jones-
Tyson**
Since 2022





APPENDIX





RECONCILIATION TO NON-GAAP MEASURES

Reconciliation of Net Income (Loss) Available to Common Shareholders to Funds From Operations and Core Funds From Operations

Centerspace believes that FFO, which is a non-GAAP financial measure used as a standard supplemental measure for equity real estate investment trusts, is helpful to investors in understanding its operating performance, primarily because its calculation does not assume that the value of real estate assets diminishes predictably over time, as implied by the historical cost convention of GAAP and the recording of depreciation. Centerspace uses the definition of FFO adopted by the National Association of Real Estate Investment Trusts, Inc. (“Nareit”). Nareit defines FFO as net income or loss calculated in accordance with GAAP, excluding:

- depreciation and amortization related to real estate;
- gains and losses from the sale of certain real estate assets;
- impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity; and
- similar adjustments for partially owned consolidated real estate entities.

The exclusion in Nareit’s definition of FFO of gains and losses from the sale of real estate assets and impairment write-downs helps to identify the operating results of the long-term assets that form the base of the company’s investments, and assists management and investors in comparing those operating results between periods.

Due to the limitations of the Nareit FFO definition, Centerspace has made certain interpretations in applying this definition. The company believes that all such interpretations not specifically identified in the Nareit definition are consistent with this definition. Nareit’s FFO White Paper 2018 Restatement clarified that impairment write-downs of land related to a REIT’s main business are excluded from FFO and a REIT has the option to exclude impairment write-downs of assets that are incidental to its main business.

While FFO is widely used by Centerspace as a primary performance metric, not all real estate companies use the same definition of FFO or calculate FFO in the same way. Accordingly, FFO presented here is not necessarily comparable to FFO presented by other real estate companies. FFO should not be considered as an alternative to net income or any other GAAP measurement of performance, but rather should be considered as an additional, supplemental measure. FFO also does not represent cash generated from operating activities in accordance with GAAP, nor is it indicative of funds available to fund all cash flow needs, including the ability to service indebtedness or make distributions to shareholders.

Core Funds from Operations (“Core FFO”) is FFO as adjusted for non-routine items or items not considered core to business operations. By further adjusting for items that are not considered part of core business operations, the company believes that Core FFO provides investors with additional information to compare core operating and financial performance between periods. Core FFO should not be considered as an alternative to net income, or any other GAAP measurement of performance, but rather should be considered an additional supplemental measure. Core FFO also does not represent cash generated from operating activities in accordance with GAAP, nor is it indicative of funds available to fund the company’s cash needs, including its ability to service indebtedness or make distributions to shareholders. Core FFO is a non-GAAP and non-standardized financial measure that may be calculated differently by other REITs and should not be considered a substitute for operating results determined in accordance with GAAP.





RECONCILIATION TO NON-GAAP MEASURES

	Three Months Ended				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Funds From Operations					
Net (loss) income available to common shareholders	41,964	(3,613)	(2,130)	(4,598)	(10,196)
Adjustments:					
Noncontrolling interests – Operating Partnership and Series E preferred units	8,566	(753)	(439)	(950)	(2,157)
Depreciation and amortization of real property	25,993	25,768	23,720	24,768	31,001
Less depreciation – non real estate	(91)	(91)	(94)	(101)	(101)
Less depreciation – partially owned entities	(19)	(19)	(18)	(7)	(21)
Loss (gain) on depreciable property sales	(60,159)	(14)	–	(27)	–
FFO applicable to common shares and Units	\$ 16,254	\$ 21,278	\$ 21,039	\$ 19,085	\$ 18,526
Adjustments to Core FFO:					
Casualty loss (recovery)	13	20	46	163	25
Loss on extinguishment of debt	–	–	–	5	–
Technology implementation costs ⁽¹⁾	–	89	234	447	103
Interest rate swap termination, amortization, and mark-to-market	138	104	204	205	(613)
Amortization of assumed debt	(116)	(117)	(116)	(116)	(115)
Pursuit costs	5	137	38	1,127	–
Severance and transition related costs	3,199	–	–	–	–
Other miscellaneous items ⁽²⁾	49	(28)	17	100	(4)
Core FFO applicable to common shares and Units	\$ 19,542	\$ 21,483	\$ 21,462	\$ 21,016	\$ 17,922
FFO applicable to common shares and Units	\$ 16,254	\$ 21,278	\$ 21,039	\$ 19,085	\$ 18,526
Dividends to preferred unitholders	160	160	160	160	160
FFO applicable to common shares and Units - diluted	\$ 16,414	\$ 21,438	\$ 21,199	\$ 19,245	\$ 18,686
Core FFO applicable to common shares and Units	\$ 19,542	\$ 21,483	\$ 21,462	\$ 21,016	\$ 17,922
Dividends to preferred unitholders	160	160	160	160	160
Core FFO applicable to common shares and Units - diluted	\$ 19,702	\$ 21,643	\$ 21,622	\$ 21,176	\$ 18,082
Per Share Data					
Net income (loss) per share and Unit - diluted	\$ 2.76	\$ (0.24)	\$ (0.14)	\$ (0.30)	\$ (0.68)
FFO per share and Unit - diluted	\$ 0.89	\$ 1.16	\$ 1.13	\$ 1.02	\$ 1.01
Core FFO per share and Unit - diluted	\$ 1.07	\$ 1.17	\$ 1.15	\$ 1.12	\$ 0.98
Weighted average shares - basic	15,025	15,027	15,373	15,369	15,097
Effect of redeemable operating partnership Units	968	974	984	995	965
Effect of Series D preferred units	228	228	228	228	228
Effect of Series E preferred units	2,118	2,185	2,186	2,186	2,186
Effect of dilutive restricted stock units and stock options	20	9	30	48	66
Weighted average shares and Units - diluted	18,359	18,423	18,801	18,826	18,542

1) Costs are related to a two-year implementation.

(2) Consists of (gain) loss on investments.





RECONCILIATION TO NON-GAAP MEASURES

Reconciliation of Net Income (Loss) Available to Common Shareholders to Adjusted EBITDA

Adjusted EBITDA is earnings before interest, taxes, depreciation, amortization, gain or loss on sale of real estate and other investments, impairment of real estate investments, gain or loss on extinguishment of debt, and adjustments for non-routine items. Adjusted EBITDA is a non-GAAP financial measure and should not be considered a substitute for operating results determined in accordance with GAAP. The company considers Adjusted EBITDA to be an appropriate supplemental performance measure because it permits investors to view income from operations without the effect of depreciation, financing costs, or non-operating gains and losses.

	Three Months Ended				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Adjusted EBITDA ⁽¹⁾					
Net income (loss) attributable to controlling interests	\$ 43,571	\$ (2,006)	\$ (523)	\$ (2,991)	\$ (8,589)
Adjustments:					
Dividends to Series D preferred unitholders	160	160	160	160	160
Noncontrolling interests - Operating Partnership	8,566	(753)	(439)	(950)	(2,157)
Income (loss) before noncontrolling interests - Operating Partnership	\$ 52,297	\$ (2,599)	\$ (802)	\$ (3,781)	\$ (10,586)
Add:					
Interest expense	10,305	9,589	7,856	7,547	7,700
Loss on extinguishment of debt	—	—	—	5	—
Depreciation/amortization related to real estate investments	25,971	25,747	23,699	24,759	30,980
Non-cash casualty (gain) loss	13	20	46	163	25
Impairment of real estate investments	—	—	—	—	—
Interest income	(92)	(92)	(82)	(74)	(464)
Gain on sale of real estate and other investments	(60,159)	(14)	—	(27)	—
Technology implementation costs ⁽¹⁾	—	89	234	447	103
Interest rate swap termination and mark-to-market	—	—	—	18	(582)
Pursuit costs	5	137	38	1,127	—
Severance and transition related costs	3,199	—	—	—	—
Other miscellaneous items ⁽²⁾	49	(28)	17	100	(4)
Adjusted EBITDA	\$ 31,588	\$ 32,849	\$ 31,006	\$ 30,284	\$ 27,172
(1) Costs are related to a two-year implementation.					
(2) Consists of (gain) loss on investments.					

