

2nd Quarter 2024 // Quarter Ended June 30, 2024

EARNINGS RELEASE AND SUPPLEMENTAL OPERATING & FINANCIAL DATA



Sunset Trail // Rochester, MN





Centerspace Reports Second Quarter 2024 Financial Results and Raises Mid-Point for 2024 Core FFO per Share Guidance

MINNEAPOLIS, MN, July 29, 2024 – Centerspace (NYSE: CSR) announced today its financial and operating results for the three and six months ended June 30, 2024. The tables below show Net Income (Loss), Funds from Operations (“FFO”)¹, and Core FFO¹, all on a per diluted share basis, for the three and six months ended June 30, 2024; Same-Store Revenues, Expenses, and Net Operating Income (“NOI”)¹ over comparable periods; and Same-Store Weighted-Average Occupancy for each of the three months ended June 30, 2024, March 31, 2024, and June 30, 2023.

| Per Common Share | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------------|-----------------------------|-----------|---------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income (loss) - diluted | \$ (0.19) | \$ (0.23) | \$ (0.56) | \$ 2.55 |
| FFO - diluted ⁽¹⁾ | \$ 1.23 | \$ 1.11 | \$ 2.39 | \$ 2.01 |
| Core FFO - diluted ⁽¹⁾ | \$ 1.27 | \$ 1.28 | \$ 2.49 | \$ 2.36 |

| Same-Store Results ⁽²⁾ | Year-Over-Year Comparison | Sequential Comparison | YTD Comparison |
|-----------------------------------|---------------------------|-----------------------|----------------|
| | Q2 2024 vs. Q2 2023 | Q2 2024 vs. Q1 2024 | 2024 vs. 2023 |
| Revenues | 3.4% | 1.7% | 3.5% |
| Expenses | 5.1% | 1.8% | 1.4% |
| NOI ⁽¹⁾ | 2.4% | 1.7% | 4.9% |

| Same-Store Results ⁽²⁾ | Three months ended | | | Six months ended | |
|-----------------------------------|--------------------|----------------|---------------|------------------|---------------|
| | June 30, 2024 | March 31, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| Weighted Average Occupancy | 95.3% | 94.6% | 95.2% | 94.9% | 95.0% |

(1) NOI, FFO, and Core FFO are non-GAAP financial measures. For more information on their usage and presentation, and a reconciliation to the most directly comparable GAAP measures, refer to “Non-GAAP Financial Measures and Reconciliations” and “Non-GAAP Financial Measures and Other Terms” in Supplemental and Financial Operating Data within.

(2) Same-store results are updated for disposition activity. Refer to “Non-GAAP Financial Measures and Reconciliations” in Supplemental and Financial Operating Data within.

Highlights

- Centerspace raised the mid-point and narrowed the 2024 financial outlook ranges for net loss per diluted share, FFO per diluted share and Core FFO per diluted share. Refer to page S-17 in the Supplemental and Financial Operating Data within for additional detail.
- Net loss was \$0.19 per diluted share for the second quarter of 2024, compared to Net loss of \$0.23 per diluted share for the same period of the prior year;
- Core FFO per diluted share increased 5.5% to \$2.49 for the six months ended June 30, 2024, compared to \$2.36 for the six months ended June 30, 2023;
- Same-store revenues increased by 3.4% for the second quarter of 2024 compared to the second quarter of 2023, driving a 2.4% increase in same-store NOI compared to the same period of the prior year; and
- Centerspace issued approximately 110,000 common shares for gross consideration of \$7.7 million, and an average gross price of \$69.82 per share during the second quarter of 2024 under its at-the-market offering program, compared to approximately 88,000 of repurchases in the first quarter of 2024 at an average repurchase price of \$53.60 per share, excluding commissions.

Balance Sheet

At the end of the second quarter, Centerspace had \$222.3 million of total liquidity on its balance sheet, consisting of \$208.0 million available under the lines of credit and cash and cash equivalents of \$14.3 million.

Revised 2024 Financial Outlook

Centerspace revised its 2024 financial outlook. For additional information, see S-17 of the Supplemental Financial and Operating Data for the quarter ended June 30, 2024 included at the end of this release. These ranges should be considered in their entirety. The table below reflects the revised outlook.

| | Previous Outlook for 2024 | | Updated Outlook for 2024 | |
|--------------------------------|----------------------------------|-------------|---------------------------------|-------------|
| | Low | High | Low | High |
| Net income per Share – diluted | \$(1.34) | \$(1.10) | \$(1.21) | \$(1.01) |
| Same-Store Revenue | 3.00% | 4.50% | 3.25% | 4.25% |
| Same-Store Expenses | 4.00% | 5.50% | 3.50% | 4.75% |
| Same-Store NOI | 2.50% | 4.00% | 3.00% | 4.00% |
| FFO per Share – diluted | \$4.57 | \$4.76 | \$4.61 | \$4.76 |
| Core FFO per Share – diluted | \$4.74 | \$4.92 | \$4.78 | \$4.92 |

Additional assumptions:

- Same-store recurring capital expenditures of \$1,100 per home to \$1,150 per home
- Value-add expenditures of \$23.0 million to \$25.0 million
- Proceeds from dispositions of \$19.0 million

Note: FFO and Core FFO are non-GAAP financial measures. For more information on their usage and presentation and a reconciliation to the most comparable GAAP measure, please refer to “2024 Financial Outlook” in the Supplemental Financial and Operating Data within.

Subsequent Events

Through July 29, 2024, Centerspace sold 431,000 common shares under its 10b5-1 trading arrangement at an average gross price per share of 69.54, totaling \$30.0 million.

On July 26, 2024, Centerspace amended its Unsecured Credit Facility to extend the maturity date to July 2028. The borrowing capacity remained at \$250.0 million.

Upcoming Events

Centerspace is scheduled to participate in the following conferences:

- NYSE Real Estate Investor Access Day which will be held virtually on August 8; and
- Bank of America Global Real Estate Conference which will be held in New York, NY, September 10-12.

Earnings Call

Live webcast and replay: <https://ir.centerspacehomes.com>

Live Conference Call

Tuesday, July 30, 2024, at 10:00 AM ET

USA Toll Free

1-833-470-1428

International

1-404-975-4839

Access Code

811975

Conference Call Replay

Replay available until August 13, 2024

USA Toll Free

1-866-813-9403

International

1-929-458-6194

Access Code

732490

Supplemental Information

Supplemental Operating and Financial Data for the quarter ended June 30, 2024 included herein (“Supplemental Information”), is available in the Investors section on Centerspace’s website at www.centerspacehomes.com or by calling Investor Relations at 701-837-7104. Non-GAAP financial measures and other capitalized terms, as used in this earnings release, are defined and reconciled in the Supplemental Financial and Operating Data, which accompanies this earnings release.

About Centerspace

Centerspace is an owner and operator of apartment communities committed to providing great homes by focusing on integrity and serving others. Founded in 1970, as of June 30, 2024, Centerspace owned interests in 70 apartment communities consisting of 12,883 apartment homes located in Colorado, Minnesota, Montana, Nebraska, North Dakota, and South Dakota. Centerspace was named a top workplace for the fifth consecutive year in 2024 by the Minneapolis Star Tribune. For more information, please visit www.centerspacehomes.com.

Forward-Looking Statements

Certain statements in this press release and the accompanying Supplemental Operating and Financial Data are based on the company's current expectations and assumptions, and are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions or other items related to the future. Forward-looking statements are typically identified by the use of terms such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "assumes," "may," "projects," "outlook," "future," and variations of such words and similar expressions. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from the results of operations, financial conditions, or plans expressed or implied by the forward-looking statements. Although the company believes the expectations reflected in its forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be achieved. Any statements contained herein that are not statements of historical fact should be deemed forward-looking statements. As a result, reliance should not be placed on these forward-looking statements, as these statements are subject to known and unknown risks, uncertainties, and other factors beyond the company's control and could differ materially from actual results and performance. Such risks, uncertainties, and other factors that might cause such differences include, but are not limited to those risks and uncertainties detailed from time to time in Centerspace's 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 its Annual Report on Form 10-K for the year ended December 31, 2023, in its subsequent quarterly reports on Form 10-Q, and in other public reports. The company assumes no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

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Common Share Data (NYSE: CSR)

| | Three Months Ended | | | | |
|---|--------------------|----------------|-------------------|--------------------|---------------|
| | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 |
| High closing price | \$ 70.93 | \$ 58.00 | \$ 59.33 | \$ 66.57 | \$ 64.18 |
| Low closing price | \$ 55.48 | \$ 52.65 | \$ 47.82 | \$ 59.39 | \$ 53.98 |
| Average closing price | \$ 65.88 | \$ 55.68 | \$ 54.61 | \$ 62.52 | \$ 58.61 |
| Closing price at end of quarter | \$ 67.63 | \$ 57.14 | \$ 58.20 | \$ 60.26 | \$ 61.36 |
| Common share distributions – annualized | \$ 3.00 | \$ 3.00 | \$ 2.92 | \$ 2.92 | \$ 2.92 |
| Closing dividend yield – annualized | 4.4 % | 5.3 % | 5.0 % | 4.8 % | 4.8 % |
| Closing common shares outstanding (<i>thousands</i>) | 15,057 | 14,912 | 14,963 | 15,052 | 14,949 |
| Closing limited partnership units outstanding (<i>thousands</i>) | 828 | 844 | 861 | 864 | 961 |
| Closing Series E preferred units outstanding, as converted (<i>thousands</i>) | 2,053 | 2,062 | 2,078 | 2,087 | 2,094 |
| Total closing common shares, limited partnership units, and Series E preferred units, as converted, outstanding (<i>thousands</i>) | 17,938 | 17,818 | 17,902 | 18,003 | 18,004 |
| Closing market value of outstanding common shares, plus imputed closing market value of outstanding limited partnership units and Series E preferred units, as converted (<i>thousands</i>) | \$ 1,213,147 | \$ 1,018,121 | \$ 1,041,896 | \$ 1,084,861 | \$ 1,104,725 |

CENTERSPACE
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*
(in thousands)

| | Three Months Ended | | | | | Six Months Ended | |
|--|--------------------|------------|------------|-----------|------------|------------------|------------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| REVENUE | \$ 65,043 | \$ 64,506 | \$ 64,068 | \$ 64,568 | \$ 64,776 | \$ 129,549 | \$ 132,673 |
| EXPENSES | | | | | | | |
| Property operating expenses, excluding real estate taxes | 18,108 | 18,764 | 18,237 | 19,602 | 17,872 | 36,872 | 39,214 |
| Real estate taxes | 7,081 | 6,305 | 6,861 | 7,143 | 7,174 | 13,386 | 14,755 |
| Property management expense | 2,222 | 2,330 | 2,341 | 2,197 | 2,247 | 4,552 | 4,815 |
| Casualty loss | 510 | 820 | 853 | 937 | 53 | 1,330 | 305 |
| Depreciation and amortization | 25,714 | 27,012 | 26,617 | 24,697 | 24,371 | 52,726 | 50,364 |
| Impairment of real estate investments | — | — | 5,218 | — | — | — | — |
| General and administrative expenses | 4,216 | 4,623 | 4,363 | 3,832 | 4,162 | 8,839 | 11,885 |
| TOTAL EXPENSES | \$ 57,851 | \$ 59,854 | \$ 64,490 | \$ 58,408 | \$ 55,879 | \$ 117,705 | \$ 121,338 |
| Gain (loss) on sale of real estate and other investments | — | (577) | (83) | 11,235 | (67) | (577) | 60,092 |
| Loss on litigation settlement | — | — | (1,000) | — | (2,864) | — | (2,864) |
| Operating income (loss) | 7,192 | 4,075 | (1,505) | 17,395 | 5,966 | 11,267 | 68,563 |
| Interest expense | (9,332) | (9,207) | (8,913) | (8,556) | (8,641) | (18,539) | (18,960) |
| Interest and other income | 477 | 340 | 533 | 330 | 295 | 817 | 344 |
| Net income (loss) | \$ (1,663) | \$ (4,792) | \$ (9,885) | \$ 9,169 | \$ (2,380) | \$ (6,455) | \$ 49,947 |
| Dividends to Series D preferred unitholders | (160) | (160) | (160) | (160) | (160) | (320) | (320) |
| Net (income) loss attributable to noncontrolling interest – Operating Partnership and Series E preferred units | 561 | 1,079 | 1,917 | (1,204) | 712 | 1,640 | (7,854) |
| Net income attributable to noncontrolling interests – consolidated real estate entities | (34) | (32) | (29) | (31) | (35) | (66) | (65) |
| Net income (loss) attributable to controlling interests | (1,296) | (3,905) | (8,157) | 7,774 | (1,863) | (5,201) | 41,708 |
| Dividends to preferred shareholders | (1,607) | (1,607) | (1,607) | (1,607) | (1,607) | (3,214) | (3,214) |
| NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS | \$ (2,903) | \$ (5,512) | \$ (9,764) | \$ 6,167 | \$ (3,470) | \$ (8,415) | \$ 38,494 |
| Per Share Data - Basic | | | | | | | |
| Net income (loss) per common share – basic | \$ (0.19) | \$ (0.37) | \$ (0.65) | \$ 0.41 | \$ (0.23) | \$ (0.56) | \$ 2.57 |
| Per Share Data - Diluted | | | | | | | |
| Net income (loss) per common share – diluted | \$ (0.19) | \$ (0.37) | \$ (0.65) | \$ 0.41 | \$ (0.23) | \$ (0.56) | \$ 2.55 |

CENTERSPACE
CONDENSED CONSOLIDATED BALANCE SHEETS *(unaudited)*
(in thousands)

| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Real estate investments | | | | | |
| Property owned | \$ 2,428,290 | \$ 2,413,488 | \$ 2,420,146 | \$ 2,326,408 | \$ 2,434,138 |
| Less accumulated depreciation | (578,691) | (553,231) | (530,703) | (516,673) | (543,264) |
| Total real estate investments | 1,849,599 | 1,860,257 | 1,889,443 | 1,809,735 | 1,890,874 |
| Cash and cash equivalents | 14,328 | 12,682 | 8,630 | 29,701 | 9,745 |
| Restricted cash | 1,084 | 1,066 | 639 | 22,496 | 566 |
| Other assets | 34,414 | 29,468 | 27,649 | 16,349 | 18,992 |
| TOTAL ASSETS | \$ 1,899,425 | \$ 1,903,473 | \$ 1,926,361 | \$ 1,878,281 | \$ 1,920,177 |
| LIABILITIES, MEZZANINE EQUITY, AND EQUITY | | | | | |
| LIABILITIES | | | | | |
| Accounts payable and accrued expenses | \$ 52,885 | \$ 54,614 | \$ 62,754 | \$ 62,674 | \$ 56,713 |
| Revolving lines of credit | 48,000 | 40,357 | 30,000 | — | 18,989 |
| Notes payable, net of unamortized loan costs | 299,490 | 299,475 | 299,459 | 299,443 | 299,428 |
| Mortgages payable, net of unamortized loan costs | 584,193 | 585,382 | 586,563 | 539,245 | 563,079 |
| TOTAL LIABILITIES | \$ 984,568 | \$ 979,828 | \$ 978,776 | \$ 901,362 | \$ 938,209 |
| SERIES D PREFERRED UNITS | \$ 16,560 | \$ 16,560 | \$ 16,560 | \$ 16,560 | \$ 16,560 |
| EQUITY | | | | | |
| Series C Preferred Shares of Beneficial Interest | 93,530 | 93,530 | 93,530 | 93,530 | 93,530 |
| Common Shares of Beneficial Interest | 1,167,055 | 1,160,492 | 1,165,694 | 1,169,025 | 1,169,501 |
| Accumulated distributions in excess of net income | (579,139) | (564,951) | (548,273) | (527,586) | (522,796) |
| Accumulated other comprehensive loss | (749) | (922) | (1,119) | (1,434) | (1,758) |
| Total shareholders' equity | \$ 680,697 | \$ 688,149 | \$ 709,832 | \$ 733,535 | \$ 738,477 |
| Noncontrolling interests – Operating Partnership and Series E preferred units | 216,901 | 218,255 | 220,544 | 226,205 | 226,294 |
| Noncontrolling interests – consolidated real estate entities | 699 | 681 | 649 | 619 | 637 |
| TOTAL EQUITY | \$ 898,297 | \$ 907,085 | \$ 931,025 | \$ 960,359 | \$ 965,408 |
| TOTAL LIABILITIES, MEZZANINE EQUITY, AND EQUITY | \$ 1,899,425 | \$ 1,903,473 | \$ 1,926,361 | \$ 1,878,281 | \$ 1,920,177 |

CENTERSPACE
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS *(unaudited)*

This release contains certain non-GAAP financial measures. The non-GAAP financial measures should not be considered a substitute for operating results determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The definitions and calculations of these non-GAAP financial measures, as calculated by the company, may not be comparable to non-GAAP financial measures reported by other REITs that do not define each of the non-GAAP financial measures exactly as Centerspace does. The non-GAAP financial measures are defined and further explained on pages S-19 through S-22, "Non-GAAP Financial Measures and Other Terms."

The company provides certain information on a same-store and non-same-store basis. Same-store apartment communities are owned or in service for substantially all of the periods being compared, and, in the case of newly-constructed properties, have achieved a target level of physical occupancy of 90%. On the first day of each calendar year, Centerspace determines the composition of its same-store pool for that year as well as adjusts the previous year, which allows the company to evaluate the performance of existing apartment communities and their contribution to net operating income. The company believes that measuring performance on a same-store basis is useful to investors because it enables evaluation of how a fixed pool of its communities are performing year-over-year. Centerspace uses this measure to assess whether or not the company has been successful in increasing NOI (defined and reconciled below), raising average rental revenue, renewing leases on existing residents, controlling operating costs, and making prudent capital improvements.

For the comparison of the six months ended June 30, 2024 and 2023, one apartment community was non-same-store. Sold communities are included in "Dispositions," while "Other properties" includes non-multifamily properties and the non-multifamily components of mixed-use properties.

CENTERSPACE
RECONCILIATIONS OF OPERATING INCOME TO NET OPERATING INCOME ⁽¹⁾

(in thousands, except percentages)

| | Three Months Ended | | | Sequential | | Year-Over-Year | |
|---|--------------------|-----------|-----------|------------|----------|----------------|----------|
| | 6/30/2024 | 3/31/2024 | 6/30/2023 | \$ Change | % Change | \$ Change | % Change |
| Operating income (loss) | \$ 7,192 | \$ 4,075 | \$ 5,966 | \$ 3,117 | 76.5 % | \$ 1,226 | 20.5 % |
| Adjustments: | | | | | | | |
| Property management expenses | 2,222 | 2,330 | 2,247 | (108) | (4.6)% | (25) | (1.1)% |
| Casualty loss | 510 | 820 | 53 | (310) | (37.8)% | 457 | * |
| Depreciation and amortization | 25,714 | 27,012 | 24,371 | (1,298) | (4.8)% | 1,343 | 5.5 % |
| General and administrative expenses | 4,216 | 4,623 | 4,162 | (407) | (8.8)% | 54 | 1.3 % |
| (Gain) loss on sale of real estate and other investments | — | 577 | 67 | (577) | (100.0)% | (67) | (100.0)% |
| Loss on litigation settlement | — | — | 2,864 | — | N/A | (2,864) | (100.0)% |
| Net operating income⁽¹⁾ | \$ 39,854 | \$ 39,437 | \$ 39,730 | \$ 417 | 1.1 % | \$ 124 | 0.3 % |
| Revenue | | | | | | | |
| Same-store | \$ 62,599 | \$ 61,536 | \$ 60,531 | \$ 1,063 | 1.7 % | \$ 2,068 | 3.4 % |
| Non-same-store | 1,867 | 1,803 | — | 64 | 3.5 % | 1,867 | N/A |
| Other properties | 577 | 638 | 663 | (61) | (9.6)% | (86) | (13.0)% |
| Dispositions | — | 529 | 3,582 | (529) | (100.0)% | (3,582) | (100.0)% |
| Total | 65,043 | 64,506 | 64,776 | 537 | 0.8 % | 267 | 0.4 % |
| Property operating expenses, including real estate taxes | | | | | | | |
| Same-store | 24,416 | 23,995 | 23,228 | 421 | 1.8 % | 1,188 | 5.1 % |
| Non-same-store | 537 | 566 | — | (29) | (5.1)% | 537 | N/A |
| Other properties | 236 | 182 | 189 | 54 | 29.7 % | 47 | 24.9 % |
| Dispositions | — | 326 | 1,629 | (326) | (100.0)% | (1,629) | (100.0)% |
| Total | 25,189 | 25,069 | 25,046 | 120 | 0.5 % | 143 | 0.6 % |
| Net operating income⁽¹⁾ | | | | | | | |
| Same-store | 38,183 | 37,541 | 37,303 | 642 | 1.7 % | 880 | 2.4 % |
| Non-same-store | 1,330 | 1,237 | — | 93 | 7.5 % | 1,330 | N/A |
| Other properties | 341 | 456 | 474 | (115) | (25.2)% | (133) | (28.1)% |
| Dispositions | — | 203 | 1,953 | (203) | (100.0)% | (1,953) | (100.0)% |
| Total | \$ 39,854 | \$ 39,437 | \$ 39,730 | \$ 417 | 1.1 % | \$ 124 | 0.3 % |

* Not a meaningful percentage

(1) Net operating income is a non-GAAP measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

CENTERSPACE
RECONCILIATIONS OF OPERATING INCOME TO NET OPERATING INCOME ⁽¹⁾

(in thousands, except percentages)

| | Six Months Ended June 30, | | | |
|---|---------------------------|------------------|---------------|--------------|
| | 2024 | 2023 | \$ Change | % Change |
| Operating income | \$ 11,267 | \$ 68,563 | \$ (57,296) | (83.6)% |
| Adjustments: | | | | |
| Property management expenses | 4,552 | 4,815 | (263) | (5.5)% |
| Casualty loss | 1,330 | 305 | 1,025 | 336.1 % |
| Depreciation and amortization | 52,726 | 50,364 | 2,362 | 4.7 % |
| General and administrative expenses | 8,839 | 11,885 | (3,046) | (25.6)% |
| (Gain) loss on sale of real estate and other investments | 577 | (60,092) | 60,669 | (101.0)% |
| Loss on litigation settlement | — | 2,864 | (2,864) | (100.0)% |
| Net operating income⁽¹⁾ | \$ 79,291 | \$ 78,704 | \$ 587 | 0.7 % |
| Revenue | | | | |
| Same-store | \$ 124,135 | \$ 119,971 | \$ 4,164 | 3.5 % |
| Non-same-store | 3,671 | — | 3,671 | N/A |
| Other properties | 1,214 | 1,338 | (124) | (9.3)% |
| Dispositions | 529 | 11,364 | (10,835) | (95.3)% |
| Total | 129,549 | 132,673 | (3,124) | (2.4)% |
| Property operating expenses, including real estate taxes | | | | |
| Same-store | 48,411 | 47,753 | 658 | 1.4 % |
| Non-same-store | 1,102 | — | 1,102 | N/A |
| Other properties | 418 | 276 | 142 | 51.4 % |
| Dispositions | 327 | 5,940 | (5,613) | (94.5)% |
| Total | 50,258 | 53,969 | (3,711) | (6.9)% |
| Net operating income⁽¹⁾ | | | | |
| Same-store | 75,724 | 72,218 | 3,506 | 4.9 % |
| Non-same-store | 2,569 | — | 2,569 | N/A |
| Other properties | 796 | 1,062 | (266) | (25.0)% |
| Dispositions | 202 | 5,424 | (5,222) | (96.3)% |
| Total | \$ 79,291 | \$ 78,704 | \$ 587 | 0.7 % |

* Not a meaningful percentage

(1) Net operating income is a non-GAAP measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

CENTERSPACE
RECONCILIATIONS OF SAME-STORE CONTROLLABLE EXPENSES TO TOTAL PROPERTY OPERATING
EXPENSES, INCLUDING REAL ESTATE TAXES ⁽¹⁾

(in thousands, except percentages)

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|--|-----------------------------|------------------|-----------------|--------------|---------------------------|------------------|-------------------|---------------|
| | 2024 | 2023 | \$ Change | % Change | 2024 | 2023 | \$ Change | % Change |
| Controllable expenses | | | | | | | | |
| On-site compensation ⁽²⁾ | \$ 6,499 | \$ 6,484 | \$ 15 | 0.2 % | \$ 13,040 | \$ 12,485 | \$ 555 | 4.4 % |
| Repairs and maintenance | 3,602 | 3,140 | 462 | 14.7 % | 6,807 | 6,517 | 290 | 4.4 % |
| Utilities | 3,366 | 3,342 | 24 | 0.7 % | 7,419 | 8,226 | (807) | (9.8)% |
| Administrative and marketing | 1,617 | 1,351 | 266 | 19.7 % | 3,189 | 2,640 | 549 | 20.8 % |
| Total | \$ 15,084 | \$ 14,317 | \$ 767 | 5.4 % | \$ 30,455 | \$ 29,868 | \$ 587 | 2.0 % |
| Non-controllable expenses | | | | | | | | |
| Real estate taxes | \$ 6,811 | \$ 6,669 | \$ 142 | 2.1 % | \$ 12,819 | \$ 13,444 | \$ (625) | (4.6)% |
| Insurance | 2,521 | 2,242 | 279 | 12.4 % | 5,137 | 4,441 | 696 | 15.7 % |
| Total | \$ 9,332 | \$ 8,911 | \$ 421 | 4.7 % | \$ 17,956 | \$ 17,885 | \$ 71 | 0.4 % |
| Total property operating expenses, including real estate taxes - same-store | \$ 24,416 | \$ 23,228 | \$ 1,188 | 5.1 % | \$ 48,411 | \$ 47,753 | \$ 658 | 1.4 % |
| Property operating expenses, including real estate taxes - non-same-store | \$ 537 | \$ — | \$ 537 | N/A | \$ 1,102 | \$ — | \$ 1,102 | N/A |
| Property operating expenses, including real estate taxes - other properties | 236 | 189 | 47 | 24.9 % | 418 | 276 | 142 | 51.4 % |
| Property operating expenses, including real estate taxes - dispositions | — | 1,629 | (1,629) | (100.0)% | 327 | 5,940 | (5,613) | (94.5)% |
| Total property operating expenses, including real estate taxes | \$ 25,189 | \$ 25,046 | \$ 143 | 0.6 % | \$ 50,258 | \$ 53,969 | \$ (3,711) | (6.9)% |

(1) Same-store controllable expenses is a non-GAAP measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

(2) On-site compensation for administration, leasing, and maintenance personnel.

CENTERSPACE

RECONCILIATIONS OF NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS TO FUNDS FROM OPERATIONS AND CORE FUNDS FROM OPERATIONS ⁽¹⁾

(in thousands, except per share amounts)

| | Three Months Ended | | | | | Six Months Ended | |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| Funds From Operations⁽¹⁾ | | | | | | | |
| Net income (loss) available to common shareholders | \$ (2,903) | \$ (5,512) | \$ (9,764) | \$ 6,167 | \$ (3,470) | \$ (8,415) | \$ 38,494 |
| Adjustments: | | | | | | | |
| Noncontrolling interests – Operating Partnership and Series E preferred units | (561) | (1,079) | (1,917) | 1,204 | (712) | (1,640) | 7,854 |
| Depreciation and amortization | 25,714 | 27,012 | 26,617 | 24,697 | 24,371 | 52,726 | 50,364 |
| Less depreciation – non real estate | (82) | (85) | (85) | (56) | (89) | (167) | (180) |
| Less depreciation – partially owned entities | (25) | (24) | (22) | (20) | (19) | (49) | (38) |
| Impairment of real estate | — | — | 5,218 | — | — | — | — |
| (Gain) loss on sale of real estate and other assets | — | 577 | 82 | (11,235) | 71 | 577 | (60,088) |
| FFO applicable to common shares and Units | \$ 22,143 | \$ 20,889 | \$ 20,129 | \$ 20,757 | \$ 20,152 | \$ 43,032 | \$ 36,406 |
| Adjustments to Core FFO⁽¹⁾: | | | | | | | |
| Non-cash casualty (recovery) loss | 191 | 702 | 535 | 854 | (52) | 893 | (39) |
| Interest rate swap amortization | 173 | 197 | 315 | 324 | 159 | 370 | 297 |
| Amortization of assumed debt | 263 | 263 | 136 | (116) | (116) | 526 | (232) |
| Severance and transition related costs | — | — | (10) | — | (19) | — | 3,180 |
| Loss on litigation settlement and associated trial costs ⁽²⁾ | — | 37 | 1,035 | 34 | 3,201 | 37 | 3,201 |
| Other miscellaneous items ⁽³⁾ | 31 | (42) | (35) | (129) | (22) | (11) | 32 |
| Core FFO applicable to common shares and Units | \$ 22,801 | \$ 22,046 | \$ 22,105 | \$ 21,724 | \$ 23,303 | \$ 44,847 | \$ 42,845 |
| FFO applicable to common shares and Units | \$ 22,143 | \$ 20,889 | \$ 20,129 | \$ 20,757 | \$ 20,152 | \$ 43,032 | \$ 36,406 |
| Dividends to Series D preferred unitholders | 160 | 160 | 160 | 160 | 160 | 320 | 320 |
| FFO applicable to common shares and Units - diluted | \$ 22,303 | \$ 21,049 | \$ 20,289 | \$ 20,917 | \$ 20,312 | \$ 43,352 | \$ 36,726 |
| Core FFO applicable to common shares and Units | \$ 22,801 | \$ 22,046 | \$ 22,105 | \$ 21,724 | \$ 23,303 | \$ 44,847 | \$ 42,845 |
| Dividends to Series D preferred unitholders | 160 | 160 | 160 | 160 | 160 | 320 | 320 |
| Core FFO applicable to common shares and Units - diluted | \$ 22,961 | \$ 22,206 | \$ 22,265 | \$ 21,884 | \$ 23,463 | \$ 45,167 | \$ 43,165 |
| Per Share Data | | | | | | | |
| Net income (loss) per share and Unit - diluted | \$ (0.19) | \$ (0.37) | \$ (0.65) | \$ 0.41 | \$ (0.23) | \$ (0.56) | \$ 2.55 |
| FFO per share and Unit - diluted | \$ 1.23 | \$ 1.16 | \$ 1.11 | \$ 1.15 | \$ 1.11 | \$ 2.39 | \$ 2.01 |
| Core FFO per share and Unit - diluted | \$ 1.27 | \$ 1.23 | \$ 1.22 | \$ 1.20 | \$ 1.28 | \$ 2.49 | \$ 2.36 |
| Weighted average shares - basic | 14,972 | 14,922 | 15,013 | 14,989 | 14,949 | 14,947 | 14,987 |
| Effect of redeemable operating partnership Units for FFO and Core FFO | 835 | 854 | 862 | 908 | 965 | 845 | 967 |
| Effect of Series D preferred units for FFO and Core FFO | 228 | 228 | 228 | 228 | 228 | 228 | 228 |
| Effect of Series E preferred units for FFO and Core FFO | 2,062 | 2,078 | 2,087 | 2,093 | 2,103 | 2,070 | 2,111 |
| Effect of dilutive restricted stock units and stock options for FFO and Core FFO | 32 | 20 | 31 | 28 | 24 | 26 | 20 |
| Weighted average shares and Units for FFO and Core FFO - diluted | 18,129 | 18,102 | 18,221 | 18,246 | 18,269 | 18,116 | 18,313 |

(1) Funds from operations and Core funds from operations are non-GAAP measures. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

(2) Consists of \$37,000 in associated trial costs related to the litigation matter for the six months ended June 30, 2024. Consists of a \$3.9 million loss on litigation settlement for a trial judgment entered against the Company and \$406,000 in associated trial costs related to the litigation matter for the year ended December 31, 2023.

(3) Consists of (gain) loss on investments and pursuit costs.

CENTERSPACE
RECONCILIATIONS OF NET INCOME (LOSS) AVAILABLE TO CONTROLLING INTERESTS
TO ADJUSTED EBITDA⁽¹⁾

(in thousands)

| | Three Months Ended | | | | | Six Months Ended | |
|--|--------------------|------------|------------|-----------|------------|------------------|-----------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| Adjusted EBITDA | | | | | | | |
| Net income (loss) available to controlling interests | \$ (1,296) | \$ (3,905) | \$ (8,157) | \$ 7,774 | \$ (1,863) | \$ (5,201) | \$ 41,708 |
| Adjustments: | | | | | | | |
| Dividends to Series D preferred unitholders | 160 | 160 | 160 | 160 | 160 | 320 | 320 |
| Noncontrolling interests – Operating Partnership and Series E preferred units | (561) | (1,079) | (1,917) | 1,204 | (712) | (1,640) | 7,854 |
| Income (loss) before noncontrolling interests – Operating Partnership and Series E preferred units | \$ (1,697) | \$ (4,824) | \$ (9,914) | \$ 9,138 | \$ (2,415) | \$ (6,521) | \$ 49,882 |
| Adjustments: | | | | | | | |
| Interest expense | 9,318 | 9,193 | 8,900 | 8,542 | 8,626 | 18,511 | 18,931 |
| Depreciation and amortization related to real estate investments | 25,689 | 26,988 | 26,595 | 24,675 | 24,351 | 52,677 | 50,322 |
| Impairment of real estate investments | — | — | 5,218 | — | — | — | — |
| Non-cash casualty loss (recovery) | 191 | 702 | 535 | 854 | (52) | 893 | (39) |
| Interest income | (462) | (280) | (316) | (187) | (248) | (742) | (340) |
| (Gain) loss on sale of real estate and other investments | — | 577 | 83 | (11,235) | 71 | 577 | (60,088) |
| Severance and transition related costs | — | — | (10) | — | (19) | — | 3,180 |
| Loss on litigation settlement and associated trial costs ⁽²⁾ | — | 37 | 1,035 | 34 | 3,201 | 37 | 3,201 |
| Other miscellaneous items ⁽³⁾ | 31 | (42) | (35) | (129) | (22) | (11) | 32 |
| Adjusted EBITDA | \$ 33,070 | \$ 32,351 | \$ 32,091 | \$ 31,692 | \$ 33,493 | \$ 65,421 | \$ 65,081 |

- (1) Adjusted EBITDA is a non-GAAP measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.
- (2) Consists of \$37,000 in associated trial costs related to the litigation matter for the six months ended June 30, 2024. Consists of a \$3.9 million loss on litigation settlement for a trial judgment entered against the Company and \$406,000 in associated trial costs related to the litigation matter for the year ended December 31, 2023.
- (3) Consists of (gain) loss on investments and pursuit costs.

CENTERSPACE
DEBT ANALYSIS
(in thousands)

Debt Maturity Schedule
Annual Expirations

| | Future Maturities of Debt | | | | | |
|-------------------------------|---------------------------|----------------------|-------------------------|------------|-----------------|---|
| | Secured Fixed Debt | Unsecured Fixed Debt | Unsecured Variable Debt | Total Debt | % of Total Debt | Weighted Average Interest Rate ⁽¹⁾ |
| 2024 (remainder) | \$ — | \$ — | \$ — | \$ — | — | — % |
| 2025 | 29,970 | — | 48,000 | 77,970 | 8.3 % | 5.54 % |
| 2026 | 102,446 | — | — | 102,446 | 10.9 % | 3.59 % |
| 2027 | 49,029 | — | — | 49,029 | 5.2 % | 3.47 % |
| 2028 | 65,737 | 50,000 | — | 115,737 | 12.4 % | 3.14 % |
| Thereafter | 340,817 | 250,000 | — | 590,817 | 63.2 % | 3.47 % |
| Subtotal | 587,999 | 300,000 | 48,000 | 935,999 | 100.0 % | 3.62 % |
| Premiums and discounts, net | (608) | — | — | (608) | | |
| Deferred financing costs, net | (3,198) | (510) | — | (3,708) | | |
| Total debt | \$ 584,193 | \$ 299,490 | \$ 48,000 | \$ 931,683 | | |

(1) Weighted average interest rate of debt that matures during the year.

| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 |
|---|------------|------------|------------|------------|------------|
| Debt Balances Outstanding⁽¹⁾ | | | | | |
| Secured fixed rate - mortgages payable - other | \$ 388,541 | \$ 389,874 | \$ 391,140 | \$ 343,709 | \$ 367,679 |
| Secured fixed rate - Fannie Mae credit facility | 198,850 | 198,850 | 198,850 | 198,850 | 198,850 |
| Unsecured variable rate lines of credit | 48,000 | 40,357 | 30,000 | — | 18,989 |
| Unsecured senior notes | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Debt total | \$ 935,391 | \$ 929,081 | \$ 919,990 | \$ 842,559 | \$ 885,518 |
| | | | | | |
| Mortgages payable - other rate | 4.05 % | 4.05 % | 4.05 % | 4.14 % | 4.14 % |
| Fannie Mae Credit Facility rate | 2.78 % | 2.78 % | 2.78 % | 2.78 % | 2.78 % |
| Lines of credit rate ⁽²⁾ | 6.69 % | 6.68 % | 6.74 % | — | 6.56 % |
| Unsecured senior notes rate | 3.12 % | 3.12 % | 3.12 % | 3.12 % | 3.12 % |
| Total debt | 3.62 % | 3.59 % | 3.54 % | 3.46 % | 3.54 % |

(1) Excludes deferred financing costs.

(2) Interest rate excludes any unused facility fees and amounts reclassified from accumulated other comprehensive income (loss) into interest expense from terminated interest rate swaps, as shown in the table below.

| | Three Months Ended | | | | |
|---|--------------------|-----------|------------|-----------|-----------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 |
| Reclassified from Accumulated OCI into interest expense | \$ 173 | \$ 197 | \$ 315 | \$ 324 | \$ 159 |

CENTERSPACE
CAPITAL ANALYSIS

(in thousands, except per share and unit amounts)

| | Three Months Ended | | | | |
|---|--------------------|--------------|--------------|--------------|--------------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 |
| Equity Capitalization | | | | | |
| Common shares outstanding | 15,057 | 14,912 | 14,963 | 15,052 | 14,949 |
| Operating partnership units outstanding | 828 | 844 | 861 | 864 | 961 |
| Series E preferred units (as converted) | 2,053 | 2,062 | 2,078 | 2,087 | 2,094 |
| Total common shares, Units, and Series E preferred units, as converted, outstanding | 17,938 | 17,818 | 17,902 | 18,003 | 18,004 |
| Market price per common share (closing price at end of period) | \$ 67.63 | \$ 57.14 | \$ 58.20 | \$ 60.26 | \$ 61.36 |
| Equity capitalization-common shares and units | \$ 1,213,147 | \$ 1,018,121 | \$ 1,041,896 | \$ 1,084,861 | \$ 1,104,725 |
| Recorded book value of preferred shares | \$ 93,530 | \$ 93,530 | \$ 93,530 | \$ 93,530 | \$ 93,530 |
| Total equity capitalization | \$ 1,306,677 | \$ 1,111,651 | \$ 1,135,426 | \$ 1,178,391 | \$ 1,198,255 |
| Series D Preferred Units | \$ 16,560 | \$ 16,560 | \$ 16,560 | \$ 16,560 | \$ 16,560 |
| Debt Capitalization | | | | | |
| Total debt | \$ 935,391 | \$ 929,081 | \$ 919,990 | \$ 842,559 | \$ 885,518 |
| Total market capitalization | \$ 2,258,628 | \$ 2,057,292 | \$ 2,071,976 | \$ 2,037,510 | \$ 2,100,333 |
| Total debt to total market capitalization ⁽¹⁾ | 41.4 % | 45.2 % | 44.4 % | 41.4 % | 42.2 % |

(1) Total debt to total market capitalization is a non-GAAP financial measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

| | Three Months Ended | | | | | Six Months Ended | |
|--|--------------------|-----------|------------|-----------|-----------|------------------|-----------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| Debt service coverage ratio ⁽¹⁾ | 3.03 x | 3.02 x | 3.09 x | 3.11 x | 3.33 x | 3.02 x | 2.99 x |
| Adjusted EBITDA/Interest expense plus preferred distributions and principal amortization | 2.61 x | 2.59 x | 2.64 x | 2.65 x | 2.83 x | 2.60 x | 2.57 x |
| Net debt/Adjusted EBITDA ⁽²⁾ | 6.96 x | 7.08 x | 7.10 x | 6.41 x | 6.54 x | 7.04 x | 6.73 x |
| Net debt and preferred equity/Adjusted EBITDA ⁽²⁾ | 7.80 x | 7.93 x | 7.96 x | 7.28 x | 7.36 x | 7.88 x | 7.57 x |
| Distribution Data | | | | | | | |
| Common shares and Units outstanding at record date | 15,875 | 15,756 | 15,824 | 15,916 | 15,910 | 15,875 | 15,910 |
| Total common distribution declared | \$ 11,907 | \$ 11,805 | \$ 11,551 | \$ 11,615 | \$ 11,608 | \$ 23,712 | \$ 23,276 |
| Common distribution per share and Unit | \$ 0.75 | \$ 0.75 | \$ 0.73 | \$ 0.73 | \$ 0.73 | \$ 1.50 | \$ 1.46 |
| Payout ratio (Core FFO per diluted share and unit basis) ⁽³⁾ | 59.1 % | 61.0 % | 59.8 % | 60.8 % | 57.0 % | 60.2 % | 61.9 % |

(1) Debt service coverage ratio is a non-GAAP financial measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

(2) Net debt divided by adjusted EBITDA and net debt and preferred equity divided by adjusted EBITDA are non-GAAP financial measures. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

(3) Payout ratio (Core FFO per diluted share and unit basis) is a non-GAAP financial measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

CENTERSPACE
SAME-STORE SECOND QUARTER COMPARISONS
(in thousands, except property data amounts and percentages)

| Regions | Apartment Homes Included | Revenues | | | Expenses | | | NOI ⁽²⁾ | | |
|------------------------------------|--------------------------|------------------|------------------|--------------|------------------|------------------|--------------|--------------------|------------------|--------------|
| | | Q2 2024 | Q2 2023 | % Change | Q2 2024 | Q2 2023 | % Change | Q2 2024 | Q2 2023 | % Change |
| Denver, CO | 2,104 | \$ 13,513 | \$ 13,348 | 1.2 % | \$ 4,623 | \$ 4,399 | 5.1 % | \$ 8,890 | \$ 8,949 | (0.7)% |
| Minneapolis, MN | 4,711 | 23,426 | 22,590 | 3.7 % | 10,045 | 9,599 | 4.6 % | 13,381 | 12,991 | 3.0 % |
| North Dakota | 1,710 | 7,262 | 6,767 | 7.3 % | 2,684 | 2,510 | 6.9 % | 4,578 | 4,257 | 7.5 % |
| Omaha, NE | 872 | 3,563 | 3,443 | 3.5 % | 1,559 | 1,381 | 12.9 % | 2,004 | 2,062 | (2.8)% |
| Rochester, MN | 1,129 | 5,964 | 5,760 | 3.5 % | 2,126 | 2,137 | (0.5)% | 3,838 | 3,623 | 5.9 % |
| St. Cloud, MN | 832 | 3,638 | 3,459 | 5.2 % | 1,464 | 1,405 | 4.2 % | 2,174 | 2,054 | 5.8 % |
| Other Mountain West ⁽¹⁾ | 1,222 | 5,233 | 5,164 | 1.3 % | 1,915 | 1,797 | 6.6 % | 3,318 | 3,367 | (1.5)% |
| Same-Store Total | 12,580 | \$ 62,599 | \$ 60,531 | 3.4 % | \$ 24,416 | \$ 23,228 | 5.1 % | \$ 38,183 | \$ 37,303 | 2.4 % |

| Regions | % of NOI Contribution | Weighted Average Occupancy ⁽³⁾ | | | Average Monthly Rental Rate ⁽³⁾ | | | Average Monthly Revenue per Occupied Home ⁽³⁾ | | |
|------------------------------------|-----------------------|---|---------------|--------------|--|-----------------|--------------|--|-----------------|--------------|
| | | Q2 2024 | Q2 2023 | Growth | Q2 2024 | Q2 2023 | % Change | Q2 2024 | Q2 2023 | % Change |
| Denver, CO | 23.3 % | 95.5 % | 95.7 % | (0.2)% | \$ 1,982 | \$ 1,948 | 1.7 % | \$ 2,242 | \$ 2,209 | 1.5 % |
| Minneapolis, MN | 35.0 % | 95.5 % | 95.1 % | 0.4 % | 1,537 | 1,506 | 2.1 % | 1,736 | 1,681 | 3.3 % |
| North Dakota | 12.0 % | 96.1 % | 96.4 % | (0.3)% | 1,329 | 1,242 | 7.0 % | 1,474 | 1,368 | 7.7 % |
| Omaha, NE | 5.2 % | 93.1 % | 94.7 % | (1.6)% | 1,343 | 1,262 | 6.4 % | 1,463 | 1,389 | 5.3 % |
| Rochester, MN | 10.1 % | 96.1 % | 95.0 % | 1.1 % | 1,735 | 1,688 | 2.8 % | 1,832 | 1,790 | 2.3 % |
| St. Cloud, MN | 5.7 % | 93.7 % | 91.7 % | 2.0 % | 1,364 | 1,343 | 1.6 % | 1,555 | 1,512 | 2.8 % |
| Other Mountain West ⁽¹⁾ | 8.7 % | 94.4 % | 95.3 % | (0.9)% | 1,349 | 1,327 | 1.7 % | 1,511 | 1,479 | 2.2 % |
| Same-Store Total | 100.0 % | 95.3 % | 95.2 % | 0.1 % | \$ 1,558 | \$ 1,515 | 2.8 % | \$ 1,741 | \$ 1,685 | 3.3 % |

(1) Includes apartment communities in Billings, Montana and Rapid City, South Dakota.

(2) NOI is a non-GAAP financial measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

(3) Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for definitions.

CENTERSPACE
SAME-STORE SEQUENTIAL QUARTER COMPARISONS
(in thousands, except property data amounts and percentages)

| Regions | Apartment Homes Included | Revenues | | | Expenses | | | NOI ⁽²⁾ | | |
|------------------------------------|--------------------------|------------------|------------------|--------------|------------------|------------------|--------------|--------------------|------------------|--------------|
| | | Q2 2024 | Q1 2024 | % Change | Q2 2024 | Q1 2024 | % Change | Q2 2024 | Q1 2024 | % Change |
| Denver, CO | 2,104 | \$ 13,513 | \$ 13,354 | 1.2 % | \$ 4,623 | \$ 4,589 | 0.7 % | \$ 8,890 | \$ 8,765 | 1.4 % |
| Minneapolis, MN | 4,711 | 23,426 | 22,978 | 1.9 % | 10,045 | 9,414 | 6.7 % | 13,381 | 13,564 | (1.3)% |
| North Dakota | 1,710 | 7,262 | 6,995 | 3.8 % | 2,684 | 2,972 | (9.7)% | 4,578 | 4,023 | 13.8 % |
| Omaha, NE | 872 | 3,563 | 3,568 | (0.1)% | 1,559 | 1,474 | 5.8 % | 2,004 | 2,094 | (4.3)% |
| Rochester, MN | 1,129 | 5,964 | 5,915 | 0.8 % | 2,126 | 2,103 | 1.1 % | 3,838 | 3,812 | 0.7 % |
| St. Cloud, MN | 832 | 3,638 | 3,626 | 0.3 % | 1,464 | 1,614 | (9.3)% | 2,174 | 2,012 | 8.1 % |
| Other Mountain West ⁽¹⁾ | 1,222 | 5,233 | 5,100 | 2.6 % | 1,915 | 1,829 | 4.7 % | 3,318 | 3,271 | 1.4 % |
| Same-Store Total | 12,580 | \$ 62,599 | \$ 61,536 | 1.7 % | \$ 24,416 | \$ 23,995 | 1.8 % | \$ 38,183 | \$ 37,541 | 1.7 % |

| Regions | % of NOI Contribution | Weighted Average Occupancy ⁽³⁾ | | | Average Monthly Rental Rate ⁽³⁾ | | | Average Monthly Revenue per Occupied Home ⁽³⁾ | | |
|------------------------------------|-----------------------|---|---------------|--------------|--|-----------------|--------------|--|-----------------|--------------|
| | | Q2 2024 | Q1 2024 | Growth | Q2 2024 | Q1 2024 | % Change | Q2 2024 | Q1 2024 | % Change |
| Denver, CO | 23.3 % | 95.5 % | 95.3 % | 0.2 % | \$ 1,982 | \$ 1,976 | 0.3 % | \$ 2,242 | \$ 2,221 | 0.9 % |
| Minneapolis, MN | 35.0 % | 95.5 % | 94.5 % | 1.0 % | 1,537 | 1,529 | 0.5 % | 1,736 | 1,720 | 0.9 % |
| North Dakota | 12.0 % | 96.1 % | 95.6 % | 0.5 % | 1,329 | 1,303 | 2.0 % | 1,474 | 1,426 | 3.4 % |
| Omaha, NE | 5.2 % | 93.1 % | 93.3 % | (0.2)% | 1,343 | 1,326 | 1.3 % | 1,463 | 1,462 | 0.1 % |
| Rochester, MN | 10.1 % | 96.1 % | 94.6 % | 1.5 % | 1,735 | 1,730 | 0.3 % | 1,832 | 1,846 | (0.8)% |
| St. Cloud, MN | 5.7 % | 93.7 % | 93.8 % | (0.1)% | 1,364 | 1,353 | 0.8 % | 1,555 | 1,549 | 0.4 % |
| Other Mountain West ⁽¹⁾ | 8.7 % | 94.4 % | 93.1 % | 1.3 % | 1,349 | 1,340 | 0.7 % | 1,511 | 1,494 | 1.1 % |
| Same-Store Total | 100.0 % | 95.3 % | 94.6 % | 0.7 % | \$ 1,558 | \$ 1,547 | 0.7 % | \$ 1,741 | \$ 1,724 | 1.0 % |

(1) Includes apartment communities in Billings, Montana and Rapid City, South Dakota.

(2) NOI is a non-GAAP financial measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

(3) Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for definitions.

CENTERSPACE
SAME-STORE YEAR-TO-DATE COMPARISONS
(in thousands, except property data amounts and percentages)

| Regions | Apartment Homes Included | Revenues | | | Expenses | | | NOI ⁽²⁾ | | |
|------------------------------------|--------------------------|-------------------|-------------------|--------------|------------------|------------------|--------------|--------------------|------------------|--------------|
| | | 2024 | 2023 | % Change | 2024 | 2023 | % Change | 2024 | 2023 | % Change |
| Denver, CO | 2,104 | \$ 26,867 | \$ 26,464 | 1.5 % | \$ 9,212 | \$ 8,843 | 4.2 % | \$ 17,655 | \$ 17,621 | 0.2 % |
| Minneapolis, MN | 4,711 | 46,404 | 44,967 | 3.2 % | 19,459 | 19,681 | (1.1)% | 26,945 | 25,286 | 6.6 % |
| North Dakota | 1,710 | 14,257 | 13,277 | 7.4 % | 5,656 | 5,354 | 5.6 % | 8,601 | 7,923 | 8.6 % |
| Omaha, NE | 872 | 7,131 | 6,799 | 4.9 % | 3,033 | 2,814 | 7.8 % | 4,098 | 3,985 | 2.8 % |
| Rochester, MN | 1,129 | 11,879 | 11,409 | 4.1 % | 4,229 | 4,365 | (3.1)% | 7,650 | 7,044 | 8.6 % |
| St. Cloud, MN | 832 | 7,264 | 6,810 | 6.7 % | 3,078 | 3,095 | (0.5)% | 4,186 | 3,715 | 12.7 % |
| Other Mountain West ⁽¹⁾ | 1,222 | 10,333 | 10,245 | 0.9 % | 3,744 | 3,601 | 4.0 % | 6,589 | 6,644 | (0.8)% |
| Same-Store Total | 12,580 | \$ 124,135 | \$ 119,971 | 3.5 % | \$ 48,411 | \$ 47,753 | 1.4 % | \$ 75,724 | \$ 72,218 | 4.9 % |

| Regions | % of NOI Contribution | Weighted Average Occupancy ⁽³⁾ | | | Average Monthly Rental Rate ⁽³⁾ | | | Average Monthly Revenue per Occupied Home ⁽³⁾ | | |
|------------------------------------|-----------------------|---|---------------|---------------|--|-----------------|--------------|--|-----------------|--------------|
| | | 2024 | 2023 | Growth | 2024 | 2023 | % Change | 2024 | 2023 | % Change |
| Denver, CO | 23.3 % | 95.4 % | 95.6 % | (0.2)% | \$ 1,979 | \$ 1,941 | 2.0 % | \$ 2,231 | \$ 2,192 | 1.8 % |
| Minneapolis, MN | 35.6 % | 95.0 % | 95.0 % | — % | 1,533 | 1,501 | 2.1 % | 1,728 | 1,675 | 3.2 % |
| North Dakota | 11.4 % | 95.8 % | 96.5 % | (0.7)% | 1,316 | 1,228 | 7.2 % | 1,450 | 1,342 | 8.0 % |
| Omaha, NE | 5.4 % | 93.2 % | 94.4 % | (1.2)% | 1,334 | 1,248 | 6.9 % | 1,462 | 1,377 | 6.2 % |
| Rochester, MN | 10.1 % | 95.4 % | 94.9 % | 0.5 % | 1,732 | 1,676 | 3.3 % | 1,839 | 1,774 | 3.7 % |
| St. Cloud, MN | 5.5 % | 93.8 % | 90.9 % | 2.9 % | 1,359 | 1,329 | 2.3 % | 1,552 | 1,501 | 3.4 % |
| Other Mountain West ⁽¹⁾ | 8.7 % | 93.8 % | 95.2 % | (1.4)% | 1,344 | 1,323 | 1.6 % | 1,503 | 1,468 | 2.4 % |
| Same-Store Total | 100.0 % | 94.9 % | 95.0 % | (0.1)% | \$ 1,552 | \$ 1,507 | 3.0 % | \$ 1,732 | \$ 1,672 | 3.6 % |

(1) Includes apartment communities in Billings, Montana and Rapid City, South Dakota.

(2) NOI is a non-GAAP financial measure. Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for additional information.

(3) Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for definitions.

CENTERSPACE
PORTFOLIO SUMMARY⁽¹⁾

| | As of and for the Three Months Ended | | | | |
|---|---|------------------|-------------------|------------------|------------------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 |
| Number of Apartment Homes at Period End | | | | | |
| Same-Store | 12,580 | 12,580 | 12,173 | 12,173 | 12,885 |
| Non-Same-Store | 303 | 303 | 915 | 612 | 612 |
| All Communities | 12,883 | 12,883 | 13,088 | 12,785 | 13,497 |
| Average Monthly Rental Rate⁽²⁾ | | | | | |
| Same-Store | \$ 1,558 | \$ 1,547 | \$ 1,522 | \$ 1,511 | \$ 1,467 |
| Non-Same-Store | 1,900 | 1,885 | 1,893 | 1,907 | 1,894 |
| All Communities | \$ 1,566 | \$ 1,555 | \$ 1,547 | \$ 1,530 | \$ 1,487 |
| Average Monthly Revenue per Occupied Apartment Home⁽²⁾ | | | | | |
| Same-Store | \$ 1,741 | \$ 1,724 | \$ 1,683 | \$ 1,676 | \$ 1,634 |
| Non-Same-Store | 2,125 | 2,053 | 2,055 | 2,072 | 2,072 |
| All Communities | \$ 1,750 | \$ 1,732 | \$ 1,708 | \$ 1,695 | \$ 1,654 |
| Weighted Average Occupancy⁽²⁾ | | | | | |
| Same-Store | 95.3 % | 94.6 % | 94.8 % | 94.7 % | 95.2 % |
| Non-Same-Store | 96.7 % | 96.6 % | 95.8 % | 93.5 % | 95.4 % |
| All Communities | 95.3 % | 94.6 % | 94.9 % | 94.6 % | 95.2 % |
| Property Operating Expenses as a % of Scheduled Rental Rent⁽²⁾ | | | | | |
| Same-Store | 41.5 % | 41.1 % | 41.5 % | 43.3 % | 41.2 % |
| Non-Same-Store | 31.1 % | 33.0 % | 35.7 % | 41.9 % | 38.8 % |
| All Communities | 41.2 % | 40.9 % | 41.0 % | 43.3 % | 41.1 % |
| Capital Expenditures | | | | | |
| Total Recurring Capital Expenditures ⁽²⁾ per Apartment Home – Same-Store | \$ 264 | \$ 209 | \$ 491 | \$ 389 | \$ 258 |

(1) Previously reported amounts are not revised for changes in the composition of the same-store properties pool.

(2) Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for definitions.

CENTERSPACE
CAPITAL EXPENDITURES
(\$ in thousands, except per home amounts)

| Capital Expenditures | Three Months Ended | | Six Months Ended | |
|---|--------------------|-----------|------------------|-----------|
| | 6/30/2024 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| Total Same-Store Apartment Homes | 12,580 | 12,580 | 12,580 | 12,580 |
| All Properties - Weighted Average Apartment Homes | 12,883 | 13,497 | 12,950 | 14,019 |
| Same-Store | | | | |
| Building - Exterior | \$ 461 | \$ 125 | \$ 1,802 | \$ 125 |
| Building - Interior | 38 | 16 | 54 | 16 |
| Mechanical, Electrical, & Plumbing | 469 | 781 | 3,279 | 1,051 |
| Furniture & Equipment | 149 | 153 | 231 | 167 |
| Landscaping & Grounds | 734 | 6 | 1,237 | 6 |
| Turnover replacements | 1,011 | 674 | 1,889 | 1,369 |
| Work in progress - net change | 462 | 1,290 | (2,538) | 1,677 |
| Recurring Capital Expenditures ⁽¹⁾ - Same-Store | \$ 3,324 | \$ 3,045 | \$ 5,954 | \$ 4,411 |
| Recurring Capital Expenditures ⁽¹⁾ per Apartment Home - Same-Store | \$ 264 | \$ 242 | \$ 473 | \$ 351 |
| Recurring Capital Expenditures ⁽¹⁾ - All Properties | \$ 3,372 | \$ 3,233 | \$ 6,050 | \$ 4,939 |
| Recurring Capital Expenditures ⁽¹⁾ per Apartment Home - All Properties | \$ 262 | \$ 240 | \$ 467 | \$ 352 |
| Value Add⁽¹⁾ | | | | |
| Same-Store | | | | |
| Interior - Units | \$ 456 | \$ 4,499 | \$ 693 | \$ 5,718 |
| Common Areas and Exterior | 11,902 | 1,354 | 18,030 | 2,598 |
| Work in Progress - net change | (5,961) | 123 | (2,801) | 216 |
| Total Value Add - Same Store | \$ 6,397 | \$ 5,976 | \$ 15,922 | \$ 8,532 |
| All Properties | | | | |
| Interior - Units | \$ 456 | \$ 4,499 | \$ 693 | \$ 5,718 |
| Common Areas and Exterior | 12,342 | 1,354 | 18,475 | 2,672 |
| Work in Progress - net change | (6,389) | 123 | (2,801) | 216 |
| Total Value Add - All Properties | \$ 6,409 | \$ 5,976 | \$ 16,367 | \$ 8,606 |
| Acquisition and Other Capital Expenditures⁽¹⁾⁽²⁾ | | | | |
| All Properties | \$ 5,756 | \$ 5,296 | 8,337 | 10,133 |
| Total Capital Spend | | | | |
| Total Capital Spend - Same-Store ⁽³⁾ | \$ 9,721 | \$ 9,021 | \$ 21,876 | \$ 12,943 |
| Total Capital Spend per Apartment Home - Same-Store ⁽³⁾ | \$ 773 | \$ 717 | \$ 1,739 | \$ 1,029 |
| Total Capital Spend - All Properties | \$ 15,537 | \$ 14,505 | \$ 30,754 | \$ 23,678 |
| Total Capital Spend per Apartment Home - All Properties | \$ 1,206 | \$ 1,075 | \$ 2,375 | \$ 1,689 |

(1) Refer to pages S-19 through S-22 “Non-GAAP Financial Measures and Other Terms” for definitions.

(2) Non-routine capital expenditures were reclassified for inclusion in the Acquisition and Other Capital Expenditures category. For the three and six months ended June 30, 2023, \$6,000 and \$171,000 was reclassified to Acquisition and Other Capital Expenditures, respectively.

(3) Includes value-add and excludes acquisition and other capital expenditures on same-store communities.

CENTERSPACE
2024 Financial Outlook
(in thousands, except per share and per home amounts)

Centerspace revised its financial outlook for 2024 in the table below.

| | Six Months Ended June 30, 2024 | 2024 Previous Outlook Range | | 2024 Revised Outlook Range | | |
|---|-----------------------------------|-----------------------------|-------------|----------------------------|-------------|--|
| | | Low | High | Low | High | |
| | | Amount | Amount | Amount | Amount | |
| Same-store growth | | | | | | |
| Revenue | \$ 124,135 | 3.00 % | 4.50 % | 3.25 % | 4.25 % | |
| Controllable expenses | 30,455 | 4.00 % | 5.50 % | 3.25 % | 4.25 % | |
| Non-controllable expenses | 17,956 | 4.00 % | 5.50 % | 3.50 % | 5.00 % | |
| Total Expenses | \$ 48,411 | 4.00 % | 5.50 % | 3.50 % | 4.75 % | |
| Same-store NOI ⁽¹⁾ | \$ 75,724 | 2.50 % | 4.00 % | 3.00 % | 4.00 % | |
| Components of NOI⁽¹⁾ | | | | | | |
| Same-store | \$ 75,724 | \$ 148,900 | \$ 151,000 | \$ 149,600 | \$ 151,000 | |
| Non-same-store | 2,569 | 4,900 | 5,100 | 5,000 | 5,200 | |
| Other properties | 796 | 1,750 | 1,850 | 1,750 | 1,850 | |
| Dispositions | 202 | \$ 203 | \$ 203 | \$ 203 | \$ 203 | |
| Total NOI ⁽¹⁾ | \$ 79,291 | \$ 155,753 | \$ 158,153 | \$ 156,553 | \$ 158,253 | |
| Other operating income and expenses | | | | | | |
| General and administrative and property management | (13,391) | (28,000) | (27,500) | (27,900) | (27,400) | |
| Casualty loss | (1,330) | (1,850) | (1,750) | (2,050) | (1,950) | |
| Non-real estate depreciation and amortization | (216) | (400) | (350) | (400) | (350) | |
| Non-controlling interest | (66) | (120) | (130) | (120) | (130) | |
| Total other operating income and expenses | \$ (15,003) | \$ (30,370) | \$ (29,730) | \$ (30,470) | \$ (29,830) | |
| Interest expense | \$ (18,539) | (38,200) | (37,800) | (36,850) | (36,500) | |
| Interest and other income | 817 | \$ 1,800 | \$ 2,000 | \$ 1,800 | \$ 2,000 | |
| Dividends to preferred shareholders | (3,214) | (6,428) | (6,428) | (6,428) | (6,428) | |
| FFO applicable to common shares and Units - diluted⁽¹⁾ | \$ 43,352 | \$ 82,555 | \$ 86,195 | \$ 84,605 | \$ 87,495 | |
| Non-core income and expenses | | | | | | |
| Non-cash casualty loss | \$ 893 | \$ 1,050 | \$ 1,000 | \$ 1,150 | \$ 1,100 | |
| Interest rate swap amortization | 370 | 725 | 700 | 725 | 700 | |
| Amortization of assumed debt | 526 | 1,075 | 1,025 | 1,075 | 1,025 | |
| Loss on litigation settlement and associated trial costs | 37 | 125 | 100 | 125 | 100 | |
| Other miscellaneous items | (11) | 100 | 50 | 100 | 50 | |
| Total non-core income and expenses | \$ 1,815 | \$ 3,075 | \$ 2,875 | \$ 3,175 | \$ 2,975 | |
| Core FFO applicable to common shares and Units - diluted⁽¹⁾ | \$ 45,167 | \$ 85,630 | \$ 89,070 | \$ 87,780 | \$ 90,470 | |
| Net loss per share - diluted | \$ (0.56) | (1.34) | (1.10) | (1.21) | (1.01) | |
| FFO per diluted share⁽¹⁾ | \$ 2.39 | \$ 4.57 | \$ 4.76 | \$ 4.61 | \$ 4.76 | |
| Core FFO per diluted share⁽¹⁾ | \$ 2.49 | \$ 4.74 | \$ 4.92 | \$ 4.78 | \$ 4.92 | |
| Weighted average shares outstanding - diluted | 18,116 | 18,075 | 18,100 | 18,350 | 18,375 | |
| Additional Assumptions | | | | | | |
| Same-store recurring capital expenditures (per home) | \$ 473 | \$ 1,075 | \$ 1,150 | \$ 1,100 | \$ 1,150 | |
| Value-add expenditures | \$ 16,367 | \$ 25,000 | \$ 27,000 | \$ 23,000 | \$ 25,000 | |
| Proceeds from Dispositions | \$ 19,000 | \$ 19,000 | \$ 19,000 | \$ 19,000 | \$ 19,000 | |

- (1) NOI, FFO, and Core FFO are non-GAAP financial measures. For more information on their usage and presentation, and a reconciliation to the most directly comparable GAAP measures, refer to "Non-GAAP Financial Measures and Reconciliations" in the Supplemental Financial and Operating Data" above and pages S-19 through S-22 "Non-GAAP Financial Measures and Other Terms" for additional information.

Reconciliation of Net Income (Loss) Available to Common Shareholders to FFO and Core FFO

The following table presents reconciliations of Net income (loss) available to common shareholders to FFO and Core FFO, which are non-GAAP financial measures described in greater detail under “Non-GAAP Financial Measures and Other Terms.” They should not be considered as alternatives to net income (loss) or any other GAAP measurement of performance, but rather should be considered as an additional, supplemental measure. FFO and Core FFO also do not represent cash generated from operating activities in accordance with GAAP, nor are they indicative of funds available to fund all cash needs, including the ability to service indebtedness or make distributions to shareholders. The outlook and projections provided below are based on current expectations and are forward-looking statements under applicable U.S. federal securities laws.

| | Six Months Ended | | Previous Outlook | | Revised Outlook | | | | | |
|---|------------------|---------|------------------|----------|-----------------|----------|----|----------|----|----------|
| | June 30, 2024 | | 12 Months Ended | | 12 Months Ended | | | | | |
| | Actual | | Low | High | Low | High | | | | |
| Net loss available to common shareholders | \$ | (8,415) | \$ | (16,468) | \$ | (11,953) | \$ | (14,418) | \$ | (10,653) |
| Noncontrolling interests - Operating Partnership and Series E preferred units | | (1,640) | | (7,795) | | (7,885) | | (7,795) | | (7,885) |
| Depreciation and amortization | | 52,726 | | 106,098 | | 105,298 | | 106,098 | | 105,298 |
| Less depreciation - non real estate | | (167) | | (400) | | (350) | | (400) | | (350) |
| Less depreciation - partially owned entities | | (49) | | (120) | | (130) | | (120) | | (130) |
| Loss on sale of real estate | | 577 | | 600 | | 575 | | 600 | | 575 |
| Dividends to preferred unitholders | | 320 | | 640 | | 640 | | 640 | | 640 |
| FFO applicable to common shares and Units - diluted | \$ | 43,352 | \$ | 82,555 | \$ | 86,195 | \$ | 84,605 | \$ | 87,495 |
| Adjustments to Core FFO: | | | | | | | | | | |
| Non-cash casualty loss | | 893 | | 1,050 | | 1,000 | | 1,150 | | 1,100 |
| Interest rate swap amortization | | 370 | | 725 | | 700 | | 725 | | 700 |
| Amortization of assumed debt | | 526 | | 1,075 | | 1,025 | | 1,075 | | 1,025 |
| Loss on litigation settlement and associated trial costs | | 37 | | 125 | | 100 | | 125 | | 100 |
| Other miscellaneous items | | (11) | | 100 | | 50 | | 100 | | 50 |
| Core FFO applicable to common shares and Units - diluted | \$ | 45,167 | \$ | 85,630 | \$ | 89,070 | \$ | 87,780 | \$ | 90,470 |
| Net loss per share - diluted | \$ | (0.56) | \$ | (1.34) | \$ | (1.10) | \$ | (1.21) | \$ | (1.01) |
| FFO per share - diluted | \$ | 2.39 | \$ | 4.57 | \$ | 4.76 | \$ | 4.61 | \$ | 4.76 |
| Core FFO per share - diluted | \$ | 2.49 | \$ | 4.74 | \$ | 4.92 | \$ | 4.78 | \$ | 4.92 |

Reconciliation of Operating Income to Net Operating Income

Net operating income, or NOI, is a non-GAAP financial measure which the company defines as total real estate revenues less property operating expenses, including real estate taxes. Centerspace believes that NOI is an important supplemental measure of operating performance for real estate because it provides a measure of operations that is unaffected by sales of real estate and other investments, impairment, depreciation, amortization, financing costs, property management expenses, casualty losses, loss on litigation settlement, and general and administrative expenses. NOI does not represent cash generated by operating activities in accordance with GAAP and should not be considered an alternative to net income (loss), net income (loss) available for common shareholders, or cash flow from operating activities as a measure of financial performance.

| | Six Months Ended | | Previous Outlook | | Revised Outlook | | | | | |
|---|------------------|--------|------------------|---------|-----------------|---------|----|---------|----|---------|
| | June 30, 2024 | | 12 Months Ended | | 12 Months Ended | | | | | |
| | Actual | | Low | High | Low | High | | | | |
| Operating income | \$ | 11,267 | \$ | 19,080 | \$ | 22,930 | \$ | 19,780 | \$ | 22,930 |
| Adjustments: | | | | | | | | | | |
| General and administrative and property management expenses | | 13,391 | | 28,000 | | 27,500 | | 27,900 | | 27,400 |
| Casualty loss | | 1,330 | | 1,850 | | 1,750 | | 2,050 | | 1,950 |
| Depreciation and amortization | | 52,726 | | 106,098 | | 105,298 | | 106,098 | | 105,298 |
| Loss on sale of real estate and other investments | | 577 | | 600 | | 575 | | 600 | | 575 |
| Loss on litigation settlement and associated trial costs | | — | | 125 | | 100 | | 125 | | 100 |
| Net operating income | \$ | 79,291 | \$ | 155,753 | \$ | 158,153 | \$ | 156,553 | \$ | 158,253 |

CENTERSPACE
NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

Acquisition and Other Capital Expenditures

Acquisition and other non-routine capital expenditures represent capital additions contemplated in the underwriting at recently acquired communities. These amounts are considered when determining expected returns. Other includes casualty and other non-routine capital items including, but not limited to, tenant improvements, real estate special assessments, and capital expenditures incurred to dispose of properties. Casualty represents capitalized costs incurred in connection with the restoration of an apartment community after a casualty event.

Adjusted EBITDA

Adjusted EBITDA is earnings before interest, taxes, depreciation, amortization, gain/loss on sale of real estate and other investments, impairment of real estate investments, gain/loss on extinguishment of debt, gain/loss from involuntary conversion; and other non-routine items or items not considered core to business operations. 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. Adjusted EBITDA is a non-GAAP financial measure and should not be considered a substitute for operating results determined in accordance with GAAP.

Average Monthly Rental Rate

Average monthly rental rate is scheduled rent divided by the total number of apartment homes.

Average Monthly Revenue per Occupied Home

Average monthly revenue per occupied home is defined as total rental revenues divided by the weighted average occupied apartment homes for the period.

Debt Service Coverage Ratio

Debt service coverage ratio is computed by dividing Adjusted EBITDA by interest expense and principal amortization. This term is a non-GAAP financial measure and should not be considered a substitute for operating results determined in accordance with GAAP. Refer to the Adjusted EBITDA definition included within this Non-GAAP Financial Measures and Other Terms section.

| | Three Months Ended | | | | | Six Months Ended | |
|--|--------------------|-----------|------------|-----------|-----------|------------------|-----------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| Adjusted EBITDA | \$ 33,070 | \$ 32,351 | \$ 32,091 | \$ 31,692 | \$ 33,493 | \$ 65,421 | \$ 65,081 |
| Interest Expense | 9,318 | 9,193 | 8,913 | 8,556 | 8,641 | 18,511 | 18,960 |
| Principal Amortization | 1,596 | 1,529 | 1,487 | 1,646 | 1,416 | 3,125 | 2,799 |
| Total Interest Expense and Principal Amortization | 10,914 | 10,722 | 10,400 | 10,202 | 10,057 | 21,636 | 21,759 |
| Distributions paid to Series C preferred shareholders and Series D preferred unitholders | 1,767 | 1,767 | 1,767 | 1,767 | 1,767 | 3,534 | 3,534 |
| Total Interest Expense, Principal Amortization, and preferred distributions | 12,681 | 12,489 | 12,167 | 11,969 | 11,824 | 25,170 | 25,293 |
| Debt Service Coverage Ratio | 3.03 | 3.02 | 3.09 | 3.11 | 3.33 | 3.02 | 2.99 |
| Adjusted EBITDA/Interest expense plus preferred distributions and principal amortization | 2.61 | 2.59 | 2.64 | 2.65 | 2.83 | 2.60 | 2.57 |

Funds From Operations and Core Funds From Operations

The Company 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 and amortization.

The Company 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 (loss) 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 (loss), 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.

Net Debt Divided by Adjusted EBITDA

Net debt is the total outstanding debt balance less cash and cash equivalents. Preferred equity is the sum of the book value of Series C preferred shares and Series D preferred units outstanding. 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 this Non-GAAP Financial Measures and Other Terms section.

| | As of and for the Three Months Ended | | | | | As of and for the Six Months Ended | |
|---|---|--------------|--------------|------------|------------|---------------------------------------|------------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| Total debt | \$ 935,391 | \$ 929,081 | \$ 919,990 | \$ 842,559 | \$ 885,518 | \$ 935,391 | \$ 885,518 |
| Less: cash and cash equivalents | 14,328 | 12,682 | 8,630 | 29,701 | 9,745 | 14,328 | 9,745 |
| Net debt | \$ 921,063 | \$ 916,399 | \$ 911,360 | \$ 812,858 | \$ 875,773 | \$ 921,063 | \$ 875,773 |
| Adjusted EBITDA ⁽¹⁾ | \$ 132,280 | \$ 129,404 | \$ 128,364 | \$ 126,768 | \$ 133,972 | \$ 130,842 | \$ 130,162 |
| Net debt/Adjusted EBITDA | 6.96 | 7.08 | 7.10 | 6.41 | 6.54 | 7.04 | 6.73 |
| Preferred Equity | \$ 110,090 | \$ 110,090 | \$ 110,090 | \$ 110,090 | \$ 110,090 | \$ 110,090 | \$ 110,090 |
| Net debt and preferred equity | \$ 1,031,153 | \$ 1,026,489 | \$ 1,021,450 | \$ 922,948 | \$ 985,863 | \$ 1,031,153 | \$ 985,863 |
| Adjusted EBITDA ⁽¹⁾ | \$ 132,280 | \$ 129,404 | \$ 128,364 | \$ 126,768 | \$ 133,972 | \$ 130,842 | \$ 130,162 |
| Net debt and preferred equity/Adjusted EBITDA | 7.80 | 7.93 | 7.96 | 7.28 | 7.36 | 7.88 | 7.57 |

(1) Annualized for periods less than one year.

Net Operating Income

Net operating income, or NOI, is a non-GAAP financial measure which the Company defines as total real estate revenues less property operating expenses, including real estate taxes. The Company believes that NOI is an important supplemental measure of operating performance for real estate because it provides a measure of operations that excludes gain (loss) on the sale of real estate and other investments, impairment, depreciation and amortization, financing costs, property management expenses, casualty losses, loss on litigation settlement, and general and administrative expenses. NOI does not represent cash generated by operating activities in accordance with GAAP and should not be considered an alternative to net income (loss), net income (loss) available for common shareholders, or cash flow from operating activities as a measure of financial performance.

Payout Ratio (Core FFO per Diluted Share and Unit Basis)

Payout ratio (Core FFO per diluted share and unit basis) is the ratio of the current quarterly or annual distribution rate per common share and unit divided by quarterly or annual Core FFO per diluted share and unit. This term is a non-GAAP financial measure and should not be considered a substitute for operating results determined in accordance with GAAP. Refer to the Core FFO definition included within this Non-GAAP Financial Measures and Other Terms section.

| | Three Months Ended | | | | | Six Months Ended | |
|--|--------------------|-----------|------------|-----------|-----------|------------------|-----------|
| | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 6/30/2024 | 6/30/2023 |
| Common distribution per share and unit | \$ 0.75 | \$ 0.75 | \$ 0.73 | \$ 0.73 | \$ 0.73 | \$ 1.50 | \$ 1.46 |
| Core FFO per common share and unit diluted | 1.27 | 1.23 | 1.22 | 1.20 | 1.28 | 2.49 | 2.36 |
| Payout ratio | 59.1 % | 61.0 % | 59.8 % | 60.8 % | 57.0 % | 60.2 % | 61.9 % |

Recurring Capital Expenditures

Recurring capital expenditures represent expenditures necessary to help preserve the value of and maintain the functionality at communities. Property recurring capital expenditures are necessary to maintain asset quality, including purchasing and replacing items used to operate the communities such as appliances, mechanical equipment, flooring to roof replacement, paving, siding, and major landscaping.

Same-Store Controllable Expenses

The Company defines same-store controllable expenses as property operating expenses excluding real estate taxes and insurance. Same-store controllable expenses exclude real estate taxes and insurance, in order to provide a measure of expenses that are within management's control, and is used for the purposes of budgeting, business planning, and performance evaluation. This is a non-GAAP financial measure and should not be considered an alternative to total expenses or total property operating expenses and real estate taxes.

Scheduled Rental Revenue

Scheduled rental revenue represents the value of all apartment homes, with occupied apartment homes valued at contractual rental rates pursuant to leases and vacant apartment homes valued at estimated market rents. When calculating actual rents for occupied apartment homes and market rents for vacant homes, delinquencies and concessions are not taken into account. Market rates are determined using the currently offered effective rates on new leases at the community and are used as the starting point in determination of the market rates of vacant apartment homes.

Total Debt to Total Market Capitalization

Total debt to total market capitalization, a non-GAAP financial measure, is total debt not adjusted for unamortized deferred financing costs or unamortized debt premiums and discounts from the balance sheet divided by the sum of total debt from the balance sheet, market value of common shares, operating partnership units, and the as converted Series E preferred units, and book value of Series C preferred shares and Series D preferred units outstanding at the end of the period. This non-GAAP financial measure should not be considered a substitute for operating results determined in accordance with GAAP.

Value Add

Value add represents expenditures that are expected to result in increased income generation or decreased expense growth over time to improve a community's cash flow and competitive position. This includes elective capital expenditures such as full-scale renovations including new amenities, interior unit turn renovations, enhanced clubhouses and common area hallways and certain resource management initiatives including smart home automation as well as environmental and sustainability initiatives for higher rental levels or expense savings in their respective markets.

Weighted Average Occupancy

Weighted average occupancy is defined as the percentage resulting from dividing actual rental revenue by scheduled rental revenue. Scheduled rental revenue represents the value of all apartment homes, with occupied homes valued at contractual rental rates pursuant to leases and vacant apartment homes valued at estimated market rents. When calculating actual rents for occupied apartment homes and market rents for vacant homes, delinquencies and concessions are not taken into account. Market rates are determined using the currently offered effective rates on new leases at the community and are used as the starting point in determination of the market rates of vacant apartment homes. The Company believes that weighted average occupancy is a meaningful measure of occupancy because it considers the value of each vacant unit at its estimated market rate. Weighted average occupancy may not completely reflect short-term trends in physical occupancy, and the calculation of weighted average occupancy may not be comparable to that disclosed by other REITs and other real estate companies.