UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 20, 2024

CENTERSPACE

(Exact name of Registrant as specified in its charter)

North Dakota	**001-35624**	**45-0311232**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

3100 10th Street SW, Post Office Box 1988, Minot, ND 58702-1988
(Address of principal executive offices) (Zip code)

(701) 837-4738
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares of Beneficial Interest, no par value	CSR	New York Stock Exchange
Series C Cumulative Redeemable Preferred Shares	CSR -PRC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

Centerspace (the "Company") issued an earnings release on February 20, 2024, announcing certain financial and operational results for the year ended December 31, 2023. A copy of the press release is furnished as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 2.02 and Item 9.01, including the press release furnished as Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 5.02. Departure of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective February 20, 2024, the Company entered into an executive employment agreement with Bhairav Patel (the "Employment Agreement"). The Employment Agreement provides for at-will employment as Chief Financial Officer. Mr. Patel has served as Chief Financial Officer since January 2022 but previously did not have an employment agreement. As part of his compensation package, Mr. Patel will (i) receive an annual base salary of $400,000, (ii) be eligible for a short-term incentive plan target of 100% of base salary, and (iii) be eligible for a long-term incentive plan target of 100% of base salary. Mr. Patel will also receive a travel reimbursement of up to $25,000 for his commute from his home to the Company's offices during 2024. In addition, the Company will provide Mr. Patel with a two-bedroom apartment in one of the Company's communities or will reimburse him for equivalent hotel lodging. Mr. Patel will be eligible to participate in the Company's employee benefits, including health insurance.

The Employment Agreement provides for severance payments in case of termination of employment by the Company without Cause, or by Mr. Patel for Good Reason (as each term is defined in the Employment Agreement), and such termination is not related to a change in control. Such severance payments include: (i) a lump-sum total gross amount of Mr. Patel's then-current base salary, plus Mr. Patel's target annual bonus under the short-term incentive plan for the year his employment terminates; (ii) a gross payment equal to the premium cost of 18 months of Mr. Patel's monthly premium for the cost of benefit continuation for health benefits; and (iii) up to $10,000 in outplacement assistance. The severance benefits are conditioned on Mr. Patel's entry into a separation agreement with the Company that provides a general release and waiver of any claims against the Company.

In addition, unvested time-based equity awards and performance-based equity awards will vest according to the Amended and Restated 2015 Incentive Plan (the "Plan"), as amended from time to time. Options to purchase Company stock granted to Mr. Patel under the Plan will become exercisable, in whole or in part, for the shares that remain subject to the option, as of the date of termination and will remain exercisable until three months from the date of termination.

The Employment Agreement imposes customary restrictive covenants on Mr. Patel, including confidentiality and non-solicitation provisions.

The forgoing description of the Employment Agreement is a summary only and is qualified in its entirety by reference to the full text of the Employment Agreement, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
10.1	Employment Agreement, effective February 20, 2024, by and between the Company and Bhairav Patel
99.1	Earnings Release and Supplemental Operating and Financial Data, dated February 20, 2024.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL Document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Centerspace

By /s/ Anne Olson

Anne Olson
President and Chief Executive Officer

Date: February 20, 2024

EXECUTIVE EMPLOYMENT AGREEMENT

This **EXECUTIVE EMPLOYMENT AGREEMENT** (the "**Agreement**") is entered into between Centerspace, a North Dakota real estate investment trust, (the "**Company**") and Bhairav Patel ("**Executive**") on the latest date appearing on the signature block of this Agreement (the "**Agreement Date**"). The Company and Executive are, individually, each a "**Party**," and, collectively, the "**Parties**").

RECITALS

WHEREAS, the Company desires to continue to employ Executive as the Company's Chief Financial Officer ("CFO"), and Executive desires to continue to be so employed by the Company, subject to the terms, conditions and covenants set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive agree as follows:

1. Employment Services.

(a) **Term of Employment.** Executive's employment under this Agreement is at-will, to commence on the Agreement Date and will continue until terminated by either Party under **Section 3** below (the "**Employment Term**").

(b) **Title and Position.** During the Employment Term, Executive will be the CFO of the Company. Executive's responsibilities will include all responsibilities as assigned, changed or directed by the Company, and as may be included in a job description. Executive will report to the Chief Executive Officer ("**CEO**"). Executive represents and warrants that Executive is free to accept continuing employment with the Company and that Executive has no existing commitments or obligations of any kind (including any restrictive covenant(s) for the benefit of any prior employer) that would hinder or interfere with Executive's obligations under this Agreement.

(c) **Duties During Employment.** During the Employment Term, Executive will devote Executive's full time, attention, skill and energy to the business and affairs of the Company and will use Executive's reasonable best efforts to perform Executive's responsibilities faithfully in a diligent, trustworthy, efficient and businesslike manner so as to advance the best interests of the Company.

2. Compensation and Benefits.

(a) **Base Salary.** During the Employment Term, the Company will pay Executive a base salary at the annual rate of $400,000.00 ("**Base Salary**"), less applicable tax and other authorized withholdings, payable in accordance with the general payroll practices of the Company. The Base Salary will be subject to review annually and may be adjusted by the Company at its discretion, with the adjusted amount becoming the new Base Salary.

(b) **<u>Short Term Incentive Plan</u>.** During the Employment Term, Executive will be eligible to participate in the Company's Short Term Incentive Plan ("**<u>STIP</u>**") with an annual target value of 100% of Executive's Base Salary . STIP is subject to the plan documents, as amended by the Board of Trustees ("**<u>Board</u>**")from time to time, with no guaranteed minimum.

(c) **<u>Long Term Incentive Plan</u>.** During the Employment Term, Executive will be eligible to participate in the Company's Long Term Incentive Plan ("**<u>LTIP</u>**"), with an annual target award equity mix value of 100% of Executive's Base Salary. LTIP is subject to the plan documents, as amended by the Board from time to time.

(d) **<u>Clawback</u>.** Executive's incentive compensation is subject to the Company's Executive Incentive Compensation Recoupment Policy, as amended from time to time, and incorporated as if fully restated herein.

(e) **<u>Health Care and Benefit Plans</u>.** During the Employment Term, Executive will be eligible to participate in all health care and benefit programs normally available to other senior-level employees of the Company (subject to all applicable eligibility and contribution policies and rules), as may be in effect from time to time.

(f) **<u>Expense Allowance</u>.** Executive may incur, or cause the Company to incur, reasonable, necessary business and travel expenses in connection with the performance of Executive's duties under this Agreement; provided that such expenses must be properly documented and incurred in a manner consistent with any expense reimbursement policies adopted by the Company from time to time. Travel expenses between the Company's Minneapolis or Minot offices and Executive's home shall not be reimbursed except as pursuant to Section 2(h)-(i)) hereof.

(g) **<u>Vacation</u>.** During the Employment Term, Executive will be entitled to paid time off ("**<u>PTO</u>**") equal to and consistent with Company policy for senior-level employees. The timing of Executive's vacation will be scheduled in a reasonable manner by Executive.

(h) **<u>Travel Allowance</u>.** Executive has $25,000.00 available during calendar year 2024 for travel reimbursement allowance for use at Executive's discretion to commute between Company's Minneapolis or Minot offices and Executive's home.

(i) **<u>Lodging</u>.** During the Employment Term, the Company will either provide Executive with a 2-bedroom apartment within the Centerspace portfolio of communities, or reimburse or pay to Executive the cost for equivalent hotel lodging (subject to proper documentation under the Company's expense reimbursement policies). If and as required by any law or regulation, this benefit shall be reported as taxable income to Executive.

(j) **<u>Additional Terms and Conditions of Employment</u>.** The terms and conditions of the Executive's employment will, to the extent not addressed or described in this Employment Agreement, be governed by the Company's handbook, policies, manuals and existing practices for other senior-level level employees of the Company, which may be modified, changed or rescinded at the discretion of the Company. If a conflict occurs between this Employment Agreement and the any handbook, policy, manual or existing practices, the terms of this Agreement will govern.

3. Termination of Employment.

(a) **Notice of Termination.** Either Executive or the Company may terminate Executive's employment with the Company at any time (the effective date of separation being the "**Termination Date**"), subject to the following:

(i) The Company may terminate Executive's employment at any time and for any reason, with "**Cause**" [as defined below in **Section 5(a)(ii)**] or without Cause, by giving written notice of such termination to Executive designating an immediate or future Termination Date. Upon termination of Executive's employment by Company without Cause, Executive will be entitled to the "**Severance Benefits**" as detailed below in **Section 3(b)**.

(ii) Executive may terminate Executive's employment without "**Good Reason**" [as defined below in **Section 5(a)(v)**] by giving the Company 60 calendar days' prior written notice of termination ("**Termination Notice**"). Upon receipt of the Termination Notice, the Company may, at its option: (A) make Executive's termination effective immediately; (B) require Executive to continue to perform Executive's duties under this Agreement during such 60-calendar-day period, with or without restrictions on Executive's activities, and/or (C) accept Executive's notice of termination as Executive's resignation from the Company at any time during such 60-calendar-day period on behalf of the Company. If the Company elects (A) above, the Company will have no obligation to provide Executive any compensation or benefits beyond the Termination Date except as otherwise required by law or this Agreement. If the Company elects either option (B) or (C) above, the Company will continue to pay Executive's Base Salary in accordance with **Section 2(a)** and the premium costs of all benefits as described in **Section 2(e)** above through the earlier of the 60th calendar day following Executive's notice of termination or the date on which Executive stops performing services for the Company.

(iii) Executive may terminate Executive's employment for Good Reason. Executive must provide written notice to the Company within 30 calendar days of the occurrence of an event constituting Good Reason, specifying in reasonable detail the circumstances giving rise to Good Reason. The Company will have 30 calendar days after receiving such written notice from Executive to cure such Good Reason event (the "**Company Cure Period**"). If the Good Reason event is not cured, Executive must terminate Executive's employment within 30 calendar days of the end of the Company Cure Period, or the right to terminate employment upon Good Reason will be waived. Upon termination of Executive's employment for Good Reason, Executive will be entitled to the "**Severance Benefits**" as detailed below in **Section 3(b)**.

(b) **Severance Benefits.**

(i) If at any time during the Employment Term the Company terminates Executive's employment without Cause (which shall include cases of Executive's Disability or death as may be applicable), or Executive terminates Executive's employment for Good Reason, and the termination is not related to a Change in Control, the Company will pay Executive a lump-sum total gross amount of one times

Executive's then current Base Salary, plus one times Executive's current target annual bonus under STIP, plus Executive's pro-rated current year target annual bonus under STIP for the year Executive's employment terminates. Company will also pay Executive a gross payment equal to the premium cost of 18 months of Executive's monthly premium for the cost of benefit continuation for health benefits (*i.e.*, medical, dental, and vision). These payments will be subject to taxes and withholding and reported on an IRS Form W-2. The Company will provide Executive up to $10,000.00 in outplacement assistance, to be supplied to Executive by a professional and commercially recognized outplacement assistance provider selected by Executive, with costs being directly billed to the Company. Executive's unvested time-based equity awards and performance-based equity awards will vest according to the Amended and Restated 2015 Incentive Plan ("**Plan**") (or other duly adopted equity plan, which is also referred to as the "**Plan**"), as amended from time to time. Options to purchase Company stock granted to the Executive under the Plan will become exercisable, in whole or in part, for the shares that remain subject to the option, as of the date the Executive's employment terminates and will remain exercisable until the expiration date of the option (three months from Executive's Termination Date). All such payments and benefits described in this paragraph shall be, collectively, the "**Severance Benefits**" and payable to Executive or Executive's estate as may be applicable.

(ii) If the termination results from a Change in Control, it is governed by the Change in Control Severance Agreement between Executive and the Company, which agreement defines "Change in Control," may be amended from time to time by agreement of the Parties and is incorporated as if fully restated herein.

(iii) Except as otherwise set forth in **Section 3(b)(i) or (ii)**, the Company will not have to provide Executive with, and Executive will have no entitlement to, any compensation or benefits beyond Executive's Termination Date, other than as required by applicable law or this Agreement. Executive will not be eligible for severance under any other Company or Affiliate plan, policy or practice.

(iv) To receive the Severance, Executive must execute and return to the Company (and not revoke), within the timeframe designated by Company, a Separation Agreement containing a general release and waiver of claims against the Company and its Affiliates, and each of their respective officers, directors, members, managers, partners and shareholders with respect to Executive's employment, and other customary terms, as well as Standstill and Clawback provisions, in form and substance reasonably acceptable to the Company. Any obligation of the Company to make the Severance Benefits will cease upon: (A) any determination by a court of competent jurisdiction that Executive has materially breached any of Executive's obligations in **Section 4**; or (B) any determination by a court of competent jurisdiction that Executive committed acts constituting Cause during the Employment Term. Notwithstanding anything to the contrary, any payments that would otherwise be payable to Executive before Executive's execution (and, if applicable, non-revocation) of the Separation Agreement and release will not be paid until the Separation Agreement and release become fully effective under its terms. Once the Separation Agreement and release become fully effective, any payments to Executive that were delayed under the preceding sentence will be promptly paid in a lump sum and any later payments will be paid to Executive under the schedule otherwise required by **Section 3(b)(i)**. Further, to the extent that Executive's execution (and any applicable revocation period) of such Separation Agreement and release could include two calendar years, then except as would not violate Section 409A of the Code as applicable, contingent upon the separation agreement and release becoming effective, any payments made under this Agreement will be made in the later of two such calendar years.

4. Restrictive Covenants.

(a) **Executive Acknowledgment.** Executive agrees and acknowledges that, to ensure that the Company retains its value and goodwill, Executive must not use any Confidential Information, special knowledge of the business of the Company (the "**Business**"), or the Company's relationships with its customers, vendors, and employees, all of which Executive will gain access to through Executive's employment with the Company, other than in furtherance of Executive's legitimate job duties. Executive also acknowledges that:

(i) The Company currently is engaged in the Business;

(ii) The Business is highly competitive;

(iii) The services to be performed by Executive for the Company are unique in nature and national and international in scope;

(iv) Executive will occupy a position of trust and confidence with the Company and will acquire an intimate knowledge of Confidential Information and the Company's relationships with its customers, vendors and employees;

(v) The agreements and covenants contained in this **Section 4** are essential to protect the Company (and the term the "**Company**", as used in this **Section 4**, will include any successors, assigns or Affiliates), the Confidential Information and the goodwill of the Business;

(vi) The Company would be irreparably damaged if Executive were to disclose or use the Confidential Information, provide services to any person or otherwise take any action in violation of any of the provisions of this Agreement;

(vii) The scope and duration of the covenants set forth in this **Section 4** are reasonably designed to protect a protectable interest of the Company and are not excessive given the circumstances; and

(viii) Executive has the means to support Executive and Executive's dependents other than by engaging in activities prohibited by this **Section 4**.

(b) **Confidential Information.** Executive acknowledges that Executive will be entrusted with Confidential Information.

(i) At all times both during Executive's employment and following the termination of Executive's employment for any reason, Executive: (A) will hold the Confidential Information in strictest confidence, take all reasonable precautions to prevent the inadvertent disclosure of the Confidential Information to any unauthorized person, and follow all the Company's policies protecting the Confidential Information; (B) will not use, copy, divulge or otherwise disseminate or disclose any Confidential Information, or any portion thereof, to any unauthorized person; (C) will not make, or permit or cause to be made, copies of the Confidential Information, unless necessary to carry out Executive's authorized duties as an employee of the Company; and (D) will promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use or disclosure of which Executive becomes aware.

(ii) If Executive receives any subpoena or becomes subject to any legal obligation that might require Executive to disclose Confidential Information, Executive will provide prompt written notice of that fact to the Company, enclosing a copy of the subpoena and any other documents describing the legal obligation. In the event that the Company objects to the disclosure of Confidential Information, by way of a motion to quash or otherwise, Executive agrees to not disclose any Confidential Information while any such objection is pending.

(iii) Executive understands that the Company has and will receive from third parties confidential or proprietary information ("**Third Party Information**") under a duty to maintain the confidentiality of such Third Party Information and to use it only for limited purposes. During the term of Executive's association with the Company and at all times after the termination of such association for any reason, Executive will hold Third Party Information in strict confidence and will not disclose or use any Third Party Information unless expressly authorized by the Company in advance or as may be strictly necessary to perform Executive's obligations with the Company, subject to any agreements binding on the Company with respect to such Third Party Information.

(iv) Executive will not improperly use or disclose any Confidential Information or trade secrets, if any, of any former employer or of any other person to whom Executive has an obligation of confidentiality, and Executive will not bring onto the Company's premises any unpublished documents or any property belonging to any former employer or of any other person to whom Executive has an obligation of confidentiality.

(v) Executive acknowledges that Executive has received notice that the Defend Trade Secrets Act of 2016 provides immunity from civil and criminal liability under state and federal trade secret laws for any employee who discloses a trade secret: (1) in a lawsuit or other proceeding filed under seal; or (2) in confidence to a government official or attorney for the sole purpose of reporting or investigating a suspected violation of law. Under the Defend Trade Secrets Act of 2016, this notice must be included in order for a person suing under the Defend Trade Secrets Act of 2016 to be entitled to punitive damages and attorneys' fees.

(vi) Executive agrees that upon termination of Executive's employment with the Company, or at any time upon the Company's demand, Executive will immediately stop using any Confidential Information and return to the Company without retaining any copies: (i) all documents (electronic or otherwise), all electronically stored data, all tangible items and all copies of the foregoing containing Confidential Information or from which Confidential Information may be derived, and (ii) all other property and tangible information belonging to the Company or its Affiliates in Executive's possession, custody or control. Upon request made by the Company at any time, Executive will provide the Company with a written certification of compliance with this paragraph.

(c) **<u>Ownership of Proprietary Information</u>.** Executive agrees to disclose promptly in writing, and hereby assigns and conveys, to the Company all right, title and interest of every kind and nature whatsoever in and to all inventions and/or discoveries, including concepts and ideas, whether patentable or not, and whether or not fixed in any mode of expression or reduced to practice, which are related, in whole or in part, to the Company's Business, to any other business of Company or its Affiliates for which Executive has job responsibilities, or to the related services or products of the Company, including what Executive conceives, creates, discovers, invents, reduces to practice, writes, discusses, develops, secures, or obtains, alone or jointly with others, during Executive's employment with Company or within 12 months after Executive's employment terminates. Any such inventions or discoveries arising within the 12 months following Executive's termination of employment will be presumed to be the same as inventions or discoveries created by Executive during Executive's employment unless Executive proves otherwise with reasonable certainty. The Company will be the sole owner of all rights related thereto, including, but not limited to, all patents, trademarks, service marks, copyrights and any other rights pertaining to all such inventions and discoveries.

(d) **<u>Non-Interference</u>.** During the Restricted Period (as defined in **Section 5(a)(vi)** below), Executive will not (other than in furtherance of Executive's legitimate job duties on behalf of the Company), directly or indirectly, on Executive's own behalf or for any other person:

(i) Solicit for employment or hire, attempt to solicit for employment or hire, or employ or seek to influence any current Company employee to leave the Company's or its Affiliates' employment or engagement, when such employee was employed or engaged by the Company or its Affiliates at any time within the six (6) months prior to the solicitation;

(ii) Because Executive agrees that it would inevitably require the disclosure of Confidential Information and would not restrain Executive in his profession or business, and without limiting the protections or restrictions above in **Section 4(b)**, solicit or encourage any client, or prospective client that Executive is aware or should be aware Company is pursuing, of the Company or its Affiliates to: (A) terminate or otherwise alter its relationship with the Company or its Affiliates; or (B) commence doing business with any entity that provides a product or service that could otherwise be provided by the Company or its Affiliates; or

(iii) Interfere or attempt to interfere with any Key Business Partner of the Company and its Affiliates. "**Key Business Partner**" means any vendor, supplier, or business partner of the Company while Executive is employed by the Company as this restriction applies during employment, and those who served such roles within the 12-month period preceding Executive's Termination Date for any restriction post-Termination Date.

(e) **Investment Opportunity.** During the period beginning on the Agreement Date and ending on the later of: (i) the Termination Date or (ii) the date on which Executive (or any of Executive's transferees) no longer owns, directly or indirectly, any equity interest in the Company, if Executive learns of any investment opportunity in a business or any entity engaged in the Business, Executive will promptly present such investment opportunity to the Company in writing.

(f) **Equitable Modification.** If any court of competent jurisdiction deems any provision in this **Section 4** too restrictive, the other provisions will stand, and the court will modify the unduly restrictive provision to the point of greatest restriction permissible by law. To the extent Executive engages in any restricted activity during a Restricted Period, the court will: (i) extend the duration of the covenant by a period equal to the length of time from the last date of Executive's employment with the company to the cessation of any such breach, or such other period as the court shall deem to be warranted by the equities; and (ii) order the destruction of any work product created by Executive, directly or indirectly, in violation of this Agreement.

(g) **Survival.** Executive acknowledges and agrees that the restrictive covenants set forth in this **Section 4** will survive any termination of Executive's employment under this Agreement, no matter the reason for such termination.

(h) **Remedies.** Executive acknowledges and agrees that the covenants set forth in this **Section 4** are reasonable and necessary to protect the Company's business interests, that irreparable injury will result to the Company if Executive were to breach any of the terms of said covenants, and that in the event of actual or threatened breach of any such covenants, the Company will have no adequate remedy at law. Executive accordingly agrees that in the event of any actual or threatened breach by Executive of any of the covenants set forth in this **Section 4**, the Company will have a right to immediate temporary injunctive and other equitable relief, and attorney's fees, and the injunction will be without bond, if permitted, and without the necessity of showing actual monetary damages, subject to a hearing as soon thereafter as possible. Nothing contained here will be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of any damages that it is able to prove.

5. Miscellaneous.

(a) **Definitions.** The following terms used in the Agreement have the meanings set forth below:

(i) "**Affiliate**" means any trade or business, whether or not incorporated, which together with the Company is treated as a single employer under Internal Revenue

Code section 414(b) or is deemed to be under common control under Internal Revenue Code section 414(c).

(ii) "**Cause**" means: (A) the Executive's willful conduct that is demonstrably and materially injurious to the Company or an Affiliate, monetarily or otherwise; (B) the Executive's material breach of a written agreement between the Executive and the Company or an Affiliate, including, but not limited to, breaches of **Section 4**, above; (C) the Executive's breach of the Executive's fiduciary duties to the Company or an Affiliate; (D) the Executive's admission to or conviction of any crime (or entering a plea of guilty or *nolo contendere* to any crime) constituting a felony or a crime of moral turpitude; (E) the Executive's entering into an agreement or consent decree or being the subject of any regulatory order that in any of such cases prohibits the Executive from serving as an officer or director of a company that has publicly traded securities; (F) any act or omission of Executive constituting (u) a conflict of interest, (v) dishonesty, (w) willful malfeasance, (x) gross negligence, (y) breach of fiduciary duty, or any statutorily imposed, duty related to employment, or (z) conduct deemed outside the scope of the authority granted to Executive by the Company; (G) the Executive's refusal to perform Executive's job duties or any specific reasonable directives from the Company that are reasonably consistent with the scope and nature of Executive's responsibilities (including any incapability arising from a disability, subject to reasonable accommodation); (H) that Executive used or is or had been under the influence of illegal drugs at the workplace or while performing Company business, or refused to submit for a drug test upon the Company's request; or (I) the Executive's Disability or death. A termination of the Executive shall not be for "Cause" unless the decision to terminate the Executive is set forth in a notice by the CEO to the Board, and the Board, in its discretion (but without any obligation), could provide an opportunity to the Executive to be heard before the Board. No act or failure to act by the Executive will be deemed "willful" if it was done or omitted to be done by the Executive in good faith or with a reasonable belief on the part of the Executive that the action or omission was in the best interests of the Company or an Affiliate. Any act or failure to act by the Executive based on authority given pursuant to a resolution duly adopted by the Board or based on the advice of counsel to the Company shall be conclusively presumed to be done or omitted to be done by the Executive in good faith and in the best interest of the Company and its Affiliates. If there is any conflict between this definition of "Cause" and "Cause" defined in any other agreement between Executive and the Company, this definition will govern for the purposes of this Agreement.

(iii) "**Confidential Information**" means any non-public proprietary information of the Company in whatever form or medium, concerning the operations or affairs of the Business or of the Company or any of its Affiliates, including, but not limited to: client information, client lists, prospective client and client records, compilations, analyses, studies, plans, financial data, technology, programs, processes, policies, techniques, flow charts, information regarding Company's products, techniques, methods, projects, strategies, trade practices, accounting methods, methods of operations, or other data considered by the Company to be Confidential Information; provided, however, that Confidential Information will not include: (1) knowledge, data and information that is generally known or becomes known in the trade or industry of the Company (other than as a result of a breach of this Agreement or other agreement or instrument to which Executive is bound), and (2) knowledge, data and information gained without a breach of this Agreement on a non-confidential basis from a person who is not legally prohibited from transmitting the information to Executive.

(iv) "**Disability**" means either: (A) Executive is deemed disabled for purposes of any group or individual long-term disability policy paid for by the Company and at the time in effect, or (B) Executive's inability to perform Executive's essential duties for a period of 120 calendar days or more (consecutive or non-consecutive) during any 12 month period, due to mental or physical disability or incapacity, as determined by a board-certified, licensed physician mutually selected by the CEO (or the CEO's designee) and the Executive or the Executive's legal representative, with such agreement as to acceptability not to be unreasonably withheld or delayed, and consistent with applicable law.

(v) "**Good Reason**" means, without the consent of the Executive: (A) a change in the Executive's position with the Company or an Affiliate that results in a material diminution of the Executive's authority, duties, or responsibilities; (B) a material reduction by the Company or an Affiliate in the annual rate of the Executive's Base Salary; or (C) a change in the location of the Executive's principal office to a different place that is more than fifty miles from the Executive's principal office immediately prior to such change. A reduction in the Executive's annual Base Salary will be material if the adjusted rate is less than 90% of the Executive's highest rate of annual Base Salary as in effect on any date in the preceding 36 months; provided, however, that a reduction in the Executive's rate of annual Base Salary will be disregarded to the extent that the reduction is applied similarly to the Company's other officers or executives. Notwithstanding the two preceding sentences, a change in the Executive's duties or responsibilities or a reduction in the annual rate of the Base Salary in connection with the Executive's termination of employment (for Cause or retirement) will not constitute Good Reason.

(vi) "**Restricted Period**" means the period beginning on the Agreement Date and continuing until the first anniversary of the Termination Date.

(b) **Notices.** Any notices, consents or other communications required or permitted to be sent or given hereunder will be in writing and deemed properly served if: (i) delivered personally, in which case the date of such notice will be the date of delivery; (ii) delivered to a nationally recognized overnight courier service, in which case the date of delivery will be the next business day; or (iii) sent by email (with a copy sent by first-class mail), in which case the date of delivery will be the date of transmission, or if after 5:00 P.M., the next business day. If not personally delivered, notice to a Party will be sent addressed to the address listed for such Party on the signature page of this Agreement, or in either case at such other address for a Party as may later be provided.

(c) **Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, and be enforceable by, the Parties and the Company's successors and permitted assigns. This Agreement may be assigned by the Company to: (i) an Affiliate of the Company so long as the Affiliate assumes the Company's obligations under this Agreement; (ii) in connection with a sale of the Company's business, whether by sale of assets, sale of equity interests, merger, consolidation or otherwise, so long as the assignee assumes the Company's obligations hereunder; and (iii) to the Company's lenders as collateral for security purposes. This Agreement or any right or interest hereunder is one of personal service and may not be assigned by Executive under any circumstance. Nothing in this Agreement, whether expressed or implied, is intended or will be construed to confer upon any person other than the Parties and successors and assigns permitted by this **Section 5(c)** any right, remedy or claim under or by reason of this Agreement.

(d) **Entire Agreement; Amendments.** This Agreement, including the Recitals, contains the entire understanding of the Parties with regard to the terms of Executive's employment, and supersedes all prior agreements, understandings or letters of intent with regard to the terms of the employment relationship addressed herein. Unless specifically included in this Agreement, it does not incorporate any other agreement between the Parties. This Agreement will not be amended, modified or supplemented except by a written instrument signed by each of the Company and Executive.

(e) **Interpretation.** Article titles and section headings contained herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

(f) **Waivers.** No provision of this Agreement may be waived except in a writing executed and delivered by the Party against whom waiver is sought. Any such written waiver shall be effective only with respect to the event or circumstance described in it and not for any other event or circumstance unless such waiver expressly provides to the contrary.

(g) **Tax Matters.** Executive acknowledges that no representative or agent of the Company has provided Executive with any tax advice of any nature, and Executive has had the opportunity to consult with Executive's own legal, tax and financial advisor(s) as to tax and related matters concerning the compensation to be received under this Agreement. The Company may withhold and deduct from amounts payable hereunder those amounts required to be withheld or deducted under applicable law.

(h) **Execution in Counterparts & Delivery by Email.** This Agreement may be executed in one or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement. Email transmission of a scanned PDF of an executed Agreement will be considered an original.

(i) **Required Delay for Deferred Compensation Under 409A.** Notwithstanding any other provision of this Agreement, if at the time of separation from service Executive is determined by the Company to be a "specified employee" (as defined in Section 409A of the Code (together, with any state law of similar effect, "**Section 409A**") and Section 1.409A-1(i) of the Treasury Regulations), and the Company determines that delayed commencement of any portion of the termination payments and benefits payable to Executive pursuant to this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such portion of Executive's termination payments and benefits will not be provided to Executive until the earliest of: (i) the date that is six months and one day after Executive's separation from service, (ii) the date of Executive's death or (iii) such earlier date as is permitted under Section 409A (any such delayed commencement, a "**Payment Delay**"). Upon the expiration of such Payment Delay, all payments deferred pursuant to a Payment Delay will be paid in a lump sum to Executive (without interest thereon) on the first day following the expiration of the Payment Delay, and any remaining payments due under the Agreement will be paid on the original schedule provided herein.

This Agreement is intended to meet the requirements of Section 409A and will be interpreted and construed consistent with that intent. References to termination of employment, retirement, separation from service and similar or correlative terms in this Agreement will mean a "separation from service" (as defined at Section 1.409A-1(h) of the Treasury Regulations) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. Each payment and benefit provided for in this Agreement will be treated as a separate "payment" for purposes of Code Section 409A.

In no event may Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement or otherwise which constitutes a "deferral of compensation" within the meaning of Section 409A of the Code. All reimbursements and in-kind benefits provided under this Agreement will be made or provided in accordance with the requirements of Section 409A of the Code. To the extent that any reimbursements pursuant to this Agreement or otherwise are taxable to Executive, any reimbursement payment due to Executive will be paid to Executive on or before the last day of Executive's taxable year following the taxable year in which the related expense was incurred; provided, that, Executive has provided the Company written documentation of such expenses in a timely fashion and such expenses otherwise satisfy the Company expense reimbursement policies. Reimbursements pursuant to this Agreement or otherwise are not subject to liquidation or exchange for another benefit and the amount of such reimbursements that Executive receives in any other taxable year. Notwithstanding any of the foregoing to the contrary, the Company and their respective officers, directors, partners, general partners, employees or agents make no guarantee that the terms of this Agreement comply with, or are exempt from, the provisions of Code Section 409A, and none of the foregoing will have any liability for the failure of the terms of this Agreement to comply with, or be exempt from, the provisions of Code Section 409A.

(j) **Governing Law; Consent to Jurisdiction & Venue; Waiver of Jury.** The laws of the State of North Dakota will govern all matters arising out of or relating to this Agreement including, without limitation, its validity, interpretation, construction, and performance and without giving effect to the conflict of laws principles that may require the application of the laws of another jurisdiction. Any Party bringing a legal action or proceeding against any other Party arising out of or relating to this Agreement may bring the legal action or proceeding in the United States District Court for the District of North Dakota or in any court of the State of North Dakota sitting in Minot, North Dakota. Each Party waives, to the fullest extent permitted by law (i) any objection it may now or later have to the laying of venue of any legal action or proceeding arising out of or relating to this Agreement brought in a court described in the preceding sentence; (ii) any claim that any legal action or proceeding brought in any such court has been brought in an inconvenient forum; and, (3) the right to trial by jury.

(k) **Construction.** The language used in this Agreement will be deemed to be the language chosen by Executive and the Company to express their mutual intent, and no rule of strict construction will be applied against Executive or the Company.

(l) **Severability.** In the event that any provision or portion of this Agreement is found to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement will be unaffected thereby and will remain in full force and effect to the fullest extent permitted by law to achieve the purposes of this Agreement. Accordingly, if any provision of this Agreement is adjudicated to be invalid, ineffective or unenforceable, the remaining provisions will not be affected by such adjudication. The invalid, ineffective or unenforceable provision will, without further action by the Parties, be automatically amended or limited, as appropriate, to effect the original and/or lawful purpose and intent of the invalid, ineffective or unenforceable provision; provided, however, that such amendment will apply only with respect to the operation of such provision in the particular jurisdiction where that adjudication is made.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Employment Agreement to be duly executed by an authorized officer, and Executive has executed it the date provided below.

COMPANY:	**EXECUTIVE:**
CENTERSPACE	Bhairav Patel
By: /s/ Anne Olson	By: /s/ Bhairav Patel
Printed Name: Anne Olson	Date:
Title: President & Chief Executive Officer	
Date:	

Address:
800 LaSalle Avenue, Suite 1600
Minneapolis, Minnesota 55402

Exhibit 99.1

centerspace

4th Quarter 2023 // Quarter Ended December 31, 2023

EARNINGS RELEASE AND SUPPLEMENTAL OPERATING & FINANCIAL DATA


Lugano at Cherry Creek // Denver, CO

BETTER
EVERY DAYS.

Centerspace Announces Financial and Operating Results for the Year Ended December 31, 2023, Provides 2024 Financial Outlook and Dividend Increase

MINNEAPOLIS, MN, February 20, 2024 – Centerspace (NYSE: CSR) announced today its financial and operating results for the year ended December 31, 2023. The tables below show Net Income (Loss), Funds from Operations ("FFO")[1], and Core FFO[1], all on a per diluted share basis, for the year ended December 31, 2023; Same-Store Revenues, Expenses, and Net Operating Income ("NOI")[1] over comparable periods; and Same-Store Weighted Average Occupancy for the three months ended December 31, 2023, September 30, 2023, and December 31, 2022 and the twelve months ended December 31, 2023 and 2022.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
Per Share	**2023**	**2022**	**2023**	**2022**
Net income (loss) per share - diluted	$ (0.65)	$ (0.24)	$ 2.32	$ (1.35)
FFO - diluted[(1)]	1.11	1.16	4.27	4.32
Core FFO - diluted[(1)]	1.22	1.17	4.78	4.43

	Year-Over-Year Comparison	Sequential Comparison	YTD Comparison
Same-Store Results	**4Q23 vs 4Q22**	**4Q23 vs. 3Q23**	**CY23 vs. CY22**
Revenues	3.9 %	0.5 %	7.2 %
Expenses	(1.2)%	(3.6)%	4.6 %
Net Operating Income ("NOI")[(1)]	7.6 %	3.4 %	9.0 %

	Three months ended			Twelve months ended	
Same-Store Results	**December 31, 2023**	**September 30, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Weighted Average Occupancy	94.8 %	94.7 %	94.8 %	94.9 %	94.6 %

(1) NOI, Funds from Operations, 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 the Supplemental Financial and Operating Data below.

Highlights for the Year Ended December 31, 2023

- Net Income was $2.32 per diluted share for the year ended December 31, 2023, compared to Net Loss of $1.35 per diluted share for the year ended December 31, 2022;
- Core FFO[(1)] increased to $4.78 or 7.9% per diluted share for the year ended December 31, 2023, compared to $4.43 for the year ended December 31, 2022;
- Operating income increased to $84.5 million for the year ended December 31, 2023 compared to $13.9 million for the prior year;
- Same-store year-over-year NOI[(1)] grew to 9.0% driven by same-store revenue growth of 7.2%;
- Continued to grow Colorado portfolio through acquisition of an apartment community in Loveland, Colorado consisting of 303 homes for an aggregate purchase price of $94.5 million;
- Thirteen communities in Minnesota, Nebraska, and North Dakota were sold for an aggregate sales price of $226.8 million. The sale included four communities in the St. Cloud market comprising 692 homes, two communities in the Omaha-Lincoln market comprising 498 homes, three communities in the Minneapolis-St. Paul market comprising 377

homes, and four communities in the Minot market comprising 712 homes and related commercial space.

- 216,000 common shares repurchased for total consideration of $11.5 million and an average of $53.44 per share.

Balance Sheet

At December 31, 2023, Centerspace had $234.6 million of total liquidity on its balance sheet, including $226.0 million available on its lines of credit.

Subsequent Events

Subsequent to December 31, 2023, Centerspace entered into definitive purchase and sale agreements for two communities with expected gross proceeds of $18.9 million. The Company believes the sales will close in the first quarter. The closing of pending transactions is subject to certain conditions and restrictions; therefore, there can be no assurance that the transactions will be consummated or that the final terms will not differ in material respects.

Subsequent to December 31, 2023, Centerspace repurchased 87,722 common shares for total consideration of $4.7 million and an average price of $53.62 per share.

Dividend Distributions

Centerspace's Board of Trustees announced a quarterly distribution of $0.75 per share/unit, payable on April 8, 2024, to common shareholders and unitholders of record at the close of business on March 28, 2024. The announced distribution represents a $0.02 increase over the prior distribution.

The Board of Trustees also declared a distribution of $0.4140625 per share on the 6.625% Series C Cumulative Redeemable Preferred Shares (NYSE: CSR PRC), payable on March 28, 2024, to holders of record at the close of business on March 15, 2024. Series C preferred share distributions are cumulative and payable quarterly in arrears at an annual rate of $1.65625 per share.

2024 Financial Outlook

Centerspace is providing the following guidance for its 2024 performance.

2024 Financial Outlook

		Range for 2024	
	2023 Actual	Low	High
Net income (loss) per Share - diluted	$ 2.32	$ (1.31)	$ (0.99)
FFO per Share - diluted	$ 4.27	$ 4.54	$ 4.80
Core FFO per Share - diluted	$ 4.78	$ 4.68	$ 4.92

Additional assumptions:

- Same-store capital expenditures of $1,075 per home to $1,150 per home
- Value-add expenditures of $25.0 million to $27.0 million
- Proceeds from potential dispositions of $18.8 million to $19.0 million

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, please refer to "2024 Financial Outlook" in the Supplemental Financial and Operating Data below.

Earnings Call

Live webcast and replay: https://www.ir.centerspacehomes.com

Live Conference Call		Conference Call Replay	
Wednesday, February 21, 2024 at 10:00 AM ET		Replay available until March 6, 2024	
USA Toll Free Number	1-833-470-1428	USA Toll Free Number	1-866-813-9403
International Toll Free Number	1-929-526-1599	International Toll Free Number	1-929-458-6194
Canada Toll Free Number	1-833-950-0062	Canada Toll Free Number	1-226-828-7578
Conference Number	373306	Conference Number	297696

Supplemental Information

Supplemental Operating and Financial Data for the year ended December 31, 2023, is available in the Investors section on Centerspace's website at https://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 December 31, 2023, Centerspace owned 72 apartment communities consisting of 13,088 homes located in Colorado, Minnesota, Montana, Nebraska, North Dakota, and South Dakota. In 2022, Centerspace was named the National Apartment Association's Leading Organization in Diversity, Equity, and Inclusion.. For more information, please visit www.centerspacehomes.com.

Forward-Looking Statements

Certain statements in this press release are based on the Company's current expectations and assumptions, and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 and uncertainties are detailed from time to time in filings with the SEC, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" contained in the Company's Annual Report on Form 10-K, in quarterly reports on Form 10-Q, and in other reports the Company files with the SEC from time to time. The Company assumes no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

Contact Information

Investor Relations
Josh Klaetsch
Phone: 701-837-7104
E-mail: IR@centerspacehomes.com

Marketing & Media
Kelly Weber
Phone: 701-837-7104
E-mail: kweber@centerspacehomes.com

Supplemental Financial and Operating Data
Table of Contents
December 31, 2023

Common Share Data (NYSE: CSR)

	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
High closing price	$ 59.33	$ 66.57	$ 64.18	$ 71.07	$ 70.20
Low closing price	$ 47.82	$ 59.39	$ 53.98	$ 51.39	$ 58.50
Average closing price	$ 54.61	$ 62.52	$ 58.61	$ 61.68	$ 64.64
Closing price at end of quarter	$ 58.20	$ 60.26	$ 61.36	$ 54.63	$ 58.67
Common share distributions—annualized	$ 2.92	$ 2.92	$ 2.92	$ 2.92	$ 2.92
Closing price dividend yield - annualized	5.0 %	4.8 %	4.8 %	5.3 %	5.0 %
Closing common shares outstanding (thousands)	14,963	15,052	14,949	15,032	15,020
Closing limited partnership units outstanding (thousands)	861	864	961	967	971
Closing Series E preferred units, as converted (thousands)	2,078	2,087	2,094	2,103	2,119
Total closing common shares, limited partnership units, and Series E preferred units, as converted, outstanding (thousands)	17,902	18,003	18,004	18,102	18,110
Closing market value of outstanding common shares, plus imputed closing market value of outstanding limited partnership units (thousands)	$ 1,041,896	$ 1,084,861	$ 1,104,725	$ 988,912	$ 1,062,514

CENTERSPACE

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*

(in thousands, except per share amounts)

	Three Months Ended					Twelve months ended	
	12/31/2023	**9/30/2023**	**6/30/2023**	**3/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
REVENUE	$ 64,068	$ 64,568	$ 64,776	$ 67,897	$ 67,848	$ 261,309	$ 256,716
EXPENSES							
Property operating expenses, excluding real estate taxes	18,237	19,602	17,872	21,342	21,755	77,053	80,070
Real estate taxes	6,861	7,143	7,174	7,581	7,464	28,759	28,567
Property management expenses	2,341	2,197	2,247	2,568	2,358	9,353	9,895
Casualty loss	853	937	53	252	335	2,095	1,591
Depreciation and amortization	26,617	24,697	24,371	25,993	25,768	101,678	105,257
Impairment of real estate investments	5,218	—	—	—	—	5,218	—
General and administrative expenses	4,363	3,832	4,162	7,723	3,276	20,080	17,516
TOTAL EXPENSES	$ 64,490	$ 58,408	$ 55,879	$ 65,459	$ 60,956	$ 244,236	$ 242,896
Gain (loss) on sale of real estate and other investments	(83)	11,235	(67)	60,159	14	71,244	41
Loss on litigation settlement	(1,000)	—	(2,864)	—	—	(3,864)	—
Operating income (loss)	(1,505)	17,395	5,966	62,597	6,906	84,453	13,861
Interest expense	(8,913)	(8,556)	(8,641)	(10,319)	(9,603)	(36,429)	(32,750)
Interest and other income	533	330	295	49	132	1,207	1,248
Net income (loss)	$ (9,885)	$ 9,169	$ (2,380)	$ 52,327	$ (2,565)	$ 49,231	$ (17,641)
Dividends to Series D preferred unitholders	(160)	(160)	(160)	(160)	(160)	(640)	(640)
Net (income) loss attributable to noncontrolling interest – Operating Partnership and Series E preferred units	1,917	(1,204)	712	(8,566)	753	(7,141)	4,299
Net income attributable to noncontrolling interests – consolidated real estate entities	(29)	(31)	(35)	(30)	(34)	(125)	(127)
Net income (loss) attributable to controlling interests	(8,157)	7,774	(1,863)	43,571	(2,006)	41,325	(14,109)
Dividends to preferred shareholders	(1,607)	(1,607)	(1,607)	(1,607)	(1,607)	(6,428)	(6,428)
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	$ (9,764)	$ 6,167	$ (3,470)	$ 41,964	$ (3,613)	$ 34,897	$ (20,537)
Net income (loss) per common share – basic	$ (0.65)	$ 0.41	$ (0.23)	$ 2.79	$ (0.24)	$ 2.33	$ (1.35)
Net income (loss) per common share – diluted	$ (0.65)	$ 0.41	$ (0.23)	$ 2.76	$ (0.24)	$ 2.32	$ (1.35)

CENTERSPACE

CONDENSED CONSOLIDATED BALANCE SHEETS *(unaudited)*

(in thousands)

	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
ASSETS					
Real estate investments					
Property owned	$ 2,420,146	$ 2,326,408	$ 2,434,138	$ 2,420,911	$ 2,534,124
Less accumulated depreciation	(530,703)	(516,673)	(543,264)	(519,167)	(535,401)
Total real estate investments	1,889,443	1,809,735	1,890,874	1,901,744	1,998,723
Cash and cash equivalents	8,630	29,701	9,745	8,939	10,458
Restricted cash	639	22,496	566	48,903	1,433
Other assets	27,649	16,349	18,992	19,298	22,687
TOTAL ASSETS	$ 1,926,361	$ 1,878,281	$ 1,920,177	$ 1,978,884	$ 2,033,301
LIABILITIES, MEZZANINE EQUITY, AND EQUITY					
LIABILITIES					
Accounts payable and accrued expenses	$ 62,754	$ 62,674	$ 56,713	$ 56,639	$ 58,812
Revolving line of credit	30,000	—	18,989	143,469	113,500
Notes payable, net of unamortized loan costs	299,459	299,443	299,428	299,412	399,007
Mortgages payable, net of unamortized loan costs	586,563	539,245	563,079	474,999	495,126
TOTAL LIABILITIES	$ 978,776	$ 901,362	$ 938,209	$ 974,519	$ 1,066,445
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	1,165,694	1,169,025	1,169,501	1,176,059	1,177,484
Accumulated distributions in excess of net income	(548,273)	(527,586)	(522,796)	(508,420)	(539,422)
Accumulated other comprehensive loss	(1,119)	(1,434)	(1,758)	(1,917)	(2,055)
Total shareholders' equity	$ 709,832	$ 733,535	$ 738,477	$ 759,252	$ 729,537
Noncontrolling interests – Operating Partnership and Series E preferred units	220,544	226,205	226,294	227,920	220,132
Noncontrolling interests – consolidated real estate entities	649	619	637	633	627
TOTAL EQUITY	$ 931,025	$ 960,359	$ 965,408	$ 987,805	$ 950,296
TOTAL LIABILITIES, MEZZANINE EQUITY, AND EQUITY	$ 1,926,361	$ 1,878,281	$ 1,920,177	$ 1,978,884	$ 2,033,301

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 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-18 through S-20, "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 development properties, have achieved a target level of physical occupancy of 90%. On the first day of each calendar year, Centerspace determines the composition of the same-store pool for that year and adjusts the previous year, to evaluate full period-over-period operating comparisons for existing apartment communities and their contribution to Net Operating Income. Measuring performance on a same-store basis allows investors to evaluate how a fixed pool of communities are performing year-over-year. Centerspace uses this measure to assess success in increasing NOI (defined and reconciled below), raising average rental revenue, renewing leases on existing residents, controlling operating costs, and making prudent capital improvements.

CENTERSPACE

RECONCILIATIONS OF OPERATING INCOME TO NET OPERATING INCOME [(1)]

(dollars in thousands)

	Three Months Ended			Sequential		Year-Over-Year	
	12/31/2023	**9/30/2023**	**12/31/2022**	**$ Change**	**% Change**	**$ Change**	**% Change**
Operating income (loss)	$ (1,505)	$ 17,395	$ 6,906	$ (18,900)	(108.7)%	$ (8,411)	(121.8)%
Adjustments:							
Property management expenses	2,341	2,197	2,358	144	6.6 %	(17)	(0.7)%
Casualty loss	853	937	335	(84)	(9.0)%	518	154.6 %
Depreciation and amortization	26,617	24,697	25,768	1,920	7.8 %	849	3.3 %
Impairment	5,218	—	—	5,218	N/A	5,218	N/A
General and administrative expenses	4,363	3,832	3,276	531	13.9 %	1,087	33.2 %
(Gain) loss on sale of real estate and other investments	83	(11,235)	(14)	11,318	100.7 %	97	*
Loss on litigation settlement	1,000	—	—	1,000	N/A	1,000	N/A
Net Operating Income[(1)]	$ 38,970	$ 37,823	$ 38,629	$ 1,147	3.0 %	$ 341	0.9 %
Revenue							
Same-store	$ 58,262	$ 57,949	$ 56,055	$ 313	0.5 %	$ 2,207	3.9 %
Non-same-store	5,209	3,556	3,497	1,653	46.5 %	1,712	49.0 %
Other	587	676	581	(89)	(13.2)%	6	1.0 %
Dispositions	10	2,387	7,715	(2,377)	(99.6)%	(7,705)	(99.9)%
Total	64,068	64,568	67,848	(500)	(0.8)%	(3,780)	(5.6)%
Property operating expenses, including real estate taxes							
Same-store	23,055	23,906	23,324	(851)	(3.6)%	(269)	(1.2)%
Non-same-store	1,790	1,469	1,266	321	21.9 %	524	41.4 %
Other	251	270	249	(19)	(7.0)%	2	0.8 %
Dispositions	2	1,100	4,380	(1,098)	(99.8)%	(4,378)	(100.0)%
Total	25,098	26,745	29,219	(1,647)	(6.2)%	(4,121)	(14.1)%
Net Operating Income[(1)]							
Same-store	35,207	34,043	32,731	1,164	3.4 %	2,476	7.6 %
Non-same-store	3,419	2,087	2,231	1,332	63.8 %	1,188	53.2 %
Other	336	406	332	(70)	(17.2)%	4	1.2 %
Dispositions	8	1,287	3,335	(1,279)	(99.4)%	(3,327)	(99.8)%
Total	$ 38,970	$ 37,823	$ 38,629	$ 1,147	3.0 %	$ 341	0.9 %

**Not a meaningful percentage*

(1) Net Operating Income is a non-GAAP measure. Refer to pages S-18 through S-21 "Non-GAAP Financial Measures and Other Terms" for additional information.

CENTERSPACE

RECONCILIATIONS OF OPERATING INCOME TO NET OPERATING INCOME [(1)]

	(dollars in thousands)			
	Twelve Months Ended December 31,			
	2023	**2022**	**$ Change**	**% Change**
Operating income	$ 84,453	$ 13,861	$ 70,592	509.3 %
Adjustments:				
Property management expenses	9,353	9,895	(542)	(5.5)%
Casualty loss	2,095	1,591	504	31.7 %
Depreciation and amortization	101,678	105,257	(3,579)	(3.4)%
Impairment	5,218	—	5,218	N/A
General and administrative expenses	20,080	17,516	2,564	14.6 %
Gain on sale of real estate and other investments	(71,244)	(41)	(71,203)	*
Loss on litigation settlement	3,864	—	3,864	N/A
Net Operating Income[(1)]	$ 155,497	$ 148,079	$ 7,418	5.0 %
Revenue				
Same-store	$ 230,333	$ 214,941	$ 15,392	7.2 %
Non-same-store	16,031	9,434	6,597	69.9 %
Other	2,601	2,466	135	5.5 %
Dispositions	12,344	29,875	(17,531)	(58.7)%
Total	261,309	256,716	4,593	1.8 %
Property operating expenses, including real estate taxes				
Same-store	92,847	88,785	4,062	4.6 %
Non-same-store	5,915	3,542	2,373	67.0 %
Other	797	940	(143)	(15.2)%
Dispositions	6,253	15,370	(9,117)	(59.3)%
Total	105,812	108,637	(2,825)	(2.6)%
Net Operating Income[(1)]				
Same-store	137,486	126,156	11,330	9.0 %
Non-same-store	10,116	5,892	4,224	71.7 %
Other	1,804	1,526	278	18.2 %
Dispositions	6,091	14,505	(8,414)	(58.0)%
Total	$ 155,497	$ 148,079	$ 7,418	5.0 %

**Not a meaningful percentage*

(1) Net Operating Income is a non-GAAP measure. Refer to pages S-18 through S-20 “Reconciliations of 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)]

	(dollars in thousands)							
	Three Months Ended December 31,				**Twelve Months Ended December 31,**			
	2023	**2022**	**$ Change**	**% Change**	**2023**	**2022**	**$ Change**	**% Change**
Controllable expenses								
On-site compensation [(2)]	$ 6,221	$ 5,931	$ 290	4.9 %	$ 24,594	$ 22,448	$ 2,146	9.6 %
Repairs and maintenance	3,184	3,726	(542)	(14.5)%	13,498	14,084	(586)	(4.2)%
Utilities	3,438	3,955	(517)	(13.1)%	14,992	15,663	(671)	(4.3)%
Administrative and marketing	1,541	1,202	339	28.2 %	5,464	4,875	589	12.1 %
Total	$ 14,384	$ 14,814	$ (430)	(2.9)%	$ 58,548	$ 57,070	$ 1,478	2.6 %
Non-controllable expenses								
Real estate taxes	$ 6,132	$ 6,118	$ 14	0.2 %	$ 25,231	$ 23,781	$ 1,450	6.1 %
Insurance	2,539	2,392	147	6.1 %	9,068	7,934	1,134	14.3 %
Total	$ 8,671	$ 8,510	$ 161	1.9 %	$ 34,299	$ 31,715	$ 2,584	8.1 %
Property operating expenses, including real estate taxes - non-same-store	$ 1,790	$ 1,266	$ 524	41.4 %	$ 5,915	$ 3,542	$ 2,373	67.0 %
Property operating expenses, including real estate taxes - other	251	249	2	0.8 %	797	940	(143)	(15.2)%
Property operating expenses, including real estate taxes - dispositions	2	4,380	(4,378)	(100.0)%	6,253	15,370	(9,117)	(59.3)%
Total property operating expenses, including real estate taxes	$ 25,098	$ 29,219	$ (4,121)	(14.1)%	$ 105,812	$ 108,637	$ (2,825)	(2.6)%

(1) Same-store controllable expenses is a non-GAAP measure. Refer to pages S-18 through S-21 "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					Twelve Months Ended	
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	12/31/2023	12/31/2022
Funds from Operations:[1]							
Net (loss) income available to common shareholders	$ (9,764)	$ 6,167	$ (3,470)	$ 41,964	$ (3,613)	$ 34,897	$ (20,537)
Adjustments:							
Noncontrolling interests - Operating Partnership and Series E preferred units	(1,917)	1,204	(712)	8,566	(753)	7,141	(4,299)
Depreciation and amortization	26,617	24,697	24,371	25,993	25,768	101,678	105,257
Less depreciation - non real estate	(85)	(56)	(89)	(91)	(91)	(322)	(387)
Less depreciation - partially owned entities	(22)	(20)	(19)	(19)	(19)	(80)	(65)
Impairment of real estate	5,218	—	—	—	—	5,218	—
(Gain) loss on sale of real estate	82	(11,235)	71	(60,159)	(14)	(71,240)	(41)
FFO applicable to common shares and Units	**$ 20,129**	**$ 20,757**	**$ 20,152**	**$ 16,254**	**$ 21,278**	**$ 77,292**	**$ 79,928**
Adjustments to Core FFO:							
Non-cash casualty loss (recovery)	535	854	(52)	13	20	1,350	254
Loss on extinguishment of debt	—	—	—	—	—	—	5
Technology implementation costs[2]	—	—	—	—	89	—	873
Interest rate swap amortization and mark-to-market	315	324	159	138	104	936	(100)
Amortization of assumed debt	136	(116)	(116)	(116)	(117)	(212)	(464)
Pursuit costs	—	—	—	5	137	5	1,302
Severance and transition related costs	(10)	—	(19)	3,199	—	3,170	—
Loss on litigation settlement and associated trial costs[3]	1,035	34	3,201	—	—	4,270	—
Other miscellaneous items[4]	(35)	(129)	(22)	49	(28)	(137)	85
Core FFO applicable to common shares and Units	**$ 22,105**	**$ 21,724**	**$ 23,303**	**$ 19,542**	**$ 21,483**	**$ 86,674**	**$ 81,883**
FFO applicable to common shares and Units	$ 20,129	$ 20,757	$ 20,152	$ 16,254	$ 21,278	$ 77,292	$ 79,928
Dividends to Series D preferred unitholders	160	160	160	160	160	640	640
FFO applicable to common shares and Units - diluted	$ 20,289	$ 20,917	$ 20,312	$ 16,414	$ 21,438	$ 77,932	$ 80,568
Core FFO applicable to common shares and Units	$ 22,105	$ 21,724	$ 23,303	$ 19,542	$ 21,483	$ 86,674	$ 81,883
Dividends to Series D preferred unitholders	160	160	160	160	160	640	640
Core FFO applicable to common shares and Units - diluted	$ 22,265	$ 21,884	$ 23,463	$ 19,702	$ 21,643	$ 87,314	$ 82,523
Per Share Data							
Net income (loss) per share and unit - diluted	$ (0.65)	$ 0.41	$ (0.23)	$ 2.76	$ (0.24)	$ 2.32	$ (1.35)
FFO per share and unit - diluted	$ 1.11	$ 1.15	$ 1.11	$ 0.89	$ 1.16	$ 4.27	$ 4.32
Core FFO per share and unit - diluted	$ 1.22	$ 1.20	$ 1.28	$ 1.07	$ 1.17	$ 4.78	$ 4.43
Weighted average shares - basic	15,013	14,989	14,949	15,025	15,027	14,994	15,216
Effect of redeemable operating partnership units	862	908	965	968	974	925	978
Effect of Series D preferred units	228	228	228	228	228	228	228
Effect of Series E preferred units	2,087	2,093	2,103	2,118	2,185	2,100	2,185
Effect of dilutive restricted stock units and stock options	31	28	24	20	9	24	38
Weighted average shares and units - diluted	18,221	18,246	18,269	18,359	18,423	18,271	18,645

(1) Funds from operations and Core funds from operations are non-GAAP measures. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information.

(2) Costs are related to a two-year implementation.

(3) Consists of $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 during the year ended December 31, 2023

(4) Consists of (gain) loss on investments

CENTERSPACE

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

	(in thousands)						
	Three Months Ended					**Twelve Months Ended**	
	12/31/2023	**9/30/2023**	**6/30/2023**	**3/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Net income (loss) attributable to controlling interests	$ (8,156)	$ 7,774	$ (1,863)	$ 43,571	$ (2,006)	$ 41,326	$ (14,109)
Adjustments:							
Dividends to Series D preferred unitholders	160	160	160	160	160	640	640
Noncontrolling interests – Operating Partnership and Series E preferred units	(1,918)	1,204	(712)	8,566	(753)	7,140	(4,299)
Income (loss) before noncontrolling interests – Operating Partnership	(9,914)	9,138	(2,415)	52,297	(2,599)	49,106	(17,768)
Adjustments:							
Interest expense	8,900	8,542	8,626	10,305	9,589	36,373	32,692
Loss on extinguishment of debt	—	—	—	—	—	—	5
Depreciation and amortization related to real estate investments	26,595	24,675	24,351	25,971	25,747	101,592	105,185
Impairment of real estate investments	5,218	—	—	—	—	5,218	—
Non-cash casualty loss (recovery)	535	854	(52)	13	20	1,350	254
Interest income	(316)	(187)	(248)	(92)	(92)	(843)	(712)
(Gain) loss on sale of real estate and other investments	83	(11,235)	71	(60,159)	(14)	(71,240)	(41)
Technology implementation costs[2]	—	—	—	—	89	—	873
Interest rate swap termination and mark-to-market	—	—	—	—	—	—	(564)
Pursuit costs	—	—	—	5	137	5	1,302
Severance and transition related costs	(10)	—	(19)	3,199	—	3,170	—
Loss on litigation settlement and associated trial costs[3]	1,035	34	3,201	—	—	4,270	—
Other miscellaneous items[4]	(35)	(129)	(22)	49	(28)	(137)	85
Adjusted EBITDA	$ 32,091	$ 31,692	$ 33,493	$ 31,588	$ 32,849	$ 128,864	$ 121,311

(1) Adjusted EBITDA is a non-GAAP measure. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information.

(2) Costs are related to a two-year implementation.

(3) Consists of a $2.9 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.

(4) Consists of (gain) loss on investments

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	$ —	$ —	$ —	$ —	— %	— %
2025	30,414	—	30,000	60,414	6.6 %	4.92 %
2026	99,537	—	—	99,537	10.8 %	3.59 %
2027	49,675	—	—	49,675	5.4 %	3.47 %
2028	65,842	50,000	—	115,842	12.6 %	3.14 %
Thereafter	344,522	250,000	—	594,522	64.6 %	3.48 %
Total debt	$ 589,990	$ 300,000	$ 30,000	$ 919,990	100.0 %	3.54 %

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

	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Debt Balances Outstanding(1)					
Secured fixed rate - mortgages payable - other	$ 391,140	$ 343,709	$ 367,679	$ 279,340	$ 299,427
Secured fixed rate - mortgages payable - Fannie Mae credit facility	198,850	198,850	198,850	198,850	198,850
Unsecured variable rate line of credit	30,000	—	18,989	143,469	113,500
Unsecured term loans	—	—	—	—	100,000
Unsecured senior notes	300,000	300,000	300,000	300,000	300,000
Debt total	$ 919,990	$ 842,559	$ 885,518	$ 921,659	$ 1,011,777
Quarterly Interest Rates					
Mortgages payable - other rate	4.05 %	4.14 %	4.14 %	3.85 %	3.85 %
Mortgages payable - Fannie Mae Credit Facility rate	2.78 %	2.78 %	2.78 %	2.78 %	2.78 %
Lines of credit rate(2)	6.74 %	—	6.56 %	6.19 %	5.61 %
Unsecured term loan rate	—	—	—	—	5.57 %
Unsecured senior notes rate	3.12 %	3.12 %	3.12 %	3.12 %	3.12 %
Total debt	3.54 %	3.46 %	3.54 %	3.71 %	3.62 %

(1) Excludes deferred financing costs and premiums or discounts.
(2) Interest rate excludes any unused facility fees and amounts reclassified from accumulated other comprehensive income into interest expense from terminated interest rate swaps, as shown in the table below.

	Three Months Ended				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Reclassified from Accumulated OCI into interest expense	$ 315	$ 324	$ 159	$ 138	$ 103

CENTERSPACE
CAPITAL ANALYSIS
(in thousands, except per share and unit amounts)

	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Equity Capitalization					
Common shares outstanding	14,963	15,052	14,949	15,032	15,020
Operating partnership units outstanding	861	864	961	967	971
Series E preferred units (as converted)	2,078	2,087	2,094	2,103	2,119
Total common shares and units outstanding	17,902	18,003	18,004	18,102	18,110
Market price per common share (closing price at end of period)	$ 58.20	$ 60.26	$ 61.36	$ 54.63	$ 58.67
Equity capitalization-common shares and units	$ 1,041,896	$ 1,084,861	$ 1,104,725	$ 988,912	$ 1,062,514
Recorded book value of preferred shares	$ 93,530	$ 93,530	$ 93,530	$ 93,530	$ 93,530
Total equity capitalization	$ 1,135,426	$ 1,178,391	$ 1,198,255	$ 1,082,442	$ 1,156,044
Series D preferred units	$ 16,560	$ 16,560	$ 16,560	$ 16,560	16,560
Debt capitalization					
Total debt	919,990	842,559	885,518	921,659	1,011,777
Total capitalization	$ 2,071,976	$ 2,037,510	$ 2,100,333	$ 2,020,661	$ 2,184,381
Total debt to total capitalization(1)	44.4 %	41.4 %	42.2 %	45.6 %	46.3 %

(1) Total debt to total market capitalization is a non-GAAP financial measure. Refer to pages S-18 through S-21 "Non-GAAP Financial Measures and Other Terms" for additional information.

	Three Months Ended					Twelve Months Ended	
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	12/31/2023	12/31/2022
Debt service coverage ratio(1)	3.09 x	3.11 x	3.33 x	2.70 x	2.99 x	3.04 x	3.16 x
Adjusted EBITDA/Interest expense plus preferred distributions and principal amortization	2.64 x	2.65 x	2.83 x	2.35 x	2.58 x	2.61 x	2.67 x
Net debt/Adjusted EBITDA(2)	7.10 x	6.41 x	6.54 x	7.22 x	7.62 x	7.07 x	8.25 x
Net debt and preferred equity/Adjusted EBITDA(2)	7.96 x	7.28 x	7.36 x	8.09 x	8.46 x	7.93 x	9.16 x
Distribution Data							
Common shares and units outstanding at record date	15,824	15,916	15,910	15,999	15,991	15,824	15,991
Total common distribution declared	$ 11,551	$ 11,615	$ 11,608	$ 11,668	$ 11,614	$ 46,442	$ 47,445
Common distribution per share and unit	$ 0.73	$ 0.73	$ 0.73	$ 0.73	$ 0.73	$ 2.92	$ 2.92
Payout ratio (Core FFO per diluted share and unit basis)(3)	59.8 %	60.8 %	57.0 %	68.2 %	62.4 %	61.1 %	65.9 %

(1) Debt service coverage ratio is a non-GAAP financial measure. Refer to pages S-18 through S-21 "Non-GAAP Financial Measures and Other Terms" for additional information.
(2) Net debt divided by adjusted EBITDA is a non-GAAP financial measure. Refer to pages S-18 through S-21 "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-18 through S-21 "Non-GAAP Financial Measures and Other Terms" for additional information.

CENTERSPACE
SAME-STORE FOURTH QUARTER COMPARISONS
(dollars in thousands)

Regions	Homes Included	Revenues Q4 2023	Revenues Q4 2022	Revenues % Change	Expenses Q4 2023	Expenses Q4 2022	Expenses % Change	NOI Q4 2023	NOI Q4 2022	NOI % Change
Denver, CO	1,889	$ 11,885	$ 11,557	2.8 %	$ 4,129	$ 3,693	11.8 %	$ 7,756	$ 7,864	(1.4)%
Minneapolis, MN	4,519	21,452	20,689	3.7 %	9,586	9,891	(3.1)%	11,866	10,798	9.9 %
North Dakota	1,710	6,966	6,509	7.0 %	2,653	2,527	5.0 %	4,313	3,982	8.3 %
Omaha, NE	872	3,597	3,279	9.7 %	1,230	1,597	(23.0)%	2,367	1,682	40.7 %
Rochester, MN	1,129	5,744	5,593	2.7 %	2,134	2,365	(9.8)%	3,610	3,228	11.8 %
St. Cloud, MN	832	3,461	3,309	4.6 %	1,555	1,481	5.0 %	1,906	1,828	4.3 %
Other Mountain West(1)	1,222	5,157	5,119	0.7 %	1,768	1,770	(0.1)%	3,389	3,349	1.2 %
Same-Store Total	**12,173**	**$ 58,262**	**$ 56,055**	**3.9 %**	**$ 23,055**	**$ 23,324**	**(1.2)%**	**$ 35,207**	**$ 32,731**	**7.6 %**

Regions	% of NOI	Weighted Average Occupancy (2) Q4 2023	Weighted Average Occupancy (2) Q4 2022	Weighted Average Occupancy (2) Growth	Average Monthly Rental Rate (3) Q4 2023	Average Monthly Rental Rate (3) Q4 2022	Average Monthly Rental Rate (3) % Change	Average Monthly Revenue per Occupied Home (4) Q4 2023	Average Monthly Revenue per Occupied Home (4) Q4 2022	Average Monthly Revenue per Occupied Home (4) % Change
Denver, CO	22.0 %	95.5 %	96.2 %	(0.7)%	$ 1,967	$ 1,902	3.4 %	$ 2,196	$ 2,120	3.6 %
Minneapolis, MN	33.7 %	95.1 %	94.7 %	0.4 %	1,488	1,450	2.6 %	1,664	1,611	3.3 %
North Dakota	12.3 %	95.5 %	96.5 %	(1.0)%	1,295	1,206	7.4 %	1,422	1,314	8.2 %
Omaha, NE	6.7 %	94.4 %	93.0 %	1.4 %	1,324	1,223	8.3 %	1,456	1,348	8.0 %
Rochester, MN	10.3 %	93.6 %	93.8 %	(0.2)%	1,734	1,663	4.3 %	1,812	1,760	3.0 %
St. Cloud, MN	5.4 %	92.2 %	90.1 %	2.1 %	1,353	1,313	3.0 %	1,504	1,471	2.2 %
Other Mountain West(1)	9.6 %	94.2 %	95.8 %	(1.6)%	1,342	1,314	2.1 %	1,493	1,458	2.4 %
Same-Store Total	**100.0 %**	**94.8 %**	**94.8 %**	**— %**	**$ 1,522**	**$ 1,467**	**3.7 %**	**$ 1,683**	**$ 1,618**	**4.0 %**

(1) Includes apartment communities in Billings, Montana and Rapid City, South Dakota.
(2) Weighted average occupancy is a non-GAAP financial measure. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information.
(3) Average monthly rental rate is a non-GAAP financial measure. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information.
(4) Average monthly revenue per occupied home is a non-GAAP financial measure. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information.

CENTERSPACE
SAME-STORE SEQUENTIAL QUARTER COMPARISONS
(dollars in thousands)

		Revenues			Expenses			NOI		
Regions	Homes Included	Q4 2023	Q3 2023	% Change	Q4 2023	Q3 2023	% Change	Q4 2023	Q3 2023	% Change
Denver, CO	1,889	$ 11,885	$ 11,805	0.7 %	$ 4,129	$ 4,172	(1.0)%	$ 7,756	$ 7,633	1.6 %
Minneapolis, MN	4,519	21,452	21,167	1.3 %	9,586	9,722	(1.4)%	11,866	11,445	3.7 %
North Dakota	1,710	6,966	6,912	0.8 %	2,653	2,718	(2.4)%	4,313	4,194	2.8 %
Omaha, NE	872	3,597	3,580	0.5 %	1,230	1,545	(20.4)%	2,367	2,035	16.3 %
Rochester, MN	1,129	5,744	5,779	(0.6)%	2,134	2,245	(4.9)%	3,610	3,534	2.2 %
St. Cloud, MN	832	3,461	3,528	(1.9)%	1,555	1,522	2.2 %	1,906	2,006	(5.0)%
Other Mountain West(1)	1,222	5,157	5,178	(0.4)%	1,768	1,982	(10.8)%	3,389	3,196	6.0 %
Same-Store Total	**12,173**	**$ 58,262**	**$ 57,949**	**0.5 %**	**$ 23,055**	**$ 23,906**	**(3.6)%**	**$ 35,207**	**$ 34,043**	**3.4 %**

		Weighted Average Occupancy(2)			Average Monthly Rental Rate(3)			Average Monthly Revenue per Occupied Home(4)		
Regions	% of NOI	Q4 2023	Q3 2023	Growth	Q4 2023	Q3 2023	% Change	Q4 2023	Q3 2023	% Change
Denver, CO	22.0 %	95.5 %	95.4 %	0.1 %	$ 1,967	$ 1,957	0.5 %	$ 2,196	$ 2,185	0.5 %
Minneapolis, MN	33.7 %	95.1 %	94.2 %	1.0 %	1,488	1,480	0.5 %	1,664	1,657	0.4 %
North Dakota	12.3 %	95.5 %	95.8 %	(0.3)%	1,295	1,276	1.5 %	1,422	1,406	1.1 %
Omaha, NE	6.7 %	94.4 %	95.1 %	(0.7)%	1,324	1,299	1.9 %	1,456	1,439	1.2 %
Rochester, MN	10.3 %	93.6 %	94.4 %	(0.8)%	1,734	1,711	1.3 %	1,812	1,808	0.2 %
St. Cloud, MN	5.4 %	92.2 %	92.2 %	— %	1,353	1,349	0.3 %	1,504	1,532	(1.8)%
Other Mountain West(1)	9.6 %	94.2 %	95.0 %	(0.8)%	1,342	1,338	0.3 %	1,493	1,487	0.4 %
Same-Store Total	**100.0 %**	**94.8 %**	**94.7 %**	**0.1 %**	**$ 1,522**	**$ 1,511**	**0.7 %**	**$ 1,683**	**$ 1,676**	**0.4 %**

(1) Includes apartment communities in Billings, Montana and Rapid City, South Dakota.
(2) Weighted average occupancy is a non-GAAP financial measure. Refer to pages S-18 through S-20 "Non-GAAP Financial Measures and Other Terms" for additional information.
(3) Average monthly rental rate is a non-GAAP financial measure. Refer to pages S-18 through S-20 "Non-GAAP Financial Measures and Other Terms" for additional information.
(4) Average monthly revenue per occupied home is a non-GAAP financial measure. Refer to pages S-18 through S-20 "Non-GAAP Financial Measures and Other Terms" for additional information.

CENTERSPACE

SAME-STORE YEAR-TO-DATE COMPARISONS

(dollars in thousands)

Regions	Homes Included	Revenues 2023	Revenues 2022	Revenues % Change	Expenses 2023	Expenses 2022	Expenses % Change	NOI 2023	NOI 2022	NOI % Change
Denver, CO	1,889	$ 47,399	$ 44,397	6.8 %	$ 16,280	$ 14,260	14.2 %	$ 31,119	$ 30,137	3.3 %
Minneapolis, MN	4,519	84,492	79,707	6.0 %	37,987	37,302	1.8 %	46,505	42,405	9.7 %
North Dakota	1,710	27,155	24,965	8.8 %	10,724	10,028	6.9 %	16,431	14,937	10.0 %
Omaha, NE	872	13,976	12,733	9.8 %	5,589	5,648	(1.0)%	8,387	7,085	18.4 %
Rochester, MN	1,129	22,932	21,281	7.8 %	8,744	8,639	1.2 %	14,188	12,642	12.2 %
St. Cloud, MN	832	13,799	12,701	8.6 %	6,172	5,934	4.0 %	7,627	6,767	12.7 %
Other Mountain West(1)	1,222	20,580	19,157	7.4 %	7,351	6,974	5.4 %	13,229	12,183	8.6 %
Same-Store Total	**12,173**	**$ 230,333**	**$ 214,941**	**7.2 %**	**$ 92,847**	**$ 88,785**	**4.6 %**	**$ 137,486**	**$ 126,156**	**9.0 %**

Regions	% of NOI	Weighted Average Occupancy(2) 2023	Weighted Average Occupancy(2) 2022	Weighted Average Occupancy(2) Growth	Average Monthly Rental Rate(3) 2023	Average Monthly Rental Rate(3) 2022	Average Monthly Rental Rate(3) % Change	Average Monthly Revenue per Occupied Home(4) 2023	Average Monthly Revenue per Occupied Home(4) 2022	Average Monthly Revenue per Occupied Home(4) % Change
Denver, CO	22.7 %	95.7 %	95.2 %	0.5 %	$ 1,941	$ 1,845	5.2 %	$ 2,185	$ 2,058	6.2 %
Minneapolis, MN	33.8 %	94.7 %	94.5 %	0.2 %	1,471	1,411	4.3 %	1,645	1,555	5.8 %
North Dakota	12.0 %	96.1 %	96.1 %	— %	1,257	1,164	8.0 %	1,378	1,266	8.8 %
Omaha, NE	6.1 %	94.6 %	95.1 %	(0.5)%	1,280	1,159	10.4 %	1,412	1,280	10.3 %
Rochester, MN	10.3 %	94.4 %	93.9 %	0.5 %	1,699	1,581	7.5 %	1,792	1,674	7.0 %
St. Cloud, MN	5.5 %	91.6 %	89.7 %	2.1 %	1,340	1,259	6.4 %	1,509	1,418	6.4 %
Other Mountain West(1)	9.6 %	94.9 %	95.5 %	(0.6)%	1,331	1,238	7.5 %	1,479	1,367	8.2 %
Same-Store Total	**100.0 %**	**94.9 %**	**94.6 %**	**0.3 %**	**$ 1,498**	**$ 1,414**	**5.9 %**	**$ 1,662**	**$ 1,555**	**6.9 %**

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

(2) Weighted average occupancy is a non-GAAP financial measure. Refer to pages S-18 through S-20 "Non-GAAP Financial Measures and Other Terms" for additional information.

(3) Average monthly rental rate is a non-GAAP financial measure. Refer to pages S-18 through S-20 "Non-GAAP Financial Measures and Other Terms" for additional information.

(4) Average monthly revenue per occupied home is a non-GAAP financial measure. Refer to pages S-18 through S-20 "Non-GAAP Financial Measures and Other Terms" for additional information.

CENTERSPACE
PORTFOLIO SUMMARY [(1)]

	Three Months Ended				
	12/31/2023	**9/30/2023**	**6/30/2023**	**3/31/2023**	**12/31/2022**
Number of Apartment Homes at Period End					
Same-Store	12,173	12,173	12,885	12,885	11,330
Non-Same-Store	915	612	612	612	3,735
All Communities	13,088	12,785	13,497	13,497	15,065
Average Monthly Rental Rate[(2)]					
Same-Store	$ 1,522	$ 1,511	$ 1,467	$ 1,450	$ 1,438
Non-Same-Store	1,893	1,907	1,894	1,890	1,352
All Communities	$ 1,547	$ 1,530	$ 1,487	$ 1,470	$ 1,417
Average Monthly Revenue per Occupied Apartment Home[(3)]					
Same-Store	$ 1,683	$ 1,676	$ 1,634	$ 1,606	$ 1,592
Non-Same-Store	2,055	2,072	2,072	2,066	1,471
All Communities	$ 1,708	$ 1,695	$ 1,654	$ 1,627	$ 1,562
Weighted Average Occupancy[(4)]					
Same-Store	94.8 %	94.7 %	95.2 %	94.8 %	94.9 %
Non-Same-Store	95.8 %	93.5 %	95.4 %	95.9 %	94.7 %
All Communities	94.9 %	94.6 %	95.2 %	94.9 %	94.9 %
Operating Expenses as a % of Scheduled Rent					
Same-Store	41.5 %	43.3 %	41.2 %	43.9 %	43.1 %
Non-Same-Store	35.7 %	41.9 %	38.8 %	37.8 %	51.7 %
All Communities	41.0 %	43.3 %	41.1 %	43.5 %	45.1 %
Recurring Capital Expenditures					
Total Recurring Capital Expenditures per Apartment Home – Same-Store	$ 491	$ 389	$ 258	$ 115	$ 364

(1) Previously reported amounts are not revised for changes in the composition of the same-store properties pool.
(2) Average monthly rental rate is a non-GAAP financial measure. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information.
(3) Average monthly revenue per occupied apartment home is a non-GAAP financial measure. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information. .
(4) Weighted average occupancy is a non-GAAP financial measure. Refer to pages S-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information.

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

	Three Months Ended		Twelve Months Ended	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Total Same-Store Apartment Homes	12,173	12,173	12,173	12,173
All Properties - Weighted Average Apartment Homes	13,088	15,065	13,088	14,914
Same-Store				
Building - Exterior	$ 426	$ 250	$ 1,283	$ 2,142
Building - Interior	122	303	104	510
Mechanical, Electrical, & Plumbing	1,588	485	4,203	2,312
Furniture & Equipment	63	136	308	427
Landscaping & Grounds	944	343	970	1,243
Turnover Replacements	1,322	1,100	4,023	5,227
Work in progress	1,518	244	3,808	(463)
Recurring Capital Expenditures - Same-Store(1)(2)	$ 5,983	$ 2,861	$ 14,699	$ 11,398
Recurring Capital Expenditures per Apartment Home - Same-Store(1)	$ 491	$ 235	$ 1,208	$ 936
Recurring Capital Expenditures - All Properties(1)(2)	$ 6,689	$ 4,105	$ 16,056	$ 14,508
Recurring Capital Expenditures per Apartment Home - All Properties(1)	$ 511	$ 272	$ 1,227	$ 973
Value Add(1)				
Same-Store				
Interior - Units	$ 3,481	$ 3,860	$ 13,712	$ 18,418
Common Areas and Exteriors	5,580	6,141	9,868	13,962
Work in Progress	4,603	270	5,515	(1,677)
Total Value Add - Same-Store	$ 13,664	$ 10,271	$ 29,095	$ 30,703
All Properties				
Interior - Units	$ 3,481	$ 3,922	$ 13,712	$ 18,517
Common Areas and Exteriors	5,803	6,506	10,213	14,523
Work in Progress	4,603	270	5,515	(1,679)
Total Value Add - All Properties	$ 13,887	$ 10,698	$ 29,440	$ 31,361
Acquisition and Other Capital Expenditures(1)				
All Properties	$ 3,183	$ 5,950	$ 17,068	$ 11,298
Total Capital Spend				
Total Capital Spend - Same-Store(3)	$ 19,647	$ 13,132	$ 43,794	$ 42,101
Total Capital Spend per Apartment Home - Same Store(3)	$ 1,614	$ 1,079	$ 3,598	$ 3,459
Total Capital Spend - All Properties	$ 23,759	$ 20,753	$ 62,564	$ 57,167
Total Capital Spend per Apartment Home - All Properties	$ 1,815	$ 1,378	$ 4,780	$ 3,833

(1) Refer to pages S-18 through S-21 "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 twelve months ended December 31, 2022, $217,000 was reclassified to Acquisition and Other Capital Expenditures.
(3) Excludes acquisition and other capital expenditures on same-store communities.

CENTERSPACE

2024 Financial Outlook

(in thousands, except per share amounts)

Centerspace is providing guidance for 2024.

	Twelve Months Ended December 31, 2023	2024 Full-Year Guidance Range	
		Low	High
	Actual	Amount	Amount
Same-store growth (1)			
Revenue	$ 244,839	3.00 %	5.00 %
Controllable expenses	61,873	6.00 %	7.50 %
Non-controllable expenses	36,442	4.75 %	6.50 %
Total Expenses	$ 98,315	5.50 %	7.00 %
Same-store NOI (1)(2)	$ 146,524	1.50 %	3.50 %
Components of NOI(2)			
Same-store(1)	$ 146,524	$ 148,700	$ 151,700
Non-same-store(1)	1,078	$ 4,900	$ 5,100
Other(1)	1,804	$ 1,750	$ 1,950
Dispositions(1)	6,091	—	—
Total NOI(2)	$ 155,497	$ 155,350	$ 158,750
Net impact of potential dispositions	$ —	(200)	(100)
Other operating income and expenses			
General and administrative and property management	(29,433)	(27,300)	(26,700)
Casualty losses	(2,095)	(1,350)	(1,250)
Loss on litigation settlement	(3,864)	—	—
Non-real estate depreciation and amortization	(317)	(600)	(550)
Non-controlling interest	(125)	(120)	(130)
Total other operating income and expenses	$ (35,834)	$ (29,370)	$ (28,630)
Interest expense	$ (36,429)	(38,800)	(38,400)
Interest and other income	$ 1,126	2,000	2,200
Dividends to preferred shareholders	$ (6,428)	(6,428)	(6,428)
FFO(2)	$ 77,932	$ 82,552	$ 87,392
Non-core income and expenses			
Non-cash casualty (gain) loss	$ 1,350	$ 450	$ 400
Interest rate swap amortization	936	750	725
Severance and transition related costs	3,170	—	—
Loss on litigation settlement and associated trial costs	4,270	50	25
Amortization of assumed debt	(212)	1,075	1,025
Other miscellaneous items	(132)	100	50
Total non-core income and expenses	$ 9,382	$ 2,425	$ 2,225
Core FFO(2)	$ 87,314	$ 84,977	$ 89,617
Net income (loss) per share - diluted	$ 2.32	$ (1.31)	$ (0.99)
FFO per diluted share(2)	$ 4.27	$ 4.54	$ 4.80
Core FFO per diluted share(2)	$ 4.78	$ 4.68	$ 4.92
Weighted average shares outstanding - diluted	18,271	18,175	18,200
Additional Assumptions			
Same-store recurring capital expenditures (per home)(1)	$ 900	$ 1,075	$ 1,150
Value-add expenditures	$ 29,440	25,000	27,000
Proceeds from potential dispositions	$ 226,755	18,800	19,000

(1) Amounts for the year ended December 31, 2023 reflect the 2024 same-store pool.

(2) 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-18 through S-21 “Non-GAAP Financial Measures and Other Terms” for additional information. .

Reconciliations 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 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.

	Twelve Months Ended December 31, 2023	Outlook Twelve Months Ended December 31, 2024	
	Amount	Low	High
Net income (loss) available to common shareholders	$ 34,897	$ (16,071)	$ (10,181)
Noncontrolling interests - Operating Partnership and Series E preferred units	7,141	(7,795)	(7,885)
Depreciation and amortization	101,678	106,098	105,298
Less depreciation - non real estate	(322)	(600)	(550)
Less depreciation - partially owned entities	(80)	(120)	(130)
Impairment of real estate	5,218	—	—
(Gain) loss on sale of real estate	(71,240)	400	200
Dividends to preferred unitholders	640	640	640
FFO applicable to common shares and Units	$ 77,932	$ 82,552	$ 87,392
Adjustments to Core FFO:			
Non-cash casualty (gain) loss	1,350	450	400
Interest rate swap amortization	936	750	725
Amortization of assumed debt	(212)	1,075	1,025
Severance and transition related costs	3,170	—	—
Loss on litigation settlement and associated trial costs	4,270	50	25
Other miscellaneous items	(132)	100	50
Core FFO applicable to common shares and Units	$ 87,314	$ 84,977	$ 89,617
Net income (loss) per share - diluted	$ 2.32	$ (1.31)	$ (0.99)
FFO per share - diluted	$ 4.27	$ 4.54	$ 4.80
Core FFO per share - diluted	$ 4.78	$ 4.68	$ 4.92

Reconciliations 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 depreciation, amortization, financing, property management overhead, casualty losses, 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, net income available for common shareholders, or cash flow from operating activities as a measure of financial performance.

	12 Months Ended December 31, 2023	Outlook 12 Months Ended December 31, 2024	
	Actual	Low	High
Operating income	$ 84,453	$ 20,152	$ 25,277
Adjustments:			
General and administrative and property management expenses	29,433	27,300	26,700
Casualty loss	2,095	1,350	1,250
Depreciation and amortization	101,678	106,098	105,298
Impairment of real estate	5,218	—	—
(Gain) loss on sale of real estate and other assets	(71,244)	400	200
Loss on litigation settlement	3,864	50	25
Net Operating Income	$ 155,497	$ 155,350	$ 158,750

Acquisition and Other Non-Routine Capital Expenditures

Represents 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					Twelve Months Ended	
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	12/31/2023	12/31/2022
Adjusted EBITDA	$ 32,091	$ 31,692	$ 33,493	$ 31,588	$ 32,849	$ 128,864	$ 121,311
Interest Expense	8,913	8,556	8,641	10,319	9,603	36,429	32,750
Principal Amortization	1,487	1,646	1,416	1,383	1,375	5,932	5,692
Total Interest Expense and Principal Amortization	10,400	10,202	10,057	11,702	10,978	42,361	38,442
Distributions paid to Series C preferred shareholders and Series D preferred unitholders	1,767	1,767	1,767	1,767	1,767	7,068	7,068
Total Interest Expense, Principal Amortization, and preferred distributions	12,167	11,969	11,824	13,469	12,745	49,429	45,510
Debt Service Coverage Ratio	3.09	3.11	3.33	2.70	2.99	3.04	3.16
Adjusted EBITDA/Interest expense plus preferred distributions and principal amortization	2.64	2.65	2.83	2.35	2.58	2.61	2.67

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 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.

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.

	Three Months Ended					Twelve Months Ended	
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	12/31/2023	12/31/2022
Total debt	$ 919,990	$ 842,559	$ 885,518	$ 921,659	$ 1,011,777	$ 919,990	$ 1,011,777
Less: cash and cash equivalents	8,630	29,701	9,745	8,939	10,458	8,630	10,458
Net debt	$ 911,360	$ 812,858	$ 875,773	$ 912,720	$ 1,001,319	$ 911,360	$ 1,001,319
Adjusted EBITDA(1)	$ 128,364	$ 126,768	$ 133,972	$ 126,352	$ 131,396	$ 128,864	$ 121,311
Net debt/Adjusted EBITDA	7.10	6.41	6.54	7.22	7.62	7.07	8.25
Preferred Equity	$ 110,090	$ 110,090	$ 110,090	$ 110,090	$ 110,090	$ 110,090	$ 110,090
Net debt and preferred equity	$ 1,021,450	$ 922,948	$ 985,863	$ 1,022,810	$ 1,111,409	$ 1,021,450	$ 1,111,409
Adjusted EBITDA(1)	$ 128,364	$ 126,768	$ 133,972	$ 126,352	$ 131,396	$ 128,864	$ 121,311
Net debt and preferred equity/Adjusted EBITDA	7.96	7.28	7.36	8.09	8.46	7.93	9.16

(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, depreciation and amortization, financing costs, property management expenses, casualty losses, 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					Twelve Months Ended	
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	12/31/2023	12/31/2022
Common distribution per share and unit	$ 0.73	$ 0.73	$ 0.73	$ 0.73	$ 0.73	$ 2.92	$ 2.92
Core FFO per common share and unit diluted	1.22	1.20	1.28	1.07	1.17	4.78	4.43
Payout ratio	59.8 %	60.8 %	57.0 %	68.2 %	62.4 %	61.1 %	65.9 %

Recurring Capital Expenditures

Represents 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

Represents expenditures that 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 rent. 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.