



**REPORT TO OUR SHAREHOLDERS**

**2025**

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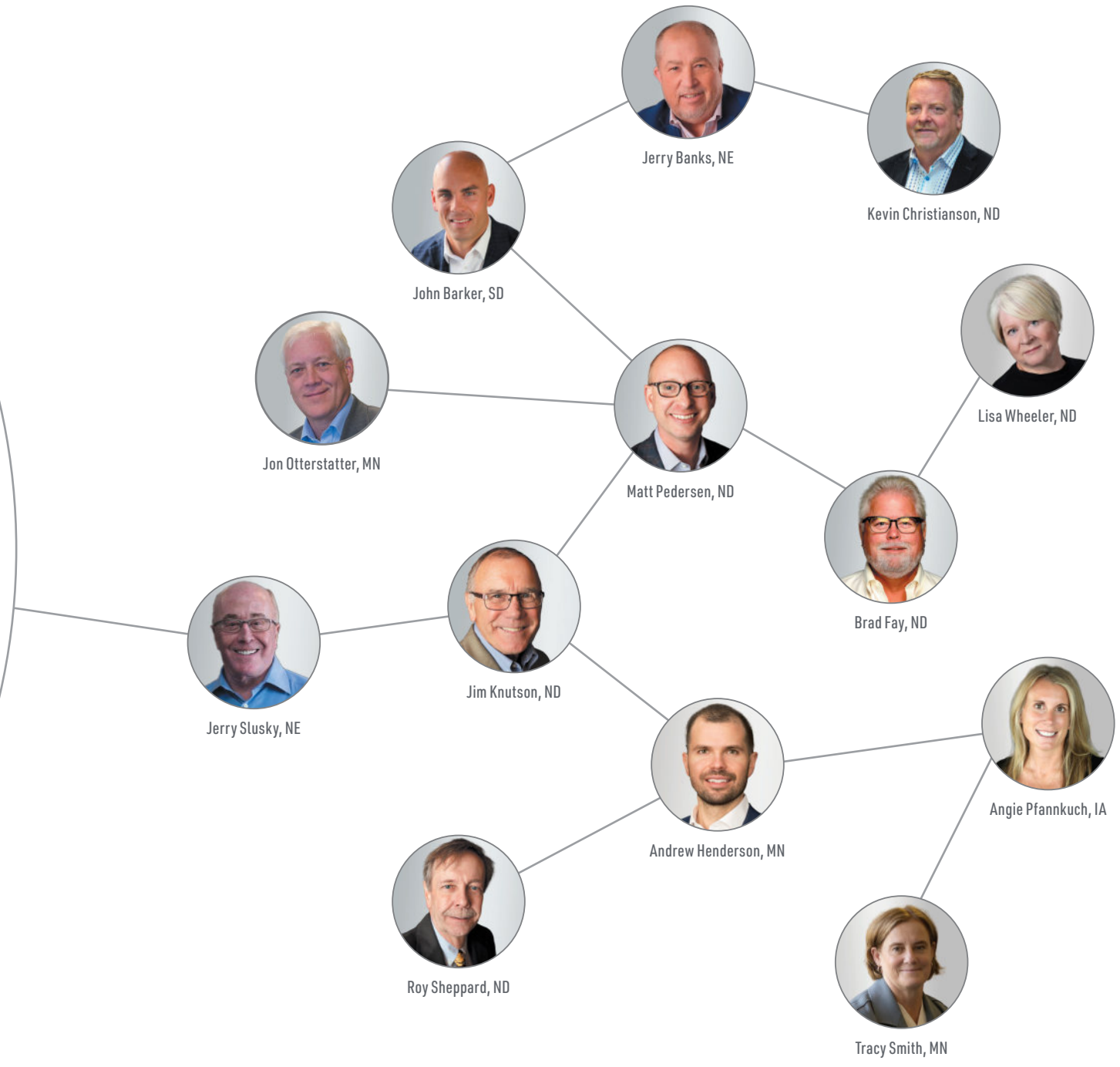
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# Board of Trustees

Per the Dakota REIT Declaration of Trust, the Trustees are to serve in a fiduciary relationship and are entrusted with the care of your money and property. Our Trustees have pledged to serve with a "Shareholders' First" mentality and are prudent stewards of your funds and act with transparency and utmost integrity.

When you look at Dakota REIT's growth through the years we are steady and measured. It is important to note the strong, diversified and dedicated Board of Trustees that establish our strategies, direct our operation, determine distributions, set policy and approve acquisitions and dispositions. Our Board of Trustees consists of individuals with backgrounds in private equity, real estate, entrepreneurship, technology, law and accounting.

## BOARD OF TRUSTEES



# Officers & Advisors

## EXECUTIVE OFFICERS



**Jon Otterstatter**  
Chair



**Matt Pedersen**  
President & CEO



**Jim Knutson**  
Secretary



**Kevin Christianson**  
Vice Chair



**Danel Jung**  
Executive Vice President



**James Haley**  
Treasurer

## ADVISOR

Matt Pedersen	Chief Executive Officer
Danel Jung	Chief Operating Officer
James Haley	Chief Financial Officer
Peter Tanis	Chief Investment Officer
Jim Knutson	Vice President
Lisa Bontje	Investor Relations Manager

## ADVISOR COMMITTEE

Angie Pfannkuch	Chair
Roy Sheppard	Member
Lisa Wheeler	Member
Jerry Slusky	Member

## NOMINATING & GOVERNANCE COMMITTEE

Brad Fay	Chair
Andrew Henderson	Member
Roy Sheppard	Member
Tracy Smith	Member

## INVESTMENT COUNCIL

Kevin Christianson	Chair
Jon Otterstatter	Member
Jerry Banks	Member
Jim Knutson	Member
Matt Pedersen	Member
Jerry Slusky	Member
Angie Pfannkuch	Member
Andrew Henderson	Member

## AUDIT COMMITTEE

Andrew Henderson	Chair
Lisa Wheeler	Member

## LEGAL COUNSEL

Fremstad Law  
3003 32nd Ave S, Suite 240  
Fargo, ND 58103

## AUDITORS

Eide Bailly LLP  
4310 17th Ave. S.  
Fargo, ND 58103

## Data Driven. Value Driven.

### LETTER TO OUR SHAREHOLDERS

#### Dear Dakota REIT Shareholders,

In this annual report, we share Dakota REIT's philosophy and approach to our enduring principle of being data and value-driven investors. This principled behavior along with our investment philosophy, metrics and processes are used to underwrite acquisitions, enhance shareholder value and persevere as an organization. We apply data analysis to the art of real estate investing. Utilizing market statistics and real estate metrics, Dakota REIT keeps its portfolio anchored in tangible fundamentals. Asset portfolios can change; by investing in Dakota REIT, you have chosen to invest in our core principles and people.

As we reflect on 2025, Dakota REIT delivered wealth preservation through steady share value. This was accomplished by investing in what we can measure, mitigating headwinds and practicing patience. Time is a friend of real estate. We compound your investment over the long investment horizon. Dakota REIT is in the business of preserving and enhancing our shareholders' investment.

#### OUR 2025 RESULTS

##### Shareholder Returns

Due to the performance of the underlying real estate portfolio, we held our share price steady at \$19.00 in 2025 while continuing to pay an attractive distribution yield. Our trustees believe firmly in maintaining the stability and reliability of our distributions. Our two-year average annual return stands at 8.05% factoring in distributions and share price increases in 2024 and 2025. Beyond our current 5.16% distribution yield, Dakota REIT's value proposition includes tax-efficiency, a potential hedge against inflation and continued capital appreciation. Our diversified investment strategy and the fact that we are a private REIT shields your investment while providing opportunity for higher returns. Dakota REIT has provided

stability and safeguarded shareholders across numerous economic cycles in its 28-year history.

We anticipate that lower interest rates, large commercial leases recently executed or entering rent commencement, increased residential occupancy

*Dakota REIT's value proposition includes tax-efficiency, a potential hedge against inflation and continued capital appreciation.*

and a couple of well-timed dispositions should substantiate the continued increase in share value. Throughout Dakota REIT's 28-year history, we have had 10 years, or 36% of the time, without a year-over-year change in share value. As we reflect on the history of our

share price, it is common to see periods of two or three years between increases. Thanks for your patience while we bolster operations to underpin the next share price increase.

Since inception, we have achieved an 11.43% Compounded Return with distributions reinvested compared to 5.83% and 9.17% for the FTSE NAREIT Index and S&P 500, respectively. A \$100,000 investment at inception is now worth \$2,071,000, equating to a 2,071% Total Return.

##### Capital Markets

In 2025, Dakota REIT brought in approximately \$25 million of new capital with an additional \$15 million on a waitlist. This provides us the flexibility to align capital inflows with our acquisition pipeline. Our successful capital raise was made possible by our 28-year history of consistent, tax-advantaged distribution yields and capital preservation across different economic cycles.

In terms of the debt component of our capital stack, we utilize conservative leverage and prefer fixed rate debt

## OUR 2025 RESULTS

to floating. Our weighted average interest rate across the portfolio remains historically low at 4.47% with 14% and 18% of our outstanding debt maturing in 2026 and 2027, respectively, as we continue to structure loans to provide us a well-staggered debt maturity schedule. In conjunction with some of our 2025 acquisitions, we assumed five existing loans totaling \$60.8 million with a weighted average interest rate of 4.03% and average remaining term of six years. By adding this accretive leverage to the portfolio, our leverage ratio stood at 52.9% on December 31, 2025.

### Investment Activity

We were active players in 2025 with acquisitions valued at \$97.5 million with an additional \$34.9 million slated for early 2026. Dakota REIT acquired 488 multifamily units and 30,000 square feet of industrial property in 2025 resulting in a 10.1% weighted average growth rate in invested assets and a 7.1% weighted average initial return on net invested assets. Our successful efforts to grow our residential asset base will enhance the quality and sustainability of our long-term cash flows. We are seeing a revival in investment activity indicating a valuation reset is complete and pricing closer to historical norms. We continue to maintain a balanced allocation across residential and various commercial asset classes to effectively navigate through the economic cycles.

### Earnings, Operations and Distributions

We continued to deliver notable operational metrics even with several headwinds, underscoring the stability of our diversified portfolio and our team's capabilities:

- Rental Income increased 10.2% to \$107 million as a result of acquisitions and market rent increases. Same-Asset Total Revenues increased 2.7% year over year to \$95.5 million.
- Net Operating Income across the portfolio increased 11.4% to \$61.4 million and Same-Asset Net Operating Income increased 3.3% year over year to \$50.9 million.

- Our Adjusted Funds from Operations (AFFO) increased 8.8% to \$34.3 million while Same-Asset AFFO was up 0.4% year over year.
- On a per share basis, AFFO increased to \$1.32 from \$1.31 in 2024. We had a corresponding 8.1% increase in weighted-average shares outstanding. The effect of additional shares placed pressure on the AFFO Per Share results. Some additional headwinds in 2025 on AFFO per Share include increased interest expense and residential vacancy with 3 cent and 4 cent impacts, respectively. We averaged 93% occupied in our residential portfolio in 2025.
- The continued strength of our operations enabled us to increase distributions paid last year to \$0.98 per share.

Dakota REIT continues to create shareholder value through active asset management. By proactively executing on organic growth opportunities, we position the portfolio for stronger performance. We believe not only in high occupancy, but also that positive leasing results and the timely sale of non-strategic assets are essential to maintaining healthy internal earnings growth. During 2025, we renewed or newly executed almost 100 commercial leases achieving a 6.9% increase in commercial annual base rents. We ended 2025 with an 89% occupancy rate across our commercial portfolio. This will ratchet back up in 2026 as we finalize several new commercial leases and dispose of a couple of assets.

### LOOKING AHEAD

During 2026 and beyond, Dakota REIT will continue to perpetuate the characteristics that provide compelling shareholder value. We are focused on retaining and attracting shareholder capital by being a reliable, safe harbor across economic cycles insulating you from market fluctuations. One of our greatest strengths is staying calm, being patient investors and taking the long view. We seek and attract a shareholder community with

# 11.43%

## Total Return Since Inception

a similar investment philosophy and horizon.

Real estate is a long-term investment that should be measured in years dissimilar from the hourly or daily gyrations of public markets. Dakota REIT thinks in five- and ten-year increments. Dakota REIT provides your portfolio with a diversified, uncorrelated investment unlike public equities. Wall Street isn't traditionally about long-term investing. It's about the velocity of money and facilitating the trade.

We are excited about the current trajectory of Dakota REIT. In our view, real estate markets are on a path toward recovery. Our balance sheet is well-positioned for growth with conservative leverage. As interest rates continue to decline, the potential to leverage investments accretively returns. Increasing our leverage ratio should both enhance future returns and expand Dakota REIT's capital base to fuel new acquisitions; thereby increasing our cash flow and AFFO per Share. We will continue to focus on operational efficiency to drive enhanced cash flows and to generate long-term value for our shareholders while minimizing risk.

### CLOSING

Our core principles and investment philosophy serve as our north star allowing us to continue to deliver for our shareholders for decades to come. For 28 years we have adhered to these core principles. They have withstood the test of time and are integral to our success. Dakota REIT's investment philosophy supplies guidance but not rigidity as the past should inform but not dictate the future.

# \$97.5M

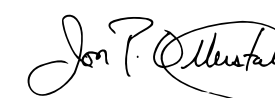
2025 Acquisitions

# \$950.6M

Invested Assets at Cost

Our team's awesome responsibility each day is to contribute to the well-being of our shareholders, residents and commercial tenants by preserving and growing shareholder value, paying a stable dividend, offering safe and desirable homes for residents and providing a functional business setting for our 400 commercial tenants. We would like to express our sincere gratitude to our team members.

While the strategy and annual focus areas may evolve, the commitment to our mission and core principles are steadfast. We have no doubt that the real estate market will continue to humble us, inform us and inspire us in unexpected ways. We believe Dakota REIT is well positioned to continue to deliver consistent tax-advantaged income for you, our shareholders. ◀



**Jon Otterstatter**  
Chairman



**Matt Pedersen**  
President & CEO

*This report contains forward-looking statements within the meaning of applicable securities laws. These statements reflect our current expectations regarding future events and operating performance and speak only as of the date of this report. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those anticipated. Dakota REIT undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report.*

## Core Principle of Data and Value-Driven Investors

### DATA-DRIVEN, VALUE-DRIVEN

#### We invest in what we can measure

*Goal: to acquire high-quality real estate anchored in tangible fundamentals with a particular focus on return on equity, cash on cash return and consistent earnings growth per share.*

Real estate is a numbers game and local business. Dakota REIT relies on math and local market knowledge to win. We invest in what we can thoroughly evaluate and understand. Dakota REIT's analytical approach to decision making involves determining an asset's intrinsic worth by valuing its future outlook based on facts and quantitative factors. We make investments based on value and not popularity.

#### We mitigate unnecessary risks but take calculated bets

*Goal: to employ a value-investing model in an effort to acquire assets with down-side protection, a margin of safety and ability to pay a stable dividend.*

We plan to be right most of the time. When wrong, we expect to manage the consequences in a controlled manner. Great investors focus on risk. We approach due diligence with skepticism and attempt to identify key risks. Our Board of Trustees emphasize a value-oriented approach to investing providing a buffer against incorrect underwriting assumptions or unforeseen market events. Dakota REIT doesn't speculate or conduct risky behavior. Dakota REIT has constructed a regionally focused portfolio in the Midwest where this concentration decreases our risk given our local market knowledge.

#### It's only a great investment if you can hold it

*Goal: to underwrite our properties to produce cash on cash returns that are attractive and durable to support our dividends and hold our assets for the long-term to deliver compelling shareholder returns.*

Dakota REIT stress-tests not only the property and its financing but the tenants and how they hold up under market pressures. Underwriting involves crafting a plan to create value at the price being paid utilizing conservative leverage. Over-paying rarely has a pleasant outcome. Dakota REIT is different than most real estate investors as we focus on the long-term and paying an attractive dividend; not what an exit might look like. We don't count on making a good sale at the end of a hold period to drive shareholder returns.

#### We demonstrate emotional discipline

*Goal: to utilize sound business judgment and keep emotions from corroding the underwriting and decision-making framework.*

Dakota REIT is an unemotional investor and makes decisions based on thorough analysis, common sense and sound judgment. We remove the emotion and underwrite acquisitions with grounded, conservative assumptions. Our experience gives us confidence to act calmly and not let fear or greed drive our decisions. Dakota REIT practices intellectual honesty so we don't talk ourselves into deals by only seeing the positives. We are willing to be inactive as it's not always a good time to invest.

We remain committed to Dakota REIT's long-term strategy and core principles, which drives superior investment returns for our shareholders throughout our history. The key tenets of our core principles and business strategies are:

- ▶ Patient investors for over 28 years, with intent for long-term hold of our properties.
- ▶ Data & value-driven investors relying on real estate and economic fundamentals for decision making.
- ▶ Regional focus investing in growth markets and leveraging the expertise we have in our Trustees. This enables us to plan, think and act locally.
- ▶ Diversified portfolio by asset type and tenant industry across growth markets in the Midwest.
- ▶ Remain a private REIT where we avoid the volatility inherent in publicly traded stocks through stable valuation.

# Financial Reports



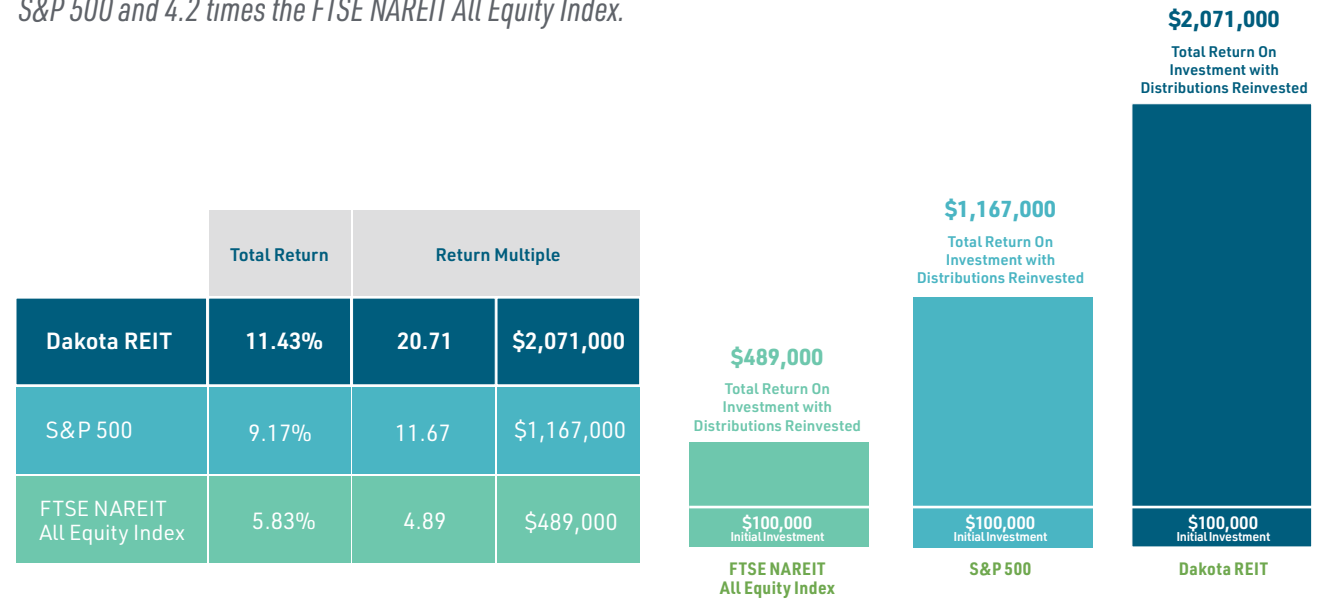
*Dakota REIT leverages disciplined, data-driven analysis of real estate and economic fundamentals to guide investment decisions, helping provide shareholders with long-term stability across changing market cycles.*

## SUPERIOR RETURNS OVER TIME

Dakota REIT has one of the longest track records in the industry and has delivered consistent distribution growth, total returns and current yield. Shareholders who invested 10 years ago are now receiving an 8.52% cash yield on their original investment and have more than doubled the value of their investment with a return multiple of 2.35x.

	Total Return	Return Multiple		Distribution per Share Growth	Cash on Cash Yield
28 years (since inception)	11.43%	20.71	\$2,071,000	4.44%	19.39%
10 years	8.93%	2.35	\$235,000	3.50%	8.52%

*Over 28 years, Dakota REIT has produced 1.8 times the total return (with distributions reinvested) of the S&P 500 and 4.2 times the FTSE NAREIT All Equity Index.*



\* The Financial Times Stock Exchange National Association of Real Estate Investment Trusts (FTSE NAREIT All Equity Index) index measures the performance of publicly traded REITs that are listed on the New York Stock Exchange.

† Data based on share price and dividend information for the period 12/31/1997 to 12/31/2025. Total returns are calculated as price appreciation plus annual dividends reinvested, with annual compounding. Reinvestment of Dakota REIT dividends is calculated using the applicable discount to share price available to shareholders (10% through 2019, 5% thereafter). The FTSE NAREIT All Equity Index measures the performance of publicly traded REITs that own and manage income-producing real estate. Sources: National Association of Real Estate Investment Trusts; Bloomberg L.P.: index and REIT data, 2026 Bloomberg database.

## SUMMARY QUICK FACTS

# 5.16%

## Annual Distribution Yield

### 63 Months

Average Loan Term Remaining

### \$34.2M

Adjusted Funds From Operation (AFFO)

### 53.34%

Leverage Ratio

### 4.47%

Weighted Average Mortgage Interest Rate

## FINANCIAL HIGHLIGHTS

	2021	2022	2023	2024	2025
<b>Multifamily Investments (Includes Senior Housing)</b>	\$357,737,755	\$373,861,153	\$395,936,661	\$433,112,244	\$522,630,741
<b>Commercial Investments</b>	\$317,931,791	\$384,160,346	\$378,539,926	\$403,108,223	\$411,304,585
<b>Market Value of Invested Assets <sup>(1)</sup></b>	\$754,343,047	\$870,927,617	\$883,329,784	\$943,054,660	\$1,037,172,071
<b>Mortgages Payable</b>	\$425,312,009	\$477,000,572	\$455,807,284	\$472,602,481	\$542,614,497
<b>Total Operating Revenue</b>	\$71,712,288	\$84,781,987	\$94,087,869	\$99,211,601	\$109,092,542
<b>Funds From Operations (FFO)<sup>(2)</sup></b>	\$24,086,136	\$28,414,237	\$31,265,976	\$31,719,177	\$33,635,247
<b>Funds From Operations Per Share<sup>(2)</sup></b>	\$1.37	\$1.38	\$1.36	\$1.32	\$1.29
<b>Adjusted Funds From Operations<sup>(3)</sup> Per Share</b>	\$1.23	\$1.30	\$1.31	\$1.31	\$1.32
<b>Weighted Average Shares</b>	17,586,343	20,577,269	22,915,146	24,084,814	26,029,346

(1) Market Value of Invested Assets represents the calculated fair market value of invested assets used by Board of Trustees to establish share price. Calculation based on recent appraisals and applying the same methodology used by certified appraisers to the entire Dakota REIT investment portfolio.

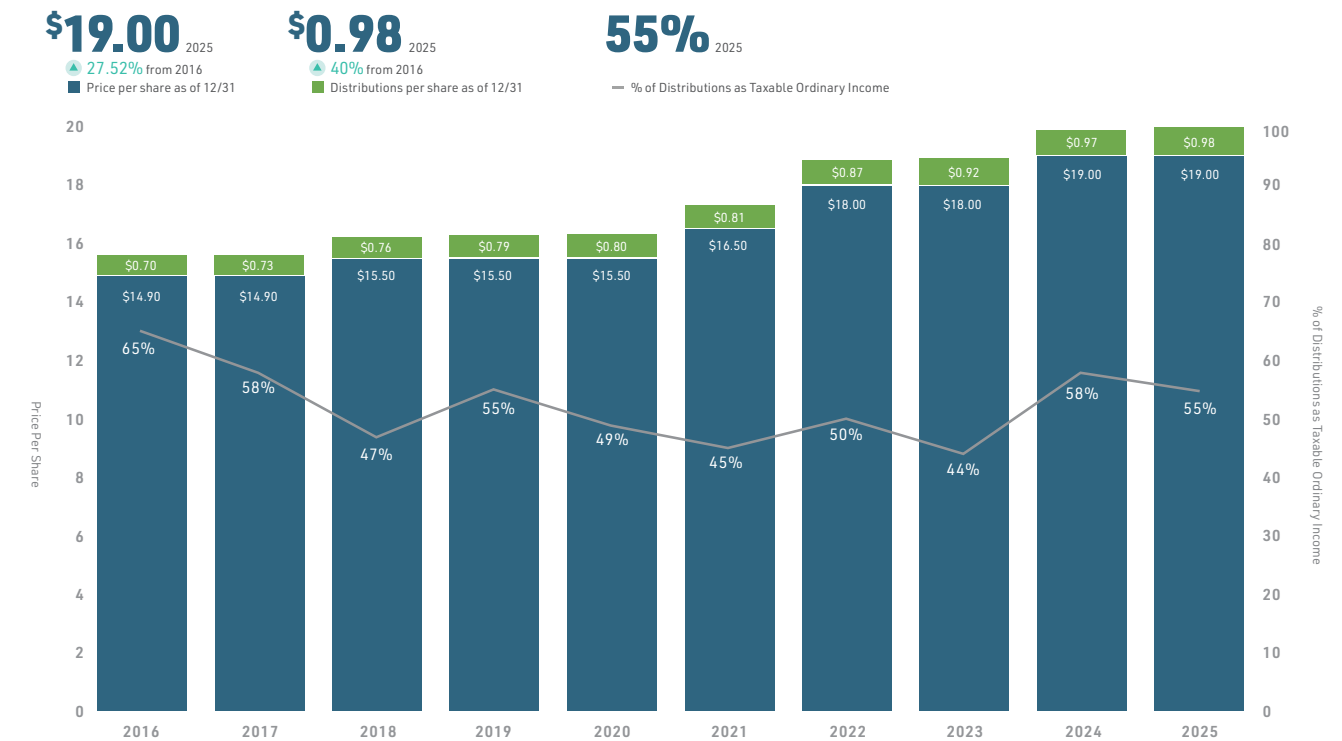
(2) Funds From Operations "FFO" is defined as net income determined in accordance with Generally Accepted Accounting Principles (GAAP), excluding gains (or losses) from property dispositions, plus depreciation of real estate assets.

(3) Adjusted Funds from Operations (AFFO) takes the standard FFO and then adjusts it for certain items that are unique or occur infrequently.

*This report contains forward-looking statements within the meaning of applicable securities laws. These statements reflect our current expectations regarding future events and operating performance and speak only as of the date of this report. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those anticipated. Dakota REIT undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report.*

*Past performance does not guarantee future results. The value of an investment in Dakota REIT may decrease as well as increase.*

## DISTRIBUTIONS DECLARED



Distributions are paid to shareholders of Dakota REIT and limited partners of Dakota UPREIT. The 2025 percentage of distributions paid to shareholders were taxable as ordinary income at 55%. This is not applicable to Dakota UPREIT Limited Partners, as each Partner's income is separately determined based on all the property contributed. Due to real estate

depreciation, a portion of the distributions paid is not taxable to the shareholder in the year received. The "non-taxable" portion is treated as a return of capital or decrease in cost [basis]. Future taxable gains will be recognized if an Investor sells shares for more than the carry cost [basis] or if the Investor's distributions received exceed original stock purchase.

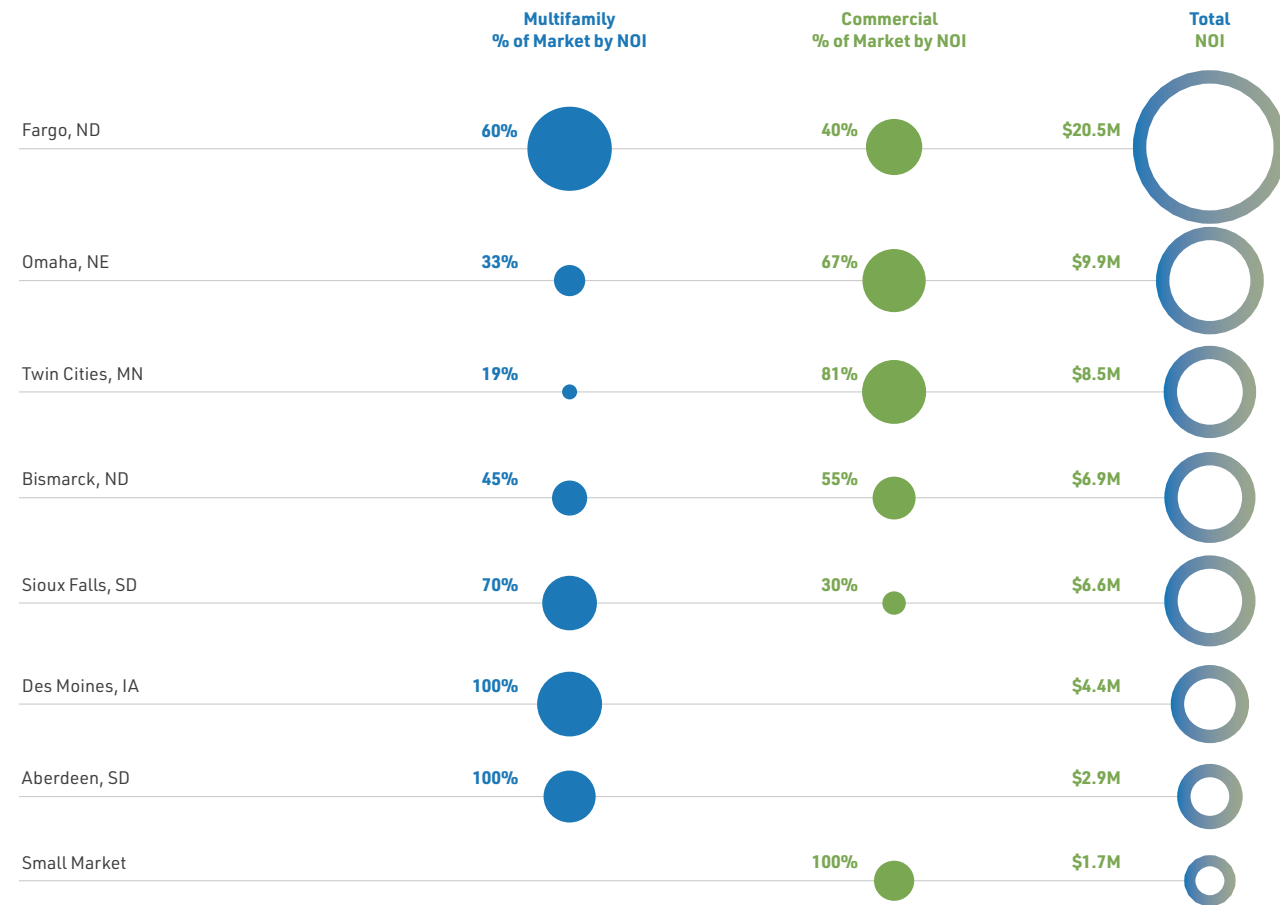
## DISTRIBUTION REINVESTMENT PLAN

Dakota REIT's Distribution Reinvestment Plan (DRIP) allows for the reinvestment of distributions for additional shares at a price equal to 95% of the current asking price. A shareholder may elect to participate at any time. The initial Subscription Agreement provides the shareholder the option to 1) select the distribution paid in cash or 2) reinvest in shares at a discount of 5%. After the initial election, if a shareholder wants to change their DRIP status, the change is completed by signing the Shareholder Change Form which can be obtained either

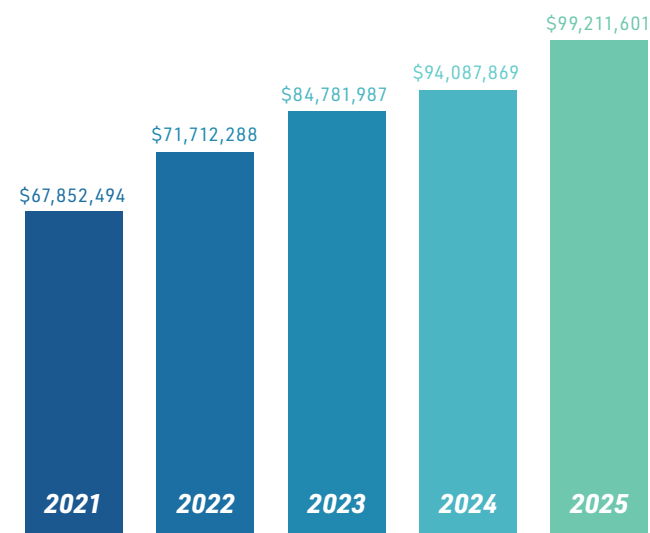
by request or by downloading it from the Dakota REIT website, DakotaREIT.com. For personal assistance, please call Investor Relations at (701) 239-6879 Ext. 102.

The DRIP is available to eligible shareholders in states where Dakota REIT's securities are currently qualified or exempt from qualification under applicable state securities law. Contact Investor Relations to confirm eligibility in your state.

NET OPERATING INCOME (NOI) BY MARKET



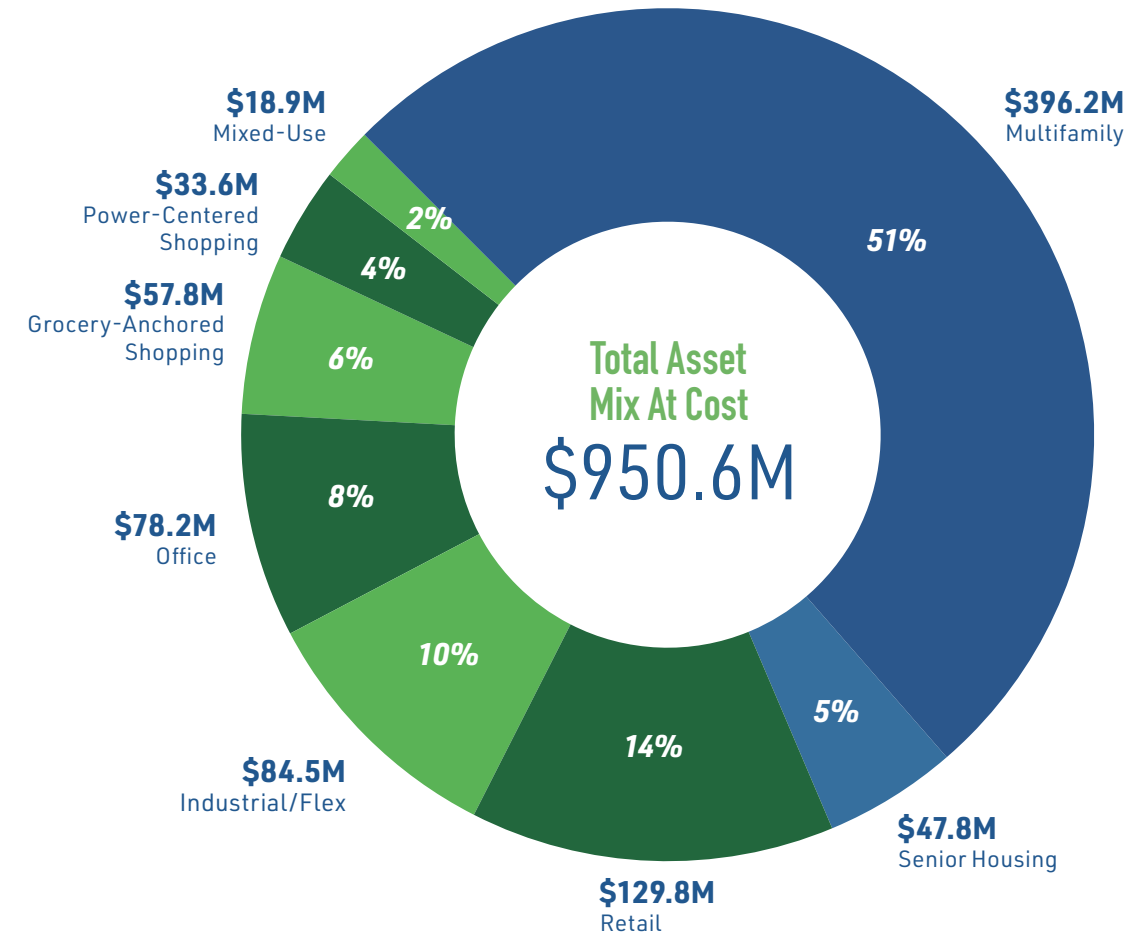
TOTAL OPERATING REVENUE



TOTAL INVESTMENT BY MARKET

Fargo	\$305,158,609	32%
Twin Cities	\$173,763,365	18%
Omaha	\$120,428,197	13%
Sioux Falls	\$112,360,431	12%
Bismarck	\$96,883,622	10%
Des Moines	\$78,751,635	8%
Aberdeen	\$40,642,926	4%
Small Market	\$22,646,115	3%
<b>Total</b>	<b>\$950,634,894</b>	

TOTAL ASSETS UNDER MANAGEMENT



ASSETS UNDER MANAGEMENT

Market	Commercial SF	Units
Fargo	799,084	2,075
Omaha	453,808	463
Sioux Falls	278,472	527
Twin Cities	670,536	304
Bismarck	347,280	630
Des Moines	3,000	474
Aberdeen	-	432
Small Market	191,650	-
<b>Total</b>	<b>2,743,830</b>	<b>4,905</b>

*Dakota REIT has constructed a regionally focused portfolio in the Midwest where this concentration decreases our risk given our local market knowledge.*



## Wealth for Generations

### PATIENTLY GROW YOUR WEALTH WITH A LONG-TERM HORIZON

Multi-generational wealth requires a long-term perspective, which aligns well with real estate as an investment that should be measured in years, not months or days. The value of your Dakota REIT investment gains momentum over a long-term investment horizon. Time is on the side of those with a multi-generational wealth strategy.

A long investment horizon requires a substantial commitment on the shareholder's part. At Dakota REIT we strive to make that commitment easier through:

- › Stable share price compared to public markets offering shareholders a reliable and steady component to their investment portfolio
- › Predictable and consistent distribution yield and lasting cash flow
- › Wealth building and equity accumulation through principal reduction and property appreciation manifested in sustainable increases in share value
- › Inflation hedge as real estate can safeguard shareholder wealth during inflationary cycles by benefiting from increased property values and market rents

Dakota REIT's track record of building and protecting wealth through its private REIT structure can aid in creating a long-lasting legacy for your family.

A \$100,000 investment at inception has grown to \$2,071,000 based on historical performance. Multi-generational ownership of Dakota REIT rewards disciplined and patient investors with a compounded annual rate of return. We proudly serve a key role in many shareholders' estate and wealth preservation strategies.

*Dakota REIT's steadiness can protect, preserve and grow your wealth for generations to come. Consider retaining your investment in Dakota REIT across multiple generations.*

*"Our history with Dakota REIT began in 2013. After getting to know the Company and building trust, we conducted multiple tax-deferred exchanges with Dakota REIT. For us, real estate investing has been about more than income. It has been a way to preserve capital, create flexibility, and plan for the future. We have also come to value the many ways the IRS tax code supports real estate ownership through depreciation, the qualified business income deduction, 1031 exchanges, 721 UPREIT tax-deferred contributions, and stepped-up basis for heirs. Those advantages have helped us take a long-term approach to wealth planning.*

*Passing these ideas onto the next generation has been important to us. We have encouraged and supported our descendants in investing with Dakota REIT as a meaningful way to introduce them to the principles of real estate ownership, long-term thinking, and responsible wealth building.*

*We believe the key is finding a trusted and capable real estate partner to help guide the process. Matt Pedersen, Lisa Bontje, and the team at Dakota REIT have been invaluable in helping us carry out this plan. Their knowledge, responsiveness, and steady support have given us great confidence along the way."*

*Richard and Carol Freeman*

# Tax Strategy

## ADVANTAGES OF A 721 UPREIT EXCHANGE FOR WEALTH PRESERVATION AND TAX DEFERRAL

### Property to Sell - Tax Deferred Opportunity

Dakota UPREIT continues to be in the market to acquire quality property that can be added to its portfolio. An UPREIT transaction provides sellers of their properties an opportunity to defer capital gains tax, gain liquidity, and eliminate the day-to-day management responsibilities of owning real estate. A seller can contribute property or equity from a property sale as part of the transaction.

The example below shows what could occur for an owner of a property valued at \$1 million with a \$500,000 mortgage against it and a tax cost basis of \$250,000 should they choose to contribute it to Dakota UPREIT rather than selling it.

- ▶ **Diversification** | Contribute your property and own a limited partnership interest in a diversified real estate portfolio.
- ▶ **Steady Income** | Receive consistent and predictable income through quarterly distributions.
- ▶ **Simplification** | Take a more hands-off approach with your investment and enjoy the peace-of-mind that comes with professional property management.
- ▶ **Wealth Preservation** | Limited partnership interests receive a stepped-up basis upon death and are more easily distributed among heirs compared to physical real estate.

Capital Gain Tax Calculation	Cash Sale	721 Exchange
\$1,000,000 property value - \$250,000 tax basis	\$1,000,000 property value - \$500,000 loan	\$1,000,000 property value - \$500,000 loan
\$750,000 taxable gain x 23.8% federal and 1.5% state taxes <sup>(1)</sup>	\$500,000 equity - \$189,750 tax due on gain \$310,250 cash available to invest	\$500,000 equity to invest
<b>\$189,750 tax due on gain</b>	x 5% return on cash invested	x 5% return on cash invested
	<b>\$15,513 annual cash return <sup>(2)</sup></b>	<b>\$25,000 annual cash return <sup>(2)</sup></b>

<sup>1)</sup> Federal capital gains tax under current tax law will usually be either 20% or 25% depending on the type of property. (Note that there is still a 15% capital gains rate for individuals in the lower tax brackets but for this example, we will presume the investor is in the highest tax bracket.) In addition, it is likely that the 3.8% net investment income surtax will also apply. For our example, we have presumed a combined rate of 23.8%. It is possible that the alternative minimum tax could increase this tax rate as well, but we have not allowed for it in our example. North Dakota's top tax bracket is 2.5%. After factoring in a capital gain deduction of 40%, the resulting effective state tax rate is 1.5%. Tax laws are subject to change.

<sup>(2)</sup> The after tax cash return on an investment in an UPREIT will be affected by the investor's tax basis in their original property. The after tax cash return on the proceeds available from a cash sale will also be affected by taxes, depending on the type of investment (i.e. stocks, CD, etc.).

All figures are illustrative only and specific facts may not apply based on state of residency, applicable tax brackets and other material matters specific to individuals. The information herein constitutes neither an offer to sell nor solicitation of an offer to buy the securities described. IRC Section 1031 & 721 are complex tax concepts, therefore you should consult your legal or tax professional regarding the specifics of your situation. This material is for educational purposes, it does not constitute an offer for purchase or sale of real estate securities.



# Connecting with Shareholders

## ANNUAL SHAREHOLDER MEETING

### SAVE THE DATE!

We invite you and your guests to join us at our 28th Annual Shareholder Meeting.

Tuesday, June 16, 2026  
Hilton Garden Inn, Fargo, ND

Dakota REIT's Advisor will provide a recap of 2025 performance and a peek into Dakota REIT's 2026 focus areas.

Check in from 11:30 to noon  
Meeting at noon followed by lunch

Other business to be conducted includes the election of the Board of Trustees. Proxy materials will be mailed out prior to the meeting. Lunch is provided.

RSVP by calling 701-239-6829 x115

## SHAREHOLDER PORTAL

### Monitor and Manage Your Investment

Explore our secure shareholder portal where you can conveniently access important account information and stay connected to your investment. The shareholder portal is located at dakotareit.com and clicking on the shareholder portal tab.



DakotaREIT.com

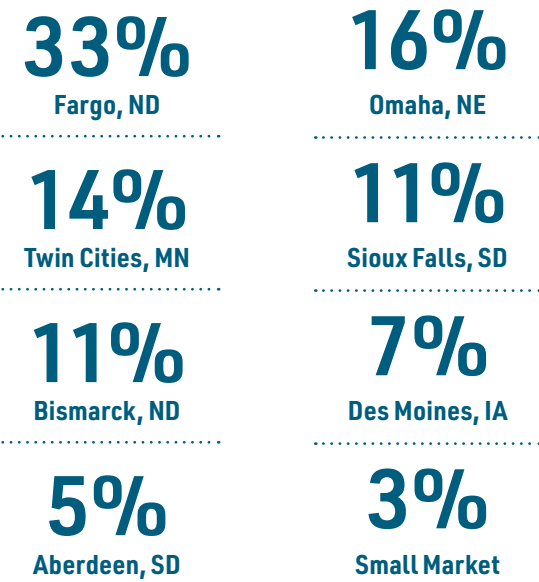


# Dakota REIT Properties

## NET OPERATING INCOME BY MARKET

Dakota REIT's investment objective is to generate attractive current income and growth of capital by investing in diversified real estate assets in the Midwest through the following strategies:

- › Actively grow multifamily and industrial / flex investments
- › Strategic exposure to grocery-anchored and necessity-based neighborhood shopping centers
- › Focus on select growth markets in the Midwest that exhibit strong job and population growth, low unemployment and diverse economies



## 2025 Acquisitions



Dakota REIT is focused on acquiring high-quality, stable income-producing properties across its core Midwest markets, with an emphasis on long-term ownership and disciplined growth. An analytics-driven approach is central to the company's acquisition strategy, guiding decisions through detailed evaluation of market fundamentals, supply and demand trends, demographic shifts, and asset-level performance metrics.

This disciplined use of insights helps identify opportunities that enhance portfolio quality, support predictable income, and strengthen long-term portfolio performance. It is through this lens that the following properties were selected, as each aligns with Dakota REIT's strategy of investing in assets that provide durable cash flow and growth potential within targeted markets.

### 2025 ACQUISITION

### HUNTER'S VIEW APARTMENTS AND TOWNHOMES

Fargo, ND



In March of 2025 Dakota REIT acquired Hunter's View Apartments, a 172-unit multifamily community located in Fargo, North Dakota. The property consists of four buildings offering a mix of studio, one-bedroom, and two-bedroom apartments. Centrally located in south Fargo, the community provides convenient access to retail, dining, and major transportation corridors. This acquisition further expands Dakota REIT's multifamily presence in our home market of Fargo, ND and reinforces our commitment to investing in high-quality housing within the communities we serve.

In July of 2025 Dakota REIT added Hunter's View Townhomes, a 12-unit multifamily townhome community in Fargo, North Dakota, to our growing portfolio. The property consists of six buildings featuring spacious three-bedroom, three-bathroom floorplans across all units. Hunter's View Townhomes is located adjacent to Hunter's View Apartments, which Dakota REIT acquired in March 2025, creating a complementary multifamily presence in a highly desirable area of south Fargo.



Dakota REIT believes this acquisition represents a strategic add-on investment that strengthens operational efficiencies and management synergies between the neighboring properties.

2025 ACQUISITION

TWIN CITIES MULTIFAMILY PROPERTIES

Twin Cities, MN

In August of 2025 Dakota REIT entered the Twin Cities multifamily market for the first time with the acquisition of a three-property portfolio totaling 304 units in the Northwest section of the Twin Cities metro area. The communities – Park View East Apartments and Sapphire Apartments in Ramsey, Minnesota, and Depot on Main Apartments in Zimmerman, Minnesota. These properties were built between 2017 and 2020 and offer a mix of one, two, and three bedroom apartments with modern amenities, including granite countertops, stainless steel appliances, fitness centers, pools, and pet-friendly features. This milestone acquisition expands Dakota REIT's presence in the region while further diversifying our Midwest real estate portfolio.



Parkview East



Sapphire

2025 ACQUISITION

TWIN CITIES COMMERCIAL PROPERTY

Otsego, MN

In December of 2025 Dakota REIT acquired a single-tenant net lease (STNL) industrial property in Otsego, Minnesota, leased to DSG. The 30,080-square-foot facility sits on more than six acres and includes significant outside storage. This acquisition supports Dakota REIT's strategic focus on industrial assets as a targeted growth area through 2025 and beyond, while further diversifying the tenant base within the Twin Cities market.

The investment was sourced off-market through a direct relationship with the seller, Interstate Development, and includes a newly executed 15-year lease with DSG. Dakota REIT continues to prioritize long-term, stable income-producing properties and intends to pursue additional industrial opportunities within its key markets.

Dakota REIT continues to prioritize long-term, stable income-producing properties and intends to pursue additional opportunities within its key markets.

*We invest in what we can thoroughly evaluate and understand. Dakota REIT's analytical approach to decision making involves determining an asset's intrinsic worth by valuing its future outlook based on facts and quantitative factors.*



DSG

# Commercial & Residential Property



## FARGO, NORTH DAKOTA

### FARGO RESIDENTIAL & COMMERCIAL PROPERTIES

Property	Size	Year Acquired	Asset Type
Amber Fields	108 units	2002	Multifamily
Calico	84 units	2010	Multifamily
Central Park I-VIII	265 units	2003-2005	Multifamily
Cooperative Living Center	24 units	2008	Multifamily
Country Meadows	72 units	2011	Multifamily
Eagle Lake	162 units	2005	Multifamily
Hidden Pointe I-VI	216 units	2014, 2021	Multifamily
Hunter's View	172 units	2025	Multifamily
Hunter's View Townhomes	12 units	2025	Multifamily
One Oak Place	274 units	2015	Senior Living
Summers at Osgood	210 units	2005-2008	Multifamily
Urban Meadows I-IV	180 units	2012-2013	Multifamily
West Lake Townhomes I & II	36 units	1998-2002	Multifamily
Wheatland Place I-VIII	192 units	1997-2001	Multifamily
Wheatland Townhomes I-VI	68 units	1998-2014	Multifamily
32nd Center	42,797 sf	2021	Mixed-Use
Appareo	88,239 sf	2022	Industrial / Flex
Azool Retail Center	44,498 sf	2017	Retail
Cummins NPower	28,137 sf	2013	Industrial / Flex
D&M Industries	66,152 sf	2014	Industrial / Flex
First Center South	103,580 sf	2004	Grocery-Anchored Shopping
Pioneer Center	74,167 sf	2002-2011	Mixed-Use
Retail at Amber Valley	56,571 sf	2007	Retail
Timber Creek Cash Wise	59,323 sf	2020	Grocery
Wanzek Building	55,619 sf	2013	Office
WF USPS Warehouse	180,000 sf	2016	Industrial / Flex

**21.5%** 10 Year Job Growth 2025

**19.7%** 10 Year Population Growth 2020

**2.8%** Unemployment Rate 2025

**2,075** Multifamily Units

**799,084** Commercial Square Feet (sf)

Sources: Bureau of Labor Statistics (BLS): <https://www.bls.gov> and United States Census Bureau: <https://www.census.gov>

## OMAHA, NEBRASKA



### OMAHA RESIDENTIAL & COMMERCIAL PROPERTIES

Property	Size	Year Acquired	Asset Type
Britain Towne	168 units	2015	Multifamily
Copper Creek	108 units	2014	Multifamily
Pacific West	187 units	2014	Multifamily
Beverly Hills Plaza	48,778 sf	2022	Retail
Harrison Village	26,375 sf	2022	Retail
Pebblewood Plaza	14,418 sf	2022	Retail
Spring Ridge Plaza	64,959 sf	2022	Retail
Tara Plaza	60,302 sf	2022	Retail
Tower Plaza	103,072 sf	2016	Retail
Walnut Creek	32,577 sf	2022	Retail
Westgate Plaza	103,327 sf	2022	Retail

**14.4%** 10 Year Job Growth 2025

**11.8%** 10 Year Population Growth 2020

**3.2%** Unemployment Rate 2025

**463** Multifamily Units

**453,808** Commercial Square Feet (sf)

Sources: Bureau of Labor Statistics (BLS): <https://www.bls.gov> and United States Census Bureau: <https://www.census.gov>

## TWIN CITIES, MINNESOTA



### TWIN CITIES COMMERCIAL PROPERTIES

Property	Size	Year Acquired	Asset Type
Parkview East	121 units	2025	Multifamily
Sapphire	118 units	2025	Multifamily
The Depot on Main	65 units	2025	Multifamily
Apple Valley Business Center	105,053 sf	2018	Office
Basset Creek Innovation Center	90,377 sf	2024	Industrial/Flex
City West Financial Center	56,652 sf	2016	Office
Eagandale Tech Center	76,770 sf	2021	Industrial/Flex
Eagle Point II	30,581 sf	2015	Office
Eagle Point III	40,404 sf	2014	Office
Mendota Heights Business Center	71,631 sf	2016	Office
Plymouth 6-61	45,362 sf	2015	Office
Vadnais Square	123,626 sf	2016	Grocery-Anchored Shopping

**9.0%** 10 Year Job Growth 2025

**10.7%** 10 Year Population Growth 2020

**4.0%** Unemployment Rate 2025

**304** Multifamily Units

**670,536** Commercial Square Feet (sf)

Sources: Bureau of Labor Statistics (BLS): <https://www.bls.gov> and United States Census Bureau: <https://www.census.gov>

## BISMARCK, NORTH DAKOTA



### BISMARCK RESIDENTIAL & COMMERCIAL PROPERTIES

Property	Size	Year Acquired	Asset Type
Calgary I-III	72 units	2013	Multifamily
Century East I-IV	120 units	2013	Multifamily
Crestview Manor	152 units	2019	Multifamily
Kirkwood	108 units	2019	Multifamily
North Pointe	73 units	2019	Multifamily
Pebble Springs	16 units	2019	Multifamily
Washington Heights	24 units	2012	Multifamily
Westwood Park	65 units	2019	Multifamily
Apple Creek	79,200 sf	2021	Industrial / Flex
Bismarck Airport Road	40,803 sf	2009	Industrial / Flex
Century Mall	13,250 sf	2010	Retail
Pinehurst Square East	114,102 sf	2017	Power-Centered Shopping
Pinehurst Square West	69,119 sf	2016	Power-Centered Shopping
Tuscany Square	30,806 sf	2010	Office

**15.6%** 10 Year Job Growth 2025

**19.8%** 10 Year Population Growth 2020

**3.5%** Unemployment Rate 2025

**630** Multifamily Units

**347,280** Commercial Square Feet (sf)

Sources: Bureau of Labor Statistics (BLS): <https://www.bls.gov> and United States Census Bureau: <https://www.census.gov>



## SIoux FALLS, SOUTH DAKOTA

### SIoux FALLS RESIDENTIAL & COMMERCIAL PROPERTIES

Property	Size	Year Acquired	Asset Type
Donegal Pointe	191 units	2012	Multifamily
Hillview	42 units	2013	Multifamily
The Rowe on 57th	294 units / 16,511 sf	2021 - 2024	Multifamily & Mixed-Use
Donegal Centre	17,354 sf	2012	Mixed-Use
Harmony	46,000 sf	2014	Retail
Midco Building	105,837 sf	2017	Office
Riverwood Plaza	39,120 sf	2014	Retail
Tri-State Flooring	53,650 sf	2023	Industrial / Flex

**18.4%** 10 Year Job Growth 2025

**21.2%** 10 Year Population Growth 2020

**2.3%** Unemployment Rate 2025

**527** Multifamily Units

**278,472** Commercial Square Feet (sf)

Sources: Bureau of Labor Statistics (BLS): <https://www.bls.gov> and United States Census Bureau: <https://www.census.gov>

## DES MOINES, IOWA



### DES MOINES RESIDENTIAL & COMMERCIAL PROPERTIES

Property	Size	Year Acquired	Asset Type
White Oak	88 units	2021	Multifamily
Jackson Crossing	244 units	2021	Multifamily
Nexus at Gray's Landing	142 units / 3,000 sf	2024	Multifamily & Mixed-Use

**19.1%** 10 Year Job Growth 2025

**17.9%** 10 Year Population Growth 2020

**3.3%** Unemployment Rate 2025

**474** Multifamily Units

**3,000** Commercial Square Feet (sf)

Sources: Bureau of Labor Statistics (BLS): <https://www.bls.gov>  
and United States Census Bureau: <https://www.census.gov>

## ABERDEEN, SOUTH DAKOTA & MIDWEST SMALL MARKETS

### ABERDEEN RESIDENTIAL PROPERTIES

Property	Size	Year Acquired	Asset Type
Lakewood Place	27 units	2014	Multifamily
M&I Villas	32 units	2014	Multifamily
Paramount Estates	36 units	2014	Multifamily
Paramount Place	39 units	2014	Multifamily
Paramount Villas	16 units	2014	Multifamily
Prairie Springs	130 units	2015	Multifamily
Prairie Village	152 units	2015	Multifamily

### MIDWEST, SMALL MARKETS COMMERCIAL PROPERTIES

Property	Size	Market	Year Acquired	Asset Type
Leevers Supervalu	29,882 sf	Valley City, ND	2008	Grocery
Lindquist Square	22,480 sf	Minot, ND	2010	Retail
Metro Center Mall & RCC Building	80,302 sf	Minot, ND	2008, 2012	Retail
North Pointe Retail Center	29,743 sf	Baxter, MN	2014	Retail
Willow Creek Plaza	29,243 sf	Watertown, SD	2013	Retail

## Fees & Compensation

The Declaration of Trust provides that, subject to certain conditions, the Total Operating Expenses of the Trust shall not exceed in any fiscal year the greater of 2% of the Average Invested Assets during the fiscal year or 25% of the Trust's Net Income during such fiscal year. For the year ended December 31, 2025, the Trust's Total Operating Expenses were \$4,021,382 or .50% which is less than one percent of the Average Invested Assets and 12.76% of the Net Income, before depreciation and amortization, therefore meeting the limitations.

### Paid To Trustees And Affiliates

The following fees and/or compensations were paid to Board of Trustees and affiliated parties during 2025.

#### Advisor's Management Fee

Dakota Real Estate Investment Trust paid an advisory management fee of \$3,811,525 in 2025 to Dakota REIT Management, LLC, an entity in which The Estate of George Gaukler, a former Trustee, Matt Pedersen and James Haley have an ownership interest. These fees are compensation for the daily operations of the Trust, which includes providing office space, staff to maintain trust records, prepare annual reports, shareholder statements and tax forms, prepare Board of Trustee reports, and advise the Board of Trustees on investment decisions. The fees are based on 1% of net invested assets of the Trust [total assets at cost, less cash and less total liabilities].

#### Property Acquisition and Disposition Fees

Dakota Real Estate Investment Trust paid in 2025 Dakota REIT Management, LLC, an entity in which The Estate of George Gaukler, a former Trustee, Matt Pedersen and James Haley have an ownership interest, property acquisition fees in the amount of \$1,462,500, financing fees in the amount of \$291,052, UPREIT fees in the amount of \$20,697 and disposition fees in the amount of \$0. Fees are compensation for performing due diligence on properties acquired by the REIT, obtaining financing for the property and processing UPREIT transactions. The fees are based upon 1.5% of the purchase price of the property acquired or sold, .25% of the mortgage obtained, and 2% of the value of the Limited Partnership units issued in the transaction (limited to \$2,000 per UPREIT transaction), and are capitalized into the basis of the property.

### Property Management and Leasing Fees

Dakota Real Estate Investment Trust paid Valley Rental 2, LLC, an entity in which The Estate of George Gaukler, a former Trustee, Matt Pedersen and James Haley have an ownership interest, property management fees of \$1,703,893 in 2025 and maintenance and payroll fees of \$2,554,039. Property Resource Group, controlled by Kevin Christianson, a Trustee, was paid \$210,493 for property management fees, \$100,895 in leasing fees and \$300,046 in maintenance and payroll fees. Dakota REIT Management, LLC an entity in which The Estate of George Gaukler, Matt Pedersen and James Haley have an ownership interest, was paid \$449,770 for commercial property management fees. Lloyd Companies, an entity in which Craig Lloyd, a former Trustee, holds an ownership interest was paid \$675,990 for property management fees, \$165,978 in leasing fees and \$846,969 in maintenance and payroll fees.

Fees paid are compensation for property management, which includes collecting rent, paying bills, providing quarterly financial statements, overseeing advertising, maintenance, cleaning, and general operations of the buildings. Fees are based on 1% to 5% of rental revenue.

### Trustee Compensation

The Trust pays the members of the Board of Trustees, both independent and non-independent members, certain remuneration for their services to attend meetings, plus travel and other approved expenses.

In 2025, the Trust paid \$124,488 in total compensation (Directors' Fees as stated on the Consolidated Statements of Operations for Dakota Real Estate Investment Trust). George Gaukler, a former Trustee, Jim Knutson, and Matt Pedersen did not receive any compensation because of their affiliation with Dakota REIT Management, LLC.

Independent  
Auditor's Report

Consolidated Financial Statements  
December 31, 2025 and 2024  
**Dakota Real Estate Investment Trust**



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**Independent Auditor’s Report**

To the Board of Trustees  
 Dakota Real Estate Investment Trust  
 Fargo, North Dakota

**Report on the Audit of the Consolidated Financial Statements**

***Opinion***

We have audited the consolidated financial statements of Dakota Real Estate Investment Trust, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and other comprehensive income, equity, and cash flows for the years ended December 31, 2025, 2024, and 2023, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dakota Real Estate Investment Trust as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years ended December 31, 2025, 2024, and 2023 in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Dakota Real Estate Investment Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dakota Real Estate Investment Trust's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dakota Real Estate Investment Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dakota Real Estate Investment Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Schedules of Funds from Operations is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Fargo, North Dakota  
March 11, 2026

**Dakota Real Estate Investment Trust**  
Consolidated Balance Sheets  
December 31, 2025 and 2024

	2025	2024
<b>Assets</b>		
Real Estate Investments		
Real Estate	\$ 769,388,946	\$ 687,673,540
Investments in Unconsolidated Partnerships	-	1,411,530
<b>Total Real Estate Investments</b>	<b>769,388,946</b>	<b>689,085,070</b>
Cash and Cash Equivalents	5,811,188	4,259,568
Restricted Cash	20,360,113	17,140,669
Tenant Receivables	2,290,774	2,476,130
Straight-Line Rent Receivable	3,778,452	3,354,496
Due from Related Party	1,012,878	2,077,047
Related Party Notes Receivable	11,000,000	11,000,000
Prepaid Expenses and Other Assets	5,960,527	4,473,061
Assets Held For Sale	3,968,625	-
Intangible Assets, net	6,782,924	6,302,473
Finance Lease Right-Of-Use Assets	2,300,434	2,359,378
Interest Rate Swaps, at Fair Value	4,724,938	7,701,602
	<b>\$ 837,379,799</b>	<b>\$ 750,229,494</b>
<b>Liabilities</b>		
Mortgage Notes Payable, net	\$ 530,895,941	\$ 470,222,708
Lines of Credit	26,749,212	10,850,000
Special Assessments Payable	5,252,803	4,269,943
Tenant Security Deposits Payable	4,211,371	3,672,230
Liabilities Associated With Assets Held For Sale	2,838,998	-
Accrued Expenses and Other Liabilities	15,443,608	15,212,276
Interest Rate Swaps, at Fair Value	1,090,040	156,098
Finance Lease Liabilities	2,507,355	2,512,006
<b>Total Liabilities</b>	<b>588,989,328</b>	<b>506,895,261</b>
<b>Equity</b>		
Beneficial Interest	140,241,911	135,855,632
Noncontrolling Interest	108,148,560	107,478,601
	<b>248,390,471</b>	<b>243,334,233</b>
	<b>\$ 837,379,799</b>	<b>\$ 750,229,494</b>

**Dakota Real Estate Investment Trust**  
Consolidated Statements of Operations and Other Comprehensive Income  
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
Rental Revenue	\$ 106,883,788	\$ 97,143,273	\$ 91,906,796
<b>Expenses</b>			
Expenses from Rental Operations			
Interest Expense	25,275,008	21,651,848	19,670,354
Depreciation and Amortization	23,523,067	20,148,336	18,402,534
Real Estate Taxes	11,978,813	11,232,328	10,926,073
Utilities	8,275,547	7,171,279	6,799,882
Maintenance and Payroll	15,328,893	14,344,114	14,308,920
Property Management	4,205,140	3,766,807	3,481,136
Advertising and Marketing	882,114	870,769	748,962
Insurance	2,841,568	2,597,765	2,184,347
Other	1,973,033	2,042,535	1,749,597
	<b>94,283,183</b>	<b>83,825,781</b>	<b>78,271,805</b>
Administration of REIT			
Advisory Management	3,811,525	3,478,351	3,200,300
Directors' Fees	124,488	99,322	121,573
Administration and Professional	424,114	365,080	327,335
Insurance	80,475	78,629	71,685
	<b>4,440,602</b>	<b>4,021,382</b>	<b>3,720,893</b>
<b>Total Expenses</b>	<b>98,723,785</b>	<b>87,847,163</b>	<b>81,992,698</b>
Other Income (Expense)			
Gain (Loss) on Sale of Real Estate	197,633	-	(1,099,389)
Gain (Loss) on Involuntary Conversion of Property	-	-	1,501,507
Insurance Proceeds	-	716,422	-
Impairment of Lease Assets	-	-	(949,291)
Loss on Impairment of Investment in Unconsolidated Partnerships	(1,411,530)	-	-
Gain (Loss) from Investments in Unconsolidated Partnerships	380,169	(13,246)	(118,040)
Interest Income	1,189,226	1,241,941	1,210,269
Other Income	821,895	128,773	113,993
	<b>1,177,393</b>	<b>2,073,890</b>	<b>659,049</b>
Net Income	9,337,396	11,370,000	10,573,147
Net Income Attributable to Noncontrolling Interest	3,921,706	4,661,700	4,440,722
Net Income Attributable to Dakota Real Estate Investment Trust	<b>\$ 5,415,690</b>	<b>\$ 6,708,300</b>	<b>\$ 6,132,425</b>
Net Income	\$ 9,337,396	\$ 11,370,000	\$ 10,573,147
Other comprehensive income (loss) - change in Fair Value of Interest Rate Swaps	(3,910,605)	(318,267)	(1,892,861)
Comprehensive income	5,426,791	11,051,733	8,680,286
Comprehensive income attributable to the Noncontrolling Interest	2,224,984	4,531,211	3,645,720
Comprehensive income attributable to Dakota Real Estate Investment Trust	<b>\$ 3,201,807</b>	<b>\$ 6,520,522</b>	<b>\$ 5,034,566</b>

**Dakota Real Estate Investment Trust**  
Consolidated Statements of Equity  
Years Ended December 31, 2025, 2024 and 2023

	Common Shares	Common Shares Amount	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Beneficial Interest	Noncontrolling Interest	Total Equity
Balance, December 31, 2022	12,482,339	\$ 139,973,907	\$ (34,836,370)	\$ 5,660,179	\$ 110,797,716	\$ 90,607,917	\$ 201,405,633
Common Shares issued	1,143,190	20,577,408			20,577,408		20,577,408
Contribution of Assets in exchange for the issuance of Noncontrolling Interest Units						6,221,469	6,221,469
UPREIT units converted to REIT common shares	10,000	180,000			180,000	(180,000)	-
Repurchase of Shares/Units	(220,093)	(3,766,970)			(3,766,970)	(1,293,690)	(5,060,660)
Dividends and Distributions			(12,304,189)		(12,304,189)	(8,777,746)	(21,081,935)
Dividends and Distributions							
Reinvested	514,753	8,802,275			8,802,275	2,731,853	11,534,128
Syndication Costs		(117,368)			(117,368)		(117,368)
Net Income			6,132,425		6,132,425	4,440,722	10,573,147
Change in Fair Value of Interest Rate Swap				(1,097,859)	(1,097,859)	(795,002)	(1,892,861)
Balance, December 31, 2023	13,930,189	\$ 165,649,252	\$ (41,008,134)	\$ 4,562,320	\$ 129,203,438	\$ 92,955,523	\$ 222,158,961

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**Dakota Real Estate Investment Trust**  
Consolidated Statements of Equity  
Years Ended December 31, 2025, 2024 and 2023

	Common Shares	Common Shares Amount	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Beneficial Interest	Noncontrolling Interest	Total Equity
Balance, December 31, 2023	13,930,189	\$ 165,649,252	\$ (41,008,134)	\$ 4,562,320	\$ 129,203,438	\$ 92,955,523	\$ 222,158,961
Common Shares issued	523,060	9,938,124			9,938,124		9,938,124
Contribution of Assets in exchange for the issuance of Noncontrolling Interest Units						20,076,468	20,076,468
UPREIT units converted to REIT common shares	14,415	273,894			273,894	(273,894)	-
Repurchase of Shares/Units	(250,529)	(4,416,608)			(4,416,608)	(2,473,905)	(6,890,513)
Dividends and Distributions			(13,824,861)		(13,824,861)	(9,540,127)	(23,364,988)
Dividends and Distributions							
Reinvested	454,309	8,200,286			8,200,286	2,203,325	10,403,611
Syndication Costs		(39,163)			(39,163)		(39,163)
Net Income			6,708,300		6,708,300	4,661,700	11,370,000
Change in Fair Value of Interest Rate Swap				(187,778)	(187,778)	(130,489)	(318,267)
Balance, December 31, 2024	14,671,444	\$ 179,605,785	\$ (48,124,695)	\$ 4,374,542	\$ 135,855,632	\$ 107,478,601	\$ 243,334,233

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**Dakota Real Estate Investment Trust**  
Consolidated Statements of Equity  
Years Ended December 31, 2025, 2024 and 2023

	Common Shares	Common Shares Amount	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Beneficial Interest	Noncontrolling Interest	Total Equity
Balance, December 31, 2024	14,671,444	\$ 179,605,785	\$ (48,124,695)	\$ 4,374,542	\$ 135,855,632	\$ 107,478,601	\$ 243,334,233
Common Shares issued	619,884	11,777,795			11,777,795		11,777,795
Contribution of Assets in exchange for the issuance of Noncontrolling Interest Units							
Repurchase of Shares/Units	(252,935)	(4,542,349)	(14,734,361)		(4,542,349)	12,992,628	12,992,628
Dividends and Distributions					(14,734,361)	(6,564,482)	(11,106,831)
Dividends and Distributions						(10,774,397)	(25,508,758)
Reinvested	486,760	8,786,025			8,786,025	2,736,958	11,522,983
Syndication Costs		(48,370)			(48,370)		(48,370)
Net Income			5,415,690		5,415,690	3,921,706	9,337,396
Change in Fair Value of Interest Rate Swap				(2,268,151)	(2,268,151)	(1,642,454)	(3,910,605)
Balance, December 31, 2025	15,525,153	\$ 195,578,886	\$ (57,443,366)	\$ 2,106,391	\$ 140,241,911	\$ 108,148,560	\$ 248,390,471

See Notes to Consolidated Financial Statements

**Dakota Real Estate Investment Trust**  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
<b>Operating Activities</b>			
Net Income	\$ 9,337,396	\$ 11,370,000	\$ 10,573,147
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	21,120,367	19,133,355	17,711,844
Amortization	2,402,701	1,014,981	690,690
Straight-Line Rent	(423,956)	(203,565)	(287,632)
Amortization of Debt Issuance Costs	655,547	464,340	518,524
Amortization of Debt Discount	390,630	207,354	-
Loss (Gain) on Sale of Property	(197,633)	-	170,054
Gain on Involuntary Conversion of Property	-	-	(1,501,507)
Loss on Impairment of Investments	1,411,530	-	949,291
Noncash Portion of (Gain) Loss from Investments in Unconsolidated Partnerships	(380,169)	13,246	118,040
Changes in Assets and Liabilities			
Tenant Receivables	237,681	(163,294)	1,418,813
Due from Related Party	1,444,338	(735,365)	(631,055)
Prepaid Expenses and Other Assets	(1,345,020)	(1,596,823)	(891,775)
Accounts Payable	(334,308)	2,162,169	(375,214)
Accrued Expenses	(486,842)	913,575	(312,465)
Tenant Security Deposits Payable	552,326	447,121	3,703
<b>Net Cash from Operating Activities</b>	<b>34,384,588</b>	<b>33,027,094</b>	<b>28,154,458</b>
<b>Investing Activities</b>			
Proceeds from Sale of Property	900,000	-	13,450,000
Receipt on Related Party Notes Receivable	-	3,000,000	2,000,000
Advances on Related Party Notes Receivable	-	(175,000)	(3,245,000)
Proceeds from Insurance Recovery	-	716,422	1,800,175
Capital Expenditures on Real Estate	(12,507,051)	(11,787,460)	(13,946,071)
Acquisitions of Real Estate, net of restricted cash acquired	(25,258,307)	(22,981,727)	(5,562,389)
<b>Net Cash used for Investing Activities</b>	<b>(36,865,358)</b>	<b>(31,227,765)</b>	<b>(5,503,285)</b>
<b>Financing Activities</b>			
Payments for Debt Issuance Costs	(748,325)	(926,586)	(175,451)
Principal Payments on Special Assessments	(358,449)	(277,998)	(265,322)
Repayment of Finance Lease Principal	(4,651)	1,808	1,389
Proceeds from Mortgage Notes Payable	65,502,595	64,093,791	5,819,687
Principal Payments on Mortgage Notes Payable	(59,675,367)	(60,608,660)	(36,608,163)
Proceeds from Lines of Credit	41,502,471	18,600,000	4,100,000
Principal Payments on Lines of Credit	(25,603,259)	(9,250,000)	(2,600,000)
Proceeds from Issuance of Common Shares	11,777,795	9,938,124	20,577,408
Dividends Paid	(5,948,336)	(5,624,575)	(6,284,352)
Distributions Paid	(8,037,439)	(7,336,802)	(8,208,467)
Repurchase of Common Shares	(4,542,349)	(4,416,608)	(3,766,970)
Repurchase of Noncontrolling Interest Units	(6,564,482)	(2,473,905)	(1,293,690)
Payment of Syndication Costs	(48,370)	(39,163)	(117,368)
<b>Net Cash (used for) from Financing Activities</b>	<b>7,251,834</b>	<b>1,679,426</b>	<b>(28,821,299)</b>

**Dakota Real Estate Investment Trust**  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
Net Change in Cash and Cash Equivalents and Restricted Cash	4,771,064	3,478,755	(6,170,126)
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	21,400,237	17,921,482	24,091,608
Cash and Cash Equivalents and Restricted Cash at End of Year	26,171,301	21,400,237	17,921,482
Cash and Cash Equivalents	5,811,188	4,259,568	4,840,345
Restricted Cash	20,360,113	17,140,669	13,081,137
	<u>26,171,301</u>	<u>21,400,237</u>	<u>\$ 17,921,482</u>
Supplemental Disclosure of Cash Flow Information			
Cash paid for Interest	\$ 23,963,278	\$ 20,869,848	\$ 19,243,530
Supplemental Schedule of Noncash Financing and Investing Activities			
Acquisition of Assets in exchange for the issuance of Noncontrolling Interest in UPREIT	\$ 12,992,628	\$ 20,076,468	\$ 6,221,469
Acquisition of Assets in exchange for assumption of Mortgage Notes Payable, at Fair Market Value	\$ 57,111,764	\$ 13,102,712	\$ 9,595,188
Acquisition of Assets in exchange for assumption of Liabilities	\$ 1,114,434	\$ 3,289,578	\$ -
Increase in Land due to increase in Special Assessments Payable	\$ 1,341,309	\$ 526,019	\$ 164,401
Increase in Construction in Process from Accounts Payable	\$ -	\$ 77,425	\$ -
Dividends Issued	\$ 14,734,361	\$ 13,824,861	\$ 15,086,627
Dividends Reinvested	(8,786,025)	(8,200,286)	(8,802,275)
Dividends Paid	5,948,336	5,624,575	6,284,352
Distributions Issued	10,774,397	9,540,127	10,940,320
Distributions Reinvested	(2,736,958)	(2,203,325)	(2,731,853)
Distributions paid to Noncontrolling Interest in UPREIT	8,037,439	7,336,802	8,208,467
Total Dividends and Distributions Paid	<u>\$ 13,985,775</u>	<u>\$ 12,961,377</u>	<u>\$ 14,492,819</u>

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

**Note 1 – Organization and Principal Business Activity**

**Organization**

Dakota Real Estate Investment Trust (the Trust) is organized as a real estate investment trust (REIT) incorporated under the laws of North Dakota. Internal Revenue Code Section 856 requires that 75 percent of the assets of a REIT must consist of real estate assets and that 75 percent of its revenue must be derived from real estate.

The Trust is the general partner in Dakota UPREIT, a North Dakota limited partnership, with ownership of approximately 58% and 58% as of December 31, 2025 and 2024, respectively. Dakota UPREIT is the 100% owner of DPC Apartments, LLC, Central Park, LLC, Apartments at Eagle Lake, LLC, 1709 25<sup>th</sup> Avenue South, LLC, 200 Jackson Avenue, LLC, 415 SW 11<sup>th</sup> Street, LLC, Depot on Main Apartments, LLC, Hunter’s View Fargo, LLC, Hunter’s View Fargo 2, LLC, Sapphire Apartments, LLC, and Park View East Apartments, LLC.

**Principal Business Activity**

The Trust, through its general partner interest in Dakota UPREIT, owns and operates a diverse portfolio of multifamily and commercial real estate. As of December 31, 2025, the Trust’s portfolio consisted of the following:

- 4,739 apartment units
- 166 townhome units
- 2,743,830 of commercial square feet

These properties are located across North Dakota (Fargo, West Fargo, Bismarck, Minot, and Valley City), Minnesota (Moorhead, Lake Elmo, Baxter, Plymouth, Mendota Heights, Vadnais Heights, Eden Prairie, Apple Valley, Eagan, Golden Valley, Zimmerman, Ramsey, and Otsego), Iowa (Council Bluffs, Des Moines, and Johnston), Nebraska (Omaha, Bellevue, and Papillion), and South Dakota (Aberdeen, Watertown, and Sioux Falls).

As general partner of Dakota UPREIT, the Trust has full and exclusive management responsibility for the properties held by the UPREIT.

**Note 2 – Principal Activity and Significant Accounting Policies**

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Trust, and its operating partnership, Dakota UPREIT. The statements also include the accounts of the wholly-owned subsidiaries of Dakota UPREIT as detailed in Note 1 – Organization and Principal Business Activity. All significant intercompany transactions and balances have been eliminated in consolidation.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and highly liquid investments with an original maturity of three months or less.

**Restricted Cash**

Restricted cash consists of amounts held in escrow for real estate taxes, insurance, and replacement reserves as required by mortgage lenders, as well as tenant security deposits. See Note 5 for the components of restricted cash.

**Concentration of Credit Risk**

The Trust's cash and restricted cash balances are maintained in various bank deposit accounts. The deposit accounts may exceed federally insured limits at various times throughout the year. As of December 31, 2025 and 2024, cash balances that exceeded federally insured limits was \$20,074,295 and \$13,309,972, respectively.

**Estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying statements to maintain consistency between periods presented. The reclassifications have no effect on net income or stockholders' equity.

**Tenant Receivables**

Tenant receivables primarily represent amounts accrued and unpaid from tenants in accordance with the terms of the respective leases, subject to the Trust's revenue recognition policy. The Trust reviews receivables monthly and writes off the remaining balance when, in the opinion of management, collection of substantially all remaining payments is not probable. When the Trust determines substantially all remaining lease payments are not probable of collection, it recognizes a reduction of rental revenues for all outstanding balances, including accrued straight-line rent receivables. Any subsequent receipts are recognized as rental revenues in the period received.

**Related Party Notes Receivable**

Notes receivable are reported at their outstanding unpaid principal balance adjusted for the allowance for credit losses. Interest income is accrued on the unpaid principal balance.

Accrued interest receivable on loans totaling \$11,000,000 at December 31, 2025 and 2024, was \$66,306 and \$2,077,047 as of December 31, 2025 and 2024, respectively, which is included in due from related party.

The Trust has determined that the accounting for nonrefundable fees and costs associated with originating loans does not have a material effect on its consolidated financial statements. As such, these fees and costs have been recognized during the period they are collected and incurred, respectively.

**Allowance for Credit Losses (ACL) – Notes Receivable**

The ACL for notes receivable, if any, is a valuation allowance for the current expected credit losses on the Trust's notes receivable that is deducted from the note receivable's amortized cost basis to present the net amount expected to be collected. Notes receivable are charged-off against the allowance when management believes the collectability of the balance is unlikely. Subsequent recoveries, if any, are credited to the ACL.

Management estimates the allowance over the note receivable's entire contractual term, adjusted for expected prepayments when appropriate. The allowance estimate considers information about specific borrower's ability to pay, estimated collateral values, current economic conditions, and reasonable and supportable forecasts. As of December 31, 2025 and 2024 the ACL was zero.

**Prepaid Expenses and Other Assets**

Prepaid expenses and other assets consist of the following at December 31, 2025 and 2024:

	2025	2024
Prepaid Insurance and Other Operating Items	\$ 5,356,951	\$ 4,205,643
Earnest Money and Closing Deposits	200,622	-
Unamortized Debt Issuance Costs - Lines of Credit	187,861	-
Other	215,093	267,418
Total Prepaid Expenses and Other Assets	<u>\$ 5,960,527</u>	<u>\$ 4,473,061</u>

**Real Estate**

The Trust accounts for its real estate property acquisitions in accordance with Financial Accounting Standards Board ("FASB") ASC 805. The Trust has concluded that the acquisition of real estate properties will be accounted for as an asset acquisition as opposed to a business combination. The Trust allocates the purchase price based upon the relative acquisition date fair value of the individual assets acquired and liabilities assumed, which generally include land, building and other improvements, in-place lease value intangibles, acquired above and below market lease intangibles, and assumed financing that is determined to be above or below market, if any. Transaction costs are capitalized as part of the cost of assets acquired.

Furniture and fixtures purchased by the Trust are stated at cost less accumulated depreciation. Costs associated with the development and construction of real estate investments, including interest, are capitalized as a cost of the property. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for routine maintenance and repairs, which do not add to the value or extend useful lives, are charged to expense as incurred.

The Trust reviews the carrying value of property for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2025 and 2024.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	15-20 years
Buildings and improvements	20-40 years
Furniture and fixtures	5-12 years

#### Properties Held for Sale

The Trust classifies a property as held for sale when it meets the criteria of ASC 360, *Property, Plant, and Equipment*, including management's commitment to a plan to sell, the availability of the property for immediate sale, and the probability that the sale will be completed within one year. When these criteria are met, the assets and any related liabilities (primarily mortgage notes payable) are classified as a disposal group and are presented separately in the Consolidated Balance Sheets as Assets held for sale and Liabilities held for sale, respectively.

Assets held for sale are recorded at the lower of their carrying amount or fair value, less estimated costs to sell. Once classified as held for sale, depreciation and amortization of the real estate assets are suspended.

The results of operations for properties classified as held for sale or disposed of are reported as discontinued operations only if the disposal represents a strategic shift that has, or will have, a major effect on the Trust's operations and financial results.

As of December 31, 2025, the Trust had three properties and their related mortgages classified as held for sale; however, management determined these pending dispositions did not meet the criteria for discontinued operations. There were no properties held for sale as of December 31, 2024.

#### Investments in Unconsolidated Partnerships

Investments consist of limited partnership interests in entities owning real estate. Investments in limited partnership interests of more than 20 percent are accounted for under the equity method. Investments are stated at cost, plus the company's equity in earnings or losses since acquisition, less any distributions received.

The Trust reviews investments in unconsolidated entities, to identify and evaluate whether events or changes in circumstances indicate that the carrying amount of our investments may not be recoverable. The Trust will record an impairment charge if we determine the fair value of the investment is less than its carrying value and such impairment is other-than-temporary. Our evaluation of changes in economic or operating conditions and whether an impairment is other-than-temporary may include developing estimates of fair value, forecasted cash flows or operating income before depreciation and amortization.

We estimate undiscounted cash flows and fair values, if applicable, using observable and unobservable data such as operating income before depreciation and amortization, hold periods, estimated capitalization rates, or relevant market multiples, leasing prospects and local market information, expected probabilities of outcomes, if applicable, and whether an impairment is other-than-temporary.

#### Intangible Assets

Intangible assets consist of the allocated cost of in-place leases and real estate tax abatements acquired in connection with the Trust's real estate asset acquisitions.

##### *Real Estate Tax Abatements*

The Trust recognizes acquired property tax abatements as identifiable intangible assets. The cost of the tax abatement is amortized on a straight-line basis over the remaining contractual term of the abatement agreement, which generally ranges from five to six years.

##### *Lease Intangible Assets*

The Trust allocates a portion of the total cost of an asset acquisition to in-place lease intangibles. This allocation represents the estimated cost the Trust would have incurred to lease the property to its current occupancy level, including the opportunity cost of the lost rental revenue during a hypothetical lease-up period. In-place lease intangibles are amortized to amortization expense over the remaining weighted-average contractual term of the respective leases, which generally ranges from six to twelve months. The gross carrying amount, accumulated amortization, and net book value of intangible assets as of December 31, 2025 and 2024 were as follows:

The gross carrying amount, accumulated amortization, and net book value of intangible assets as of December 31, 2025 and 2024 were as follows:

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

		Amount	Amortization	Balance
<u>December 31, 2025</u>				
Real Estate Tax Abatement	Jackson Crossing	\$ 4,000,000	\$ 2,736,176	\$ 1,263,824
Real Estate Tax Abatement	Nexus at Gray's Landing	1,549,836	744,135	805,701
Real Estate Tax Abatement	Depot on Main Apts	754,367	-	754,367
Lease Intangible Asset	Basset Creek	3,176,149	183,239	2,992,910
Lease Intangible Asset	DSG Warehouse	314,684	1,190	313,494
Lease Intangible Asset	Depot on Main Apts	249,650	124,825	124,825
Lease Intangible Asset	Hunter's View Apts	448,843	448,843	-
Lease Intangible Asset	Park View East Apts	543,530	271,765	271,765
Lease Intangible Asset	Sapphire Apts	512,075	256,037	256,038
		<u>\$ 11,549,134</u>	<u>\$ 4,766,210</u>	<u>\$ 6,782,924</u>
		Original Amount	Accumulated Amortization	Unamortized Balance
<u>December 31, 2024</u>				
Real Estate Tax Abatement	Jackson Crossing	\$ 4,000,000	\$ 2,104,597	\$ 1,895,403
Real Estate Tax Abatement	Nexus at Gray's Landing	1,549,836	318,915	1,230,921
Lease Intangible Asset	Basset Creek	3,176,149	-	3,176,149
		<u>\$ 8,725,985</u>	<u>\$ 2,423,512</u>	<u>\$ 6,302,473</u>

Amortization expense was \$2,343,757, \$950,493 and \$631,746 for 2025, 2024, and 2023, respectively.

Future amortization expense related to intangible assets over the next five years are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2026	\$ 1,986,771
2027	1,317,277
2028	605,460
2029	391,172
2030	388,953
Thereafter	2,093,291
	<u>\$ 6,782,924</u>

**Accrued Expenses and Other Liabilities**

Accrued expenses and other liabilities consist of amounts expected to be paid or recognized on the statement of operations within the following year for accounts payable, unearned rent, accrued real estate taxes, accrued interest, other accrued expenses and lessor obligations that were part of the tenant lease negotiations.

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

Accrued expenses and other liabilities as of December 31, 2025, and 2024, were as follows:

	2025	2024
Accounts Payable	\$ 523,690	\$ 547,277
Unearned Rents	1,962,157	2,280,640
Accrued Real Estate Taxes	7,725,374	7,446,696
Accrued Interest	1,343,972	1,088,078
Other Accrued Expenses	891,274	848,433
Lessor Lease Obligations	2,997,141	3,001,152
	<u>\$ 15,443,608</u>	<u>\$ 15,212,276</u>

**Debt Issuance Costs, Premiums, and Discounts**

Loan costs incurred in connection with mortgage note payable financing have been capitalized and are being amortized over the life of the loan using the effective interest method. Unamortized debt issuance costs are reported on the balance sheet as a reduction of mortgage notes payable. Amortization of debt issuance costs is included in interest expense in the consolidated statement of operations.

Debt premiums and discounts, which are included in mortgage notes payable, are being amortized over the remaining life of the loan using the effective interest method. These debt premiums or discounts arise as part of purchase accounting for the fair value of debt assumed in acquisitions.

Debt issuance costs related to the Trust's line-of-credit arrangements are deferred and presented as an asset within prepaid expenses and other assets on the consolidated balance sheets. These costs are amortized on a straight-line basis over the term of the respective credit agreement, regardless of whether there are any outstanding borrowings on the line of credit. Amortization of these costs is included in interest expense in the consolidated statements of operations.

**Noncontrolling Interest**

Interest in Dakota UPREIT held by limited partners is represented by operating partnership units. The operating partnerships' net income and comprehensive income is allocated to holders of units based upon the ratio of their holdings to the total units outstanding during the period. Capital contributions, distributions, syndication costs, and net income or loss are allocated to noncontrolling interest in accordance with the terms of the operating partnership agreement.

**Syndication Costs**

Syndication costs consist of costs paid to attorneys, accountants, and selling agents, related to the raising of capital. Syndication costs are recorded as a reduction to equity.

**Revenue Recognition**

The Trust is the lessor for a portfolio of residential and commercial properties. All leases are classified as operating leases in accordance with ASC 842, *Leases*. Rental revenue is recognized on a straight-line basis over the non-cancelable term of the respective leases, commencing when the tenant takes control of the leased space.

**Residential Leases**

Residential leases generally have terms of one year or less and are renewable upon consent of both parties. In accordance with the practical expedient provided by ASC 842, the Trust accounts for lease and non-lease components such as parking, storage, and non-refundable deposits as a single lease component. These items are bundled because the timing and pattern of revenue recognition are identical and the amenities are not typically leased independently. Lease income is recognized when the collection of lease payments is deemed probable.

**Commercial Leases**

Commercial leases often include fixed contractual rent escalations, which are recognized on a straight-line basis over the lease term. Any lease abatements or "free rent" periods are also straight-lined as a reduction to rental revenue.

Variable lease income including adjustments based on the Consumer Price Index (CPI) and percentage rent based on tenant sales thresholds is recognized in the period in which the changes in facts and circumstances on which the variable lease payments are based occur (i.e., when the revenue is earned).

We record base rents on a straight-line basis. The monthly base rent income according to the terms of our leases is adjusted so that an average monthly rent is recorded for each tenant over the term of its lease. The straight-line rent adjustment increased revenue by \$423,956, \$203,566, and \$287,631 for the years ended December 31, 2025, 2024 and 2023, respectively. The straight-line receivable balance on the consolidated balance sheets as of December 31, 2025 and 2024 was \$3,778,452 and \$3,354,496, respectively.

**Variable Lease Payments (Tenant Recoveries)**

The Trust's commercial leases generally contain provisions requiring tenants to reimburse a proportionate share of real estate taxes, insurance, and common area maintenance (CAM) costs. These amounts are considered variable lease payments and are recognized as revenue in the period the associated expenses are incurred.

Under ASC 842, the Trust has elected the practical expedient to not separate non-lease components (such as CAM reimbursements) from lease components (base rent). Because the timing and pattern of transfer are identical and the lease component is the predominant element, these components are presented as a single line item, rental revenue, in the consolidated statements of operations.

Tenant recoveries are estimated for billing purposes throughout the year. The Trust performs an annual reconciliation to adjust estimated billings to actual costs incurred. Any differences between estimated and actual recoveries are recognized in the period they become known and have historically been immaterial to the consolidated financial statements.

Lease income related to the Trust's operating leases is comprised of the following:

	Year ended December 31, 2025		
	Residential	Commercial	Total
Lease income related to fixed lease payments	\$ 61,864,128	\$ 31,996,502	\$ 93,860,630
Lease income related to variable lease payments	\$ 1,283,071	\$ 11,740,087	\$ 13,023,158
Lease Income	\$ 63,147,199	\$ 43,736,589	\$ 106,883,788

	Year ended December 31, 2024		
	Residential	Commercial	Total
Lease income related to fixed lease payments	\$ 55,183,741	\$ 30,759,439	\$ 85,943,180
Lease income related to variable lease payments	\$ 679,582	\$ 10,520,511	\$ 11,200,093
Lease Income	\$ 55,863,323	\$ 41,279,950	\$ 97,143,273

	Year ended December 31, 2023		
	Residential	Commercial	Total
Lease income related to fixed lease payments	\$ 50,188,946	\$ 30,675,137	\$ 80,864,083
Lease income related to variable lease payments	547,597	10,495,116	11,042,713
Lease Income	\$ 50,736,543	\$ 41,170,253	\$ 91,906,796

**Advertising and Marketing**

Costs incurred for advertising and marketing are expensed as incurred. Advertising and marketing expense totaled \$882,114, \$870,769, and \$748,962, for the years ended December 31, 2025, 2024 and 2023, respectively.

**Income Taxes**

The Trust is organized as a REIT, which calculates taxable income similar to other domestic corporations, with the major difference being that a REIT is entitled to a deduction for dividends paid. A REIT is generally required to distribute each year at least 90 percent of its taxable income. If it chooses to retain the remaining 10 percent of taxable income, it may do so, but it will be subject to a corporate tax on such income. REIT shareholders are taxed on REIT distributions of ordinary income in the same manner as they are taxed on other corporate distributions.

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

For the years ended December 31, 2025, 2024 and 2023, distributions have been determined to be treated as the following for income taxes:

Tax Status of Distributions	2025	2024	2023
Ordinary Income	55.00%	58.00%	44.00%
Return of Capital	45.00%	42.00%	56.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

The Trust intends to continue to qualify as a REIT as defined by the Internal Revenue Code and, as such, will not be taxed on the portion of the income that is distributed to the shareholders. In addition, the Trust intends to distribute all its taxable income, therefore, no provision or liability for income taxes have been recorded in the consolidated financial statements.

Dakota UPREIT is organized as a limited partnership. Income or loss of the UPREIT is allocated to the partners in accordance with the provisions of the Internal Revenue Code 704(c). UPREIT status allows non-recognition of gain by an owner of appreciated real estate if that owner contributes the real estate to a partnership in exchange for partnership units. The conversion of UPREIT units to common shares of the REIT will be a taxable event to the limited partner.

As of December 31, 2025 and 2024, the unrecognized tax benefit accrual was zero. The Trust will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

#### Fair Value Measurements

The Trust has determined the fair value of certain assets and liabilities in accordance with the provisions of FASB ASC Topic 820-10, which provides a framework for measuring fair value under generally accepted accounting principles.

ASC Topic 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC Topic 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

#### Interest Rate Contracts and Hedging Activities

The Trust uses interest rate swap agreements to manage its exposure to interest rate risk. These derivative instruments are used to modify the interest rate characteristics of certain variable-rate debt by effectively converting it to a fixed-rate basis.

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In accordance with ASC 815, *Derivatives and Hedging*, the Trust recognizes all derivative instruments as either assets or liabilities on the Consolidated Balance Sheets at fair value. For derivative instruments designated and qualifying as cash flow hedges, the gain or loss on the derivative is recorded in Accumulated Other Comprehensive Income (AOCI) and subsequently reclassified into interest expense in the same period during which the hedged transaction affects earnings.

#### Note 3 - Interest Rate Swaps

The Trust is exposed to certain risks arising from both its business operations and economic conditions. The Trust principally manages its exposures to a wide range of business and financial risks, including interest rate, convertible, and foreign currency risks, through the use of derivative financial instruments. Specifically, the Trust enters into interest rate swaps to manage its exposure to variable interest rates associated with its mortgage debt.

As of December 31, 2025, the Trust's interest rate swaps are designated and qualify as cash flow hedges. The Trust assesses the creditworthiness of its counterparties and currently anticipates that they will be able to fully satisfy their obligations under the agreements.

The following table summarizes the derivative financial instruments utilized at December 31, 2025 and 2024:

	Balance Sheet Location	Notional Amount	Fair Value	
December 31, 2025				
Interest Rate Swaps	Assets	\$ 64,936,750	\$ 4,724,938	\$ -
Interest Rate Swaps	Liabilities	47,031,268	-	(1,090,040)
		<u>\$ 111,968,018</u>	<u>\$ 4,724,938</u>	<u>\$ (1,090,040)</u>
December 31, 2024				
Interest Rate Swaps	Assets	\$ 81,478,068	\$ 7,701,602	\$ -
Interest Rate Swaps	Liabilities	23,431,314	-	(156,098)
		<u>\$ 104,909,382</u>	<u>\$ 7,701,602</u>	<u>\$ (156,098)</u>

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The following table details the derivative financial instruments, the average remaining maturities and the weighted-average interest rates being paid and received at December 31, 2025 and 2024:

	Notional Value	Maturity (Years)	Fair Value
December 31, 2025			
Interest Rate Swap	\$ 5,033,870	2.90	\$ 3,677
Interest Rate Swap	4,687,740	2.90	3,424
Interest Rate Swap	7,246,300	3.33	174,857
Interest Rate Swap	2,955,577	3.90	162,534
Interest Rate Swap	6,317,963	1.70	286,143
Interest Rate Swap	29,433,779	4.75	3,297,726
Interest Rate Swap	5,631,430	4.66	566,850
Interest Rate Swap	3,630,090	6.25	229,726
Interest Rate Swap	4,405,400	3.75	(77,653)
Interest Rate Swap	10,206,590	3.90	(314,146)
Interest Rate Swap	12,818,332	3.90	(334,525)
Interest Rate Swap	13,400,947	4.58	(275,139)
Interest Rate Swap	6,200,000	5.00	(88,576)
	<u>\$ 111,968,018</u>		<u>\$ 3,634,898</u>
December 31, 2024			
Interest Rate Swap	\$ 9,815,025	0.50	\$ 163,760
Interest Rate Swap	5,194,110	3.90	127,533
Interest Rate Swap	4,837,000	3.90	118,765
Interest Rate Swap	7,478,760	4.33	413,539
Interest Rate Swap	3,057,535	4.90	282,745
Interest Rate Swap	6,548,045	2.70	563,067
Interest Rate Swap	30,493,562	5.75	4,789,390
Interest Rate Swap	5,832,990	5.66	848,746
Interest Rate Swap	3,734,441	7.25	367,800
Interest Rate Swap	4,486,600	4.75	26,257
Interest Rate Swap	10,385,196	4.90	(101,746)
Interest Rate Swap	13,046,118	4.90	(54,352)
	<u>\$ 104,909,382</u>		<u>\$ 7,545,504</u>

The following table summarizes the amount of gains (losses) included in the consolidated statements of operations and other comprehensive income for the years ended December 31, 2025, 2024 and 2023:

	Location	2025	2024	2023
Interest rate swaps	Other Comprehensive Income (Loss)	<u>\$ (3,910,605)</u>	<u>\$ (318,267)</u>	<u>\$ (1,892,861)</u>

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The following table summarizes the reclassification of gains from AOCI into interest expense for the years ended December 31:

	2025	2024	2023
Reclassification adjustment (reduction to interest expense)	<u>\$ 2,189,170</u>	<u>\$ 3,072,679</u>	<u>\$ 2,906,907</u>
	<u>\$ 2,189,170</u>	<u>\$ 3,072,679</u>	<u>\$ 2,906,907</u>

As of December 31, 2025, the Trust estimates that approximately \$1,100,000 of unrealized losses currently maintained in AOCI will be reclassified into earnings as a decrease to interest expense during the next twelve months.

**Note 4 - Fair Value Measurements**

**Fair Value Measurements on a Recurring Basis**

There are three general valuation techniques that may be used to measure fair value on a recurring basis, as described below:

- **Market approach:** This approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (e.g., recent sales of comparable real estate or market trades of similar debt instruments);
- **Income approach:** This approach converts future amounts (such as cash flows or earnings) to a single present amount (discounted) using current market expectations about those future amounts. The Trust primarily utilizes the income approach, specifically discounted cash flow (DCF) analyses and option-pricing models, to value its interest rate swap derivative instruments;
- **Cost approach:** This approach is based on the amount that currently would be required to replace the service capacity of an asset (often referred to as current replacement cost)

Interest rate swaps are classified as Level 2 within the valuation hierarchy. The Trust determines fair value using third-party pricing models that rely primarily on market-observable inputs, such as yield curves and interest rate indices, which can be corroborated by market data. These valuations also incorporate an assessment of counterparty credit risk and the Trust's own non-performance risk. Management reviews and validates these third-party analyses to ensure the estimated values accurately reflect the fair value of the swap contracts as of the reporting date.

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	Total	Quoted Prices in Active Markets Level 1	Other Observable Inputs Level 2	Unobservable Inputs Level 3
December 31, 2025				
Interest Rate Swaps	\$ 4,724,938	\$ -	\$ 4,724,938	\$ -
Total assets	<u>\$ 4,724,938</u>	<u>\$ -</u>	<u>\$ 4,724,938</u>	<u>\$ -</u>
Interest Rate Swaps	\$ 1,090,040	\$ -	\$ 1,090,040	\$ -
Total liabilities	<u>\$ 1,090,040</u>	<u>\$ -</u>	<u>\$ 1,090,040</u>	<u>\$ -</u>
December 31, 2024				
Interest Rate Swaps	\$ 7,701,602	\$ -	\$ 7,701,602	\$ -
Total assets	<u>\$ 7,701,602</u>	<u>\$ -</u>	<u>\$ 7,701,602</u>	<u>\$ -</u>
Interest Rate Swaps	\$ 156,098	\$ -	\$ 156,098	\$ -
Total liabilities	<u>\$ 156,098</u>	<u>\$ -</u>	<u>\$ 156,098</u>	<u>\$ -</u>

The Trust had no assets or liabilities recorded at fair value on a nonrecurring basis as of December 31, 2024. During the year ended December 31, 2025, the Trust recorded a nonrecurring fair value measurement related to the impairment of its investment in certain unconsolidated partnerships.

Description	Fair Value at Measurement Date	Total Loss	Hierarchy
Intestment in Partnerships	<u>\$ -</u>	<u>\$ 1,411,530</u>	Level 3

During the second quarter of 2025, the Trust recognized an other-than-temporary impairment related to its investments in certain unconsolidated partnerships. The fair value of these investments was determined to be zero. The Trust utilized Level 3 inputs to determine fair value, primarily based on internal underwriting utilizing a combination of the market approach, considering recent comparable transactions in the Western North Dakota market, and the income approach, utilizing capitalization rates applied to projected property-level earnings. These measurements are classified as Level 3 because the BOVs rely on significant unobservable inputs and professional judgment regarding property-specific conditions and market sentiment that cannot be corroborated by active market data.

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The following table presents quantitative information about the significant unobservable inputs utilized in the nonrecurring fair value measurement:

Financial Asset	Valuation Technique	Unobservable Input	Weighted Average
Investment in Partnerships	Income Approach	Capitalization Rate	9.00%
	Market Approach	Comparable Sales Price (Per Unit)	\$85,000

**Note 5 - Restricted Cash**

	2025	2024
Tenant Security Deposits	\$ 4,348,250	\$ 3,911,807
Real Estate Tax and Insurance Escrows	2,569,148	1,695,649
Replacement Reserves	10,288,840	8,313,040
Trust Reserves and Other	3,153,875	3,220,173
	<u>\$ 20,360,113</u>	<u>\$ 17,140,669</u>

**Tenant Security Deposits**

Pursuant to management policy, the Trust has set aside funds to repay tenant security deposits after lease termination, in accordance with requirements established by the state where the property is located.

**Real Estate Tax and Insurance Escrows**

Pursuant to the terms of certain mortgages and management policy, the Trust established and maintains a real estate tax escrow and insurance escrow to pay real estate taxes and insurance. The Trust is to contribute to the account monthly an amount equal to 1/12 of the estimated real estate taxes and insurance premiums.

**Replacement Reserves**

Pursuant to the terms of certain mortgages and Trust policy, the Trust established and maintains several replacement reserve accounts. The Trust makes monthly deposits into the replacement reserve accounts to be used for repairs and replacements on the property. Certain replacement reserve accounts require authorization from the mortgage company for withdrawals.

**Trust Reserves and Other**

Pursuant to the terms of the mortgage on the Azool Retail Center, a trust reserve in the amount of \$410,635 was established to be used for the initial tenant leasehold improvements. The funds are held in a noninterest-bearing account by the mortgage holder. The balance of the trust reserve was \$87,133 as of December 31, 2025 and 2024.

Pursuant to the terms of the purchase agreement on the Bassett Creek Innovation Center, a trust reserve in the amount of \$3,093,175 was established to be used for the initial tenant leasehold improvements and to cover the rent abatement period in the lease. The funds are held in an interest-bearing account by the mortgage holder. The balance of the trust reserve was \$2,410,337, and \$3,031,000 as of December 31, 2025 and 2024, respectively.

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During 2025, The Trust sold the Pizza Ranch Building in Dilworth, Minnesota. The net proceeds of \$591,205 are held by a qualified intermediary to facilitate a future Section 1031 tax-deferred exchange and are included in restricted cash as of December 31, 2025.

**Note 6 – Real Estate**

Real Estate as of December 31, 2025 is as follows:

	Residential	Commercial	Total
Land and Land Improvements	\$ 58,814,450	\$ 111,325,819	\$ 170,140,269
Building and Improvements	448,542,989	298,764,223	747,307,212
Furniture and Fixtures	15,273,302	1,214,523	16,487,825
	<u>522,630,741</u>	<u>411,304,565</u>	<u>933,935,306</u>
Less Accumulated Depreciation	(100,416,104)	(64,130,256)	(164,546,360)
Total Real Estate Investments, net	<u>\$ 422,214,637</u>	<u>\$ 347,174,309</u>	<u>\$ 769,388,946</u>

Real Estate as of December 31, 2024 is as follows:

	Residential	Commercial	Total
Land and Land Improvements	\$ 44,312,604	\$ 108,586,554	\$ 152,899,158
Building and Improvements	374,764,606	290,385,611	665,150,217
Furniture and Fixtures	14,035,035	1,122,857	15,157,892
Construction in Process	-	3,013,200	3,013,200
	<u>433,112,245</u>	<u>403,108,222</u>	<u>836,220,467</u>
Less Accumulated Depreciation	(89,824,515)	(58,722,412)	(148,546,927)
Total Real Estate Investments, net	<u>\$ 343,287,730</u>	<u>\$ 344,385,810</u>	<u>\$ 687,673,540</u>

Construction in process consists of a new commercial space, commercial leasehold improvements, and parking lot improvements in Omaha, Nebraska that was not yet completed at December 31, 2024. The project was completed in September 2025.

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**Note 7 - Investments in Unconsolidated Partnerships**

During 2025, the underlying real estate owned by entities in which the Trust held limited partnership interests was sold. As of December 31, 2025 and 2024, the Trust's investments in these unconsolidated partnerships consisted of the following:

	2025	2024
Bakken Heights V, LLLP	\$ -	\$ -
Bakken Heights VIII and X, LLLP	-	-
Williston Real Estate Partners, LLLP	-	-
Dakota Roseland Apartments I, LLLP	-	397,734
Dakota Roseland Apartments IX - XII, LLLP	-	1,013,796
	<u>-</u>	<u>1,013,796</u>
Total Investments	<u>\$ -</u>	<u>\$ 1,411,530</u>

During six month period ending June 30, 2025, the Trust recorded an other-than-temporary impairment charge of \$1,411,530, representing the entire carrying amount of the investment in the two Dakota Roseland partnerships, which is included in loss on impairment of investments in unconsolidated partnerships in the accompanying consolidated statement of operations and other comprehensive income. Following this impairment, the Trust discontinued the equity method of accounting as it had no further obligations or commitments to provide financial support to the partnership.

During 2025, Hi-Line Owners Group, LLC, sold the real estate held by Dakota Roseland Apartments I, LLLP. The Trust held a 50% limited partner interest in the entity, which was affiliated with the late George Gaukler, a former Trustee. The Trust's original investment was \$750,000. At the time of sale, the carrying value of the investment was zero, resulting in a gain on dissolution of \$380,169. As of December 31, 2025, the distribution proceeds were recorded as due from related party on the consolidated balance sheets and were subsequently received in January 2026.

During 2025, Hi-Line Owners Group, LLC, sold the real estate held by Dakota Roseland Apartments IX–XII, LLLP. The Trust held a 39% limited partner interest in the entity, which was affiliated with the late George Gaukler, a former Trustee. The Trust's original investment was \$2,500,000. At the time of sale, the carrying value of the investment was zero and the Trust received no distributions from the liquidation.

During 2025, Hi-Line Owners Group, LLC, sold the real estate held by Williston Real Estate Partners, LLLP. The Trust held a 49% limited partner interest in the entity, which was affiliated with the late George Gaukler, a former Trustee. The Trust's original investment was \$1,700,000. At the time of sale, the carrying value of the investment was zero and the Trust received no distributions from the liquidation.

During 2025, Hi-Line Owners Group, LLC, sold the real estate held by Bakken Heights VIII and X, LLLP. The Trust held a 40% limited partner interest in the entity, which was affiliated with the late George Gaukler, a former Trustee. The Trust's original investment was \$1,000,000. At the time of sale, the carrying value of the investment was zero and the Trust received no distributions from the liquidation.

During 2025, Hi-Line Owners Group, LLC, sold the real estate held by Bakken Heights V, LLLP. The Trust held a 34% limited partner interest in the entity, which was affiliated with the late George Gaukler, a former Trustee. The Trust's original investment was \$325,000. At the time of sale, the carrying value of the investment was zero and the Trust received no distributions from the liquidation.

**Note 8 – Lines of Credit**

The Trust has a \$3,000,000 variable line of credit through First International Bank & Trust at December 31, 2025. The line has a variable interest rate (7.00% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due June 2026, and the line is secured by a mortgage on property. The Trust had an outstanding balance due on the line of credit of \$0 as of December 31, 2025 and 2024, respectfully.

The Trust has a \$1,000,000 variable line of credit through Bravera Bank at December 31, 2025. The line has a variable interest rate (7.00% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due October 2026, and the line is unsecured. The Trust had an outstanding balance due on the line of credit of \$0 at December 31, 2025 and 2024.

The Trust has a \$1,000,000 variable line of credit through Choice Financial Group at December 31, 2025. The line has a variable interest rate (6.00% as of December 31, 2025), interest payments are due monthly, unpaid principal and interest is due May 2026, and the line is secured by a mortgage on property. The Trust had an outstanding balance due on the line of credit of \$550,000 and \$500,000, respectively, at December 31, 2025 and 2024.

The Trust has a \$3,000,000 variable line of credit through Western State Bank at December 31, 2025. The line has a variable interest rate (7.25% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due June 2026, and the line is secured by a mortgage on property. The Trust had an outstanding balance due on the line of credit of \$0 and \$750,000, respectively, at December 31, 2025 and 2024.

The Trust has a \$2,000,000 variable line of credit through Starion Financial at December 31, 2025. The line has a variable interest rate (6.50% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due September 2026 and the line is unsecured. The Trust had an outstanding balance due on the line of credit of \$1,452,375 and \$2,000,000, respectively, at December 31, 2025 and 2024.

The Trust has a \$2,000,000 variable line of credit through First Western Bank & Trust at December 31, 2025 and 2024. The line has a variable interest rate (5.75% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due October 2026 and the line is unsecured. The Trust had an outstanding balance due on the line of credit of \$1,546,741 and \$2,000,000, respectively, at December 31, 2025 and 2024.

The Trust has a \$10,000,000 variable line of credit through Pinnacle Bank at December 31, 2025. The line has a variable interest rate (6.25% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due August 2028, and the line is secured by a mortgage on property. The Trust had an outstanding balance due on the line of credit of \$7,950,096 and \$0, respectively, at December 31, 2025 and 2024.

The Trust has a \$6,000,000 variable line of credit through MinnWest Bank at December 31, 2025. The line has a variable interest rate (7.25% at December 31, 2025), interest payments are due monthly, there are principal curtailments of \$200,000 per year starting December 31, 2023 and continuing through December 31, 2027, unpaid principal and interest is due June 2028. The line is secured by a mortgage on property. The Trust had an outstanding balance due on the line of credit of \$0 and \$5,600,000, respectively, as of December 31, 2025 and 2024.

The Trust has a \$2,000,000 variable line of credit through Western State Bank at December 31, 2025. The line has a variable interest rate (7.25% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due June 2026, and the line is secured by a mortgage on property. The Trust had an outstanding balance due on the line of credit of \$0 at December 31, 2025 and 2024.

The Trust has a \$25,000,000 variable line of credit through First Dakota National Bank as December 31, 2025. The line has a variable interest rate (6.50% at December 31, 2025), interest payments are due monthly, unpaid principal and interest is due March 2026, and the line is secured by a mortgage on property. In addition, the Trust has \$187,861 of unamortized debt issuance costs associated to this line of credit which will be amortized over the next 48 months at \$979 per month. The Trust has an outstanding balance due on the line of credit of \$15,250,000 and \$0, respectively at December 31, 2025 and 2024.

The credit agreements contain customary financial and operating covenants, including minimum net worth and debt service coverage ratios. As of December 31, 2025, the Trust was in compliance with all such covenants.

**Note 9 - Special Assessments Payable**

Special assessments are a method used by cities or other taxing entities to pay for infrastructure improvement projects that benefit specific parcels of land. The cost of these projects is divided amongst the properties that benefit from the improvements and added to the original cost of the land in the period assessed. At December 31, 2025 and 2024, special assessments payable totaled \$5,252,803 and \$4,269,943, respectively. Future principal payments related to special assessments payable over the next five years are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2026	\$ 354,762
2027	323,655
2028	324,206
2029	284,701
2030	269,326
Thereafter	3,696,153
	<u>\$ 5,252,803</u>

**Note 10 – Finance Leases**

In 2022, the Trust assumed two land leases in association with the purchase of the Appareo industrial complex in Fargo, North Dakota. The leases have an original expiration date of December 31, 2044, and both leases have two 10-year option periods that the Trust plans to exercise. As of December 31, 2025, the future lease payments including the two 10-year renewal options were as follows:

Years ending December 31,	Amount
2026	\$ 126,315
2027	126,315
2028	126,315
2029	126,315
2030	132,641
Thereafter (2031-2064)	5,266,671
Less Imputed Interest	(3,397,217)
Present Value of Lease Liabilities	<u>\$ 2,507,355</u>

Upon assumption of the leases, the Trust established finance lease assets and lease liabilities calculated at the present value of the future lease payments. As the Trust's leases do not provide an implicit rate, the Trust calculates a discount rate that approximates the Trust's incremental borrowing rate available at the lease commencement to determine the present value of the future lease payments. The approximated weighted average discount rate as estimated by the Trust was 5.00% as of June 30, 2022, the date the Trust assumed the leases. There are no finance leases that have not yet commenced that would have a significant impact on the Trust's consolidated balance sheets.

Total Lease costs for the year ended December 31, 2025, 2024 and 2023 were as follows:

	2025	2024	2023
Finance lease cost			
Interest on lease liabilities	\$ 121,662	\$ 122,107	\$ 121,690
Amortization of right-of-use assets	58,944	64,487	58,943
Total finance lease cost	<u>\$ 180,606</u>	<u>\$ 186,594</u>	<u>\$ 180,633</u>

Supplemental cash flow information related to leases for the years ended December 31, 2025, 2024 and 2023 is as follows:

	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
- Operating cash flows (Interest portion)	\$ 121,662	\$ 120,300	\$ 120,300
- Financing cash flows (Principal portion)	\$ 4,651	-	-
Other information:			
Weighted-Average Remaining Lease Term	39.0 Years	40.0 Years	41.0 Years
Weighted-Average Discount Rate	5.00%	5.00%	5.00%

Total right-of-use assets and lease liabilities at December 31, 2025 and 2024 were as follows:

Lease Assets - Classification in Balance Sheets	2025	2024
Finance Lease Right-Of-Use Assets	<u>\$ 2,300,434</u>	<u>\$ 2,359,378</u>
Lease Liabilities - Classification in Balance Sheets	2025	2024
Finance Lease Liabilities	<u>\$ 2,507,355</u>	<u>\$ 2,512,006</u>

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**Note 11 - Mortgage Notes Payable**

Terms on mortgage notes payable outstanding at December 31, 2025 are as follows:

	Stated Interest Rate	Maturity Date	Monthly Payment	Effective Interest Rate
<b>Commercial Properties:</b>				
Amber Valley Retail	(v) 4.25%	April 2032	\$ 35,956	4.27%
Minot Metro Center	(v) 6.22%	February 2029	49,354	6.31%
Leevers Building (l)	3.45%	October 2026	3,716	3.45%
Lindquist Square (a) (l)	6.05%	December 2026	5,296	6.05%
Century Plaza, Tuscany, 1228 Airport Rd (a) (l)	6.09%	December 2030	33,707	6.16%
Pioneer Center (b)	3.50%	April 2026	42,645	3.54%
Wanzek Building (f)	(v) 3.31%	April 2030	32,647	3.37%
Willow Creek (a) (g)	6.75%	March 2027	17,486	6.75%
D&M Building (f)	(v) 3.87%	November 2029	18,274	3.98%
Harmony Plaza (f)	(v) 5.38%	October 2028	33,913	5.45%
North Pointe Plaza	6.62%	December 2029	22,488	6.76%
Riverwood Plaza (f)	(v) 5.38%	October 2028	36,416	5.45%
Cummins Building	6.30%	April 2027	15,447	6.71%
First Center South (f)	(v) 4.88%	May 2029	49,522	4.94%
Eagle Pointe III (a)	6.94%	January 2030	26,405	7.36%
ATD - USPO Warehouse (a) (f)	(v) 5.88%	July 2030	85,993	5.99%
Vadnais Square	(v) 3.99%	August 2026	63,278	4.13%
Pinehurst West	(v) 3.50%	August 2031	44,536	3.54%
Tower Plaza (f)	(v) 6.07%	November 2029	84,465	6.25%
City West	(v) 3.96%	January 2032	20,525	4.10%
Pinehurst East	3.71%	May 2027	75,725	3.71%
Azool Retail Center	(v) 4.56%	January 2027	39,862	4.72%
MIDCO Building	4.63%	December 2027	82,681	4.73%
Apple Valley Business Center	4.99%	June 2028	43,246	5.13%
Cash Wise - Timber Creek (f)	(v) 3.00%	September 2027	35,400	3.12%
Apple Creek Warehouse	3.70%	May 2031	33,171	3.85%
Eagandale Tech Center	3.77%	October 2031	46,756	3.88%
32nd Center Building	3.65%	January 2028	24,293	4.84%
Appareo Tech Building	3.75%	July 2027	46,616	3.94%
Beverly Hills Plaza	(v) 5.15%	September 2032	46,350	5.23%
Harrison Village	(v) 5.15%	September 2032	17,125	5.30%
Pebblewood Village	(v) 5.15%	September 2032	16,525	5.29%
Spring Ridge Plaza	(v) 5.15%	September 2032	45,025	5.23%
Tara Plaza	(v) 5.15%	September 2032	25,850	5.23%
Tri-State Warehouse	(v) 6.95%	January 2049	24,302	7.13%
Bassett Creek Innovation Center	6.59%	December 2027	22,130	7.75%
Bassett Creek Innovation Center	5.93%	December 2027	37,063	9.51%
Walnut Creek	(v) 5.15%	September 2032	26,700	5.26%
Westgate Plaza	(v) 5.15%	September 2032	41,575	5.23%
DSG Warehouse (f)	(v) 5.72%	December 2030	36,025	5.72%

	Stated Interest Rate	Maturity Date	Monthly Payment	Effective Interest Rate
<b>Residential Properties:</b>				
Central Park Apartments	3.78%	July 2026	\$ 72,860	3.92%
Eagle Lake Apartments	3.81%	August 2026	46,653	3.96%
Summers at Osgood	4.00%	October 2026	60,000	4.10%
Cooperative Living Center	4.10%	May 2034	6,338	4.10%
Cooperative Living Center	(v) 6.75%	May 2034	665	6.75%
Country Meadows (f)	(v) 4.06%	March 2032	21,246	4.17%
Donegal Apartments	4.84%	October 2032	90,870	4.94%
Washington Heights I	3.83%	June 2027	3,830	3.83%
Urban Meadows 1, 2 & 5	4.25%	May 2027	25,228	4.40%
Westlake II Townhomes	(v) 7.04%	April 2032	14,437	7.04%
Wheatland Townhomes IV	4.08%	March 2027	12,822	4.08%
Urban Meadows 3 (h)	(v) 5.83%	August 2040	13,729	5.83%
Urban Meadows 4	(v) 6.55%	January 2039	8,270	6.55%
Copper Creek	(v) 3.45%	February 2032	40,600	3.50%
Hidden Point I	4.68%	July 2027	13,890	4.68%
Hidden Point IV	4.68%	July 2027	13,910	4.68%
Pacific West Apartments (a) (h)	(v) 6.40%	January 2030	69,437	4.04%
Paramount Apartments (f)	6.20%	November 2029	68,125	6.43%
Wheatland Townhomes III (a)	6.10%	March 2027	9,822	6.10%
One Oak Place (f)	3.05%	September 2030	165,220	3.10%
Prairie Springs	4.00%	August 2032	37,173	4.11%
Prairie Village I & II	5.52%	September 2035	54,679	5.80%
Hidden Pointe II & III (f)	5.89%	October 2029	28,607	6.08%
Bismarck 5 Apts	4.10%	November 2029	96,717	4.20%
Wheatland Place 5-8	3.40%	September 2031	25,709	3.49%
Wheatland TH 1 & 2	5.72%	March 2029	17,784	5.95%
Amber Fields	3.50%	March 2026	30,588	3.67%
Calico Apartments	3.60%	March 2026	24,848	3.73%
Calgory Apartments	3.50%	February 2026	20,751	3.62%
Century East Apartments	3.50%	February 2026	34,761	3.66%
Hidden Pointe V	(v) 4.25%	January 2046	14,810	4.27%
Hidden Pointe VI	(v) 4.05%	June 2029	14,909	4.15%
Britain Towne	(v) 3.45%	October 2031	47,600	3.51%
White Oak Apartments	3.40%	June 2031	42,380	3.48%
The Rowe Apartments	5.85%	August 2027	143,720	6.32%
Nexus at Gray's Landing (c) (i)	2.94%	March 2058	79,371	6.51%
Jackson Crossing	3.20%	September 2051	93,413	3.29%
Hunter's View Apartments (d)	3.70%	October 2029	59,284	5.25%
Hunter's View Townhomes	4.97%	September 2030	9,282	5.80%
Depot on Main ( e )	3.77%	April 2032	43,825	5.45%
Park View Apartments (j)	4.51%	October 2032	101,415	5.34%
Sapphire Apartments (k)	3.77%	April 2032	82,145	5.39%

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

Mortgage notes payable consist of:

	2025		2024	
	Mortgage Balance	Mortgage Balance Less Unamortized Loan Costs	Mortgage Balance	Mortgage Balance Less Unamortized Loan Costs
Commercial Properties:				
Amber Valley Retail	\$ 5,997,827	\$ 5,991,785	\$ 6,167,637	\$ 6,160,530
Minot Metro Center	6,180,520	6,158,579	6,377,305	6,345,831
Century Plaza, Tuscany, 1228 Airport Rd	2,700,676	2,688,371	-	-
Pioneer Center	5,901,907	5,901,301	6,198,462	6,195,974
Wanzek Building	5,631,430	5,619,407	5,832,990	5,817,783
Willow Creek	2,241,076	2,241,076	2,291,207	2,291,207
D&M Building	2,955,577	2,948,893	3,057,535	3,048,974
Harmony Plaza	4,687,740	4,678,271	4,837,000	4,820,617
North Pointe Plaza	3,192,589	3,175,708	3,250,000	3,228,804
Riverwood Plaza	5,033,870	5,023,648	5,194,110	5,176,423
Cummins Building	1,996,968	1,986,454	2,070,180	2,051,505
First Center South	7,246,300	7,229,011	7,478,760	7,456,137
Eagle Pointe III	3,748,300	3,687,521	3,264,547	3,264,007
ATD - USPO Warehouse	13,400,947	13,340,820	-	-
Vadnais Square	10,735,422	10,725,391	11,054,631	11,028,960
Pinehurst West	6,413,513	6,403,890	6,717,095	6,705,438
Tower Plaza	12,818,332	12,733,619	13,046,118	12,938,703
City West	2,937,039	2,931,130	3,062,676	3,050,758
Pinehurst East	10,951,127	10,951,127	11,437,965	11,437,965
Azool Retail Center	5,063,694	5,054,400	5,302,602	5,284,372
MIDCO Building	11,603,401	11,581,639	12,039,712	12,006,385
Apple Valley Business Center	6,067,841	6,050,208	6,301,843	6,276,407
Cash Wise - Timber Creek	6,317,964	6,306,162	6,548,045	6,529,068
Apple Creek Warehouse	5,670,646	5,644,260	5,852,265	5,820,414
Eagandale Tech Center	8,121,399	8,074,730	8,366,944	8,311,368
32nd Center Building	3,704,077	3,698,152	3,855,456	3,846,510
Appareo Tech Building	8,226,676	8,202,918	8,464,028	8,424,653
Beverly Hills Plaza	7,206,332	7,171,839	7,386,972	7,346,682
Harrison Village	2,661,826	2,638,395	2,728,602	2,701,233
Pebblewood Plaza	2,565,906	2,544,442	2,629,772	2,604,698
Spring Ridge Plaza	7,001,373	6,970,922	7,174,874	7,139,306
Tara Plaza	4,017,233	3,995,761	4,116,967	4,091,885
Tri-State Warehouse	3,319,883	3,283,175	3,375,409	3,336,164
Walnut Creek	4,147,782	4,122,576	4,250,873	4,221,429
Westgate Plaza	6,466,696	6,439,318	6,623,226	6,591,247
Bassett Creek Innovation Center	4,029,721	3,936,564	4,029,721	3,889,986
Bassett Creek Innovation Center	7,500,000	7,407,759	-	-
DSG Warehouse	6,200,000	6,200,000	-	-

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

	2025		2024	
	Mortgage Balance	Mortgage Balance Less Unamortized Loan Costs	Mortgage Balance	Mortgage Balance Less Unamortized Loan Costs
Residential Properties:				
Central Park Apartments	\$ 12,998,097	\$ 12,987,966	\$ 13,366,596	\$ 13,338,683
Eagle Lake Apartments	8,075,889	8,068,298	8,318,659	8,299,379
Summers at Osgood	8,897,447	8,891,208	9,248,856	9,233,872
Cooperative Living Center	540,447	540,447	592,906	592,906
Cooperative Living Center	51,000	51,000	55,338	55,338
Country Meadows	3,630,090	3,609,060	3,734,441	3,709,620
Donegal Apartments	12,773,644	12,703,268	13,225,188	13,142,554
Washington Heights I	559,218	559,218	582,960	582,960
Urban Meadows 1,2 & 5	4,228,219	4,219,585	4,345,994	4,331,044
Westlake II Townhomes	880,619	879,900	986,855	985,937
Wheatland Townhomes IV	2,172,150	2,172,150	2,234,762	2,234,762
Urban Meadows 3	1,605,521	1,605,521	1,686,098	1,686,098
Urban Meadows 4	1,201,649	1,201,649	1,221,682	1,221,682
Copper Creek	7,183,615	7,161,680	7,414,808	7,388,940
Hidden Point I	1,536,033	1,536,033	1,628,468	1,628,468
Hidden Point IV	1,569,149	1,569,149	1,660,306	1,660,306
Pacific West Apartments	9,125,135	9,110,156	9,371,996	9,352,831
Paramount Apartments	10,206,590	10,118,762	10,385,196	10,273,847
Wheatland Townhomes III	1,134,710	1,134,710	1,181,563	1,179,683
One Oak Place	29,433,779	29,385,189	30,493,562	30,433,511
Prairie Springs	6,422,396	6,383,614	6,604,006	6,558,611
Prairie Village I and II	9,609,000	9,412,031	-	-
Hidden Pointe 2 and 3	4,405,400	4,374,045	4,486,600	4,446,827
Bismarck 5 Apts	15,188,194	15,139,081	15,706,503	15,643,600
Wheatland Place 5-8	4,567,473	4,548,368	4,715,749	4,692,873
Wheatland Townhomes I and II	2,742,773	2,723,519	2,794,617	2,769,156
Amber Fields	4,317,390	4,315,691	4,527,208	4,518,500
Calico Apartments	3,494,918	3,493,021	3,664,304	3,654,584
Calgory Apartments	2,916,993	2,916,323	3,059,731	3,054,968
Century East Apartments	4,886,367	4,885,145	5,125,484	5,116,716
Hidden Pointe V	2,391,160	2,386,019	2,465,810	2,460,211
Hidden Pointe VI	2,343,837	2,337,208	2,424,186	2,415,492
Britain Towne	6,928,514	6,909,959	7,251,883	7,229,464
White Oak Apartments	7,466,826	7,434,469	7,714,064	7,675,059
The Rowe Apartments	23,466,305	23,297,236	23,788,687	23,512,885
Jackson Crossing	19,646,304	19,363,789	20,130,149	19,828,109
Nexus at Gray's Landing	12,767,318	12,640,205	13,021,467	12,888,398
Hunter's View Apartments	11,263,472	11,263,472	-	-
Hunter's View Townhomes	1,621,883	1,561,078	-	-
Depot on Main	8,707,212	8,707,212	-	-
Park View Apartments	19,198,578	19,198,578	-	-
Sapphire Apartments	16,361,707	16,361,707	-	-
Notes paid in full	-	-	23,000,271	22,983,410
	<u>\$ 533,180,631</u>	<u>\$ 530,895,941</u>	<u>\$ 472,602,481</u>	<u>\$ 470,222,708</u>

- (a) The Trust refinanced the terms of these loans in 2025.
- (b) Step down revolving mortgage loan that allows for principal to be advanced and paid down multiple times during the term of the loan.
- (c) The Trust has entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) that contains the following provisions:
- During the term of the regulatory agreement, the Trust is obligated to make monthly deposits in the amount of \$5,917 to a replacement reserve. Disbursements from the reserve are to be used for the replacement of property and other necessary project expenditures and are to be made only with HUD approval. The funds may also be used as payment on the mortgage in the event of default.
  - All distributions to the Trust can be made only after the end of the semiannual or annual fiscal period. Distributions may be made only to the extent sufficient surplus cash is available after payment of all operating expenses, escrow deposits required by HUD, and principal and interest on the HUD-insured mortgage.
  - In the event of a default on the mortgage, all rents, profits, and income of the project are to be assigned to HUD.
  - Under the terms of the regulatory agreement, the Company is required to maintain an account to hold security deposits collected from tenants. This account is required to be separate and apart from all other funds of the project in a trust account and the amount shall be at all times equal to or exceed the aggregate of all outstanding obligations under said account.
- (d) Mortgage loan balance was \$11,853,951 at year end, with a stated interest rate of 3.70%. At the time of acquisition, it was determined that a portion of the purchase price should be allocated due to the below market interest rate. As a result, the reflected interest rate is 5.24% and the remaining unamortized debt discount is \$590,479.
- (e) Mortgage loan balance was \$9,440,000 at year end, with a stated interest rate of 3.77%. At the time of acquisition, it was determined that a portion of the purchase price should be allocated due to the below market interest rate. As a result, the reflected interest rate is 5.25% and the remaining unamortized debt discount is \$732,788.
- (f) Mortgage loan interest rate tied to a cash flow hedge interest rate swap.
- (g) Mortgage loan extension or modification completed subsequent to year-end. See Note 18 for additional information.
- (h) Interest rate repriced in 2025 according to terms in original loan agreement.
- (i) Mortgage loan balance was \$18,752,201 at year end, with a stated interest rate of 2.94%. At the time of acquisition, it was determined a portion of the purchase price should be allocated due to the below market interest rate. As a result, the reflected interest rate is 6.46% and the remaining unamortized debt discount is \$6,125,555.
- (j) Mortgage loan balance was \$19,992,000 at year end, with a stated interest rate of 4.51%. At the time of acquisition, it was determined that a portion of the purchase price should be allocated due to the below market interest rate. As a result, the reflected interest rate is 5.25% and the remaining unamortized debt discount is \$793,422.
- (k) Mortgage loan balance was \$17,649,000 at year end, with a stated interest rate of 3.77%. At the time of acquisition, it was determined that a portion of the purchase price should be allocated due to the below market interest rate. As a result, the reflected interest rate is 5.25% and the remaining unamortized debt discount is \$1,332,294.
- (v) Variable rate mortgage note payable. Original note had a maturity in excess of 10 years with a fixed interest rate for 5 or 7 years and then an interest rate adjustment after the 60<sup>th</sup> or 84<sup>th</sup> payment. Stated interest rate is the rate charged as of December 31, 2025.

All mortgage notes payable above are secured by a mortgage on property and equipment and an assignment of rents and leases on commercial properties where appropriate in addition to the items (a) through (i) listed above.

Long-term debt maturities are as follows:

<u>Years ending December 31,</u>	
2026	\$ 74,306,717
2027	100,414,543
2028	28,880,170
2029	79,223,151
2030	85,405,361
Thereafter	174,384,555
Unamortized Debt Issuance Costs	(2,284,690)
Unamortized Debt Discounts	(9,433,866)
	<u>\$ 530,895,941</u>

The Trust has certain loan agreements containing covenants related to, among other matters, the maintenance of debt service coverage ratios. As of December 31, 2025, the Trust was in violation of seven of these covenants primarily due to increased repair and maintenance costs, increased utilities, and increased vacancies in the North Dakota, South Dakota, and Minnesota markets. The loans were secured by various properties with an outstanding balance of \$29,456,371. Annual waivers were received from the lenders on all loans not in compliance with the debt service coverage covenants as of December 31, 2025. As of December 31, 2024, nine loans were out of technical compliance due to increased repairs and maintenance, utilities, and increased vacancies in the North Dakota, South Dakota, and Minnesota markets. The loans were secured by various properties with a total outstanding balance of \$41,089,180. Annual waivers were received from the lenders on all loans not in compliance with the debt service coverage covenants as of December 31, 2024.

## Note 12 - Related Party Transactions

### Due from Related Party and Related Party Notes Receivable

Due from Related Party and Related Party Notes Receivable as of December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
TSPTN21, LLC - Sterling North - Note Receivable	\$ 11,000,000	\$ 11,000,000
TSPTN21, LLC - Sterling North - Accrued Interest	66,306	2,077,047
Hi-Line Owners Group - Estate of George Gaukler	380,169	-
The Rowe at 57th, LLC - Guarantee	566,403	-
	<u>\$ 12,012,878</u>	<u>\$ 13,077,047</u>

### Advisory Management Fee

During 2025, 2024 and 2023, the Trust incurred advisory management fees of \$3,811,525, \$3,478,351 and \$3,200,300, respectively, to Dakota REIT Management, LLC (the Advisor). The Advisor was partially owned by the Estate of George Gaukler, former Trustee of the Trust, and is currently owned by Matt Pedersen, President and Trustee of the Trust and James Haley, Treasurer of the Trust.

#### Acquisition Fees

During 2025, 2024, and 2023 the Trust incurred \$1,462,500, \$927,454, and \$314,250, respectively, to the Advisor for acquisition fees relating to the purchase of new properties. Acquisition fees are capitalized and depreciated over the life of the property.

#### Rental Revenue

During 2025, 2024 and 2023, the Trust recorded rental revenue of \$319,448, \$289,063, and \$214,874, respectively under an operating lease agreement with the Advisor and entities controlled by the Advisor.

#### Financing Fees

During 2025, 2024, and 2023 the Trust incurred \$291,052, \$193,289 and \$32,520, respectively, to the Advisor for financing fees related to the financing of mortgage notes payable. Financing fees are capitalized and amortized over the life of the mortgage.

#### UPREIT Fees

During 2025, 2024, and 2023 the Trust incurred \$20,697, \$18,000, and \$13,800, respectively, to the Advisor for UPREIT fees related to the UPREIT transactions on property acquisitions. UPREIT fees are capitalized and amortized over the life of the related mortgage.

#### Disposition Fees

During 2025, 2024 and 2023, the Trust incurred \$13,500, \$0, and \$0 to the Advisor for disposition fees related to the sale of properties.

#### Acquisitions and Investments

During 2024, the Trust acquired The Rowe Phase III consisting of 1 mixed use building with 46 apartment units and 16,511 of commercial square footage for a purchase price of \$12,080,243, from C.R. Lloyd Associates, Inc. of which Craig Lloyd, former Trustee of the Trust, was part owner.

During 2023, the Trust acquired The Rowe Phase II consisting of 3 – 36-unit apartment building totaling 108 apartment units for a purchase price of \$15,700,000, from C.R. Lloyd Associates, Inc. of which Craig Lloyd, former Trustee of the Trust, is part owner.

#### Property Management Fees, Leasing Fees and Commissions

During 2025, 2024 and 2023, the Trust incurred property management fees of 1 to 5 percent of rents, depending on the property, and maintenance and payroll fees to Valley Rental 2, LLC, dba Valley Rental, an entity controlled by the Advisor, of which the former George Gaukler, former Trustee of the Trust, Matt Pedersen, President and Trustee of the Trust, and James Haley, Treasurer of the Trust, hold an ownership interest. For the years ended December 31, 2025, 2024 and 2023, the Trust paid management fees of \$1,703,893, \$1,409,889, and \$1,308,471, respectively, and maintenance and payroll fees of \$2,554,039, \$2,602,229 and \$2,214,785, respectively, to Valley Rental.

During 2025, 2024 and 2023, the Trust incurred property management fees of 1 to 5 percent of rents, depending on the property, maintenance and payroll fees and commercial leasing fees of 3 to 5 percent to Property Resources Group, an entity in which Kevin Christianson, Trustee of the Trust, is a principal. The Trust paid management fees of \$210,493, \$206,135 and \$191,614, respectively, and maintenance and payroll fees of \$300,046, \$371,817 and \$335,973, respectively, and leasing fees of \$100,895, \$334,065 and \$202,525, respectively, to Property Resources Group for the years ended December 31, 2025, 2024 and 2023.

During 2025, 2024 and 2023, the Trust incurred property management fees of 2 to 5 percent of rents, depending on the property, to the Advisor, an entity in which the former George Gaukler, former trustee of the Trust, Matt Pedersen, President and Trustee of the Trust, and James Haley, Treasurer of the Trust, hold an ownership interest. The Trust paid management fees of \$449,770, \$483,401 and \$455,374, respectively, to Dakota REIT Management, LLC, for the years ended December 31, 2025, 2024 and 2023.

During 2025, 2024 and 2023, the Trust incurred property management fees of 3 to 5 percent of rents, depending on the property, maintenance and payroll fees and commercial and residential leasing fees to Lloyd Companies, an entity in which Craig Lloyd, former Trustee of the Trust, held an ownership interest. The Trust paid management fees of \$675,990, \$675,612 and \$590,022, maintenance and payroll fees of \$846,969, \$962,200 and \$854,603, and leasing fees of \$165,978, \$116,848 and \$275,507, respectively, to Lloyd Companies for the years ended December 31, 2025, 2024 and 2023, respectively.

#### Related Party Notes Receivable

During 2022, the Trust increased the note receivable to \$11,000,000 from \$9,450,000 for TSPTN21, LLC, an entity partially owned by Jerry Slusky, Trustee of the Trust for the construction of a 216-unit apartment complex in Ankeny, Iowa. The note receivable has an interest rate of 7% and comes due six months after project stabilization, or 36 months after the effective date of the note, or 90 days after written notice of waiver of the conversion option is delivered. As part of the consideration received the Trust shall have the option to convert the note receivable into not less than a 51% share of the apartment complex upon completion. TSPTN21, LLC had drawn \$11,000,000 on the line as of December 31, 2025 and 2024. The Trust earned interest on the note receivable in the amount of \$784,204, \$782,480 and \$716,749, in 2025, 2024 and 2023, resulting in total interest receivable of \$66,056 and \$2,077,047 as of December 31, 2025 and 2024, respectively. Per the agreement the interest earned will accrue until the maturity date of the note at which time The Trust will have the option to convert the interest earned into additional equity.

During 2024, 2023, and 2022, the Trust loaned \$3,000,000 in various increments to C.R. Lloyd Associates, Inc, an entity that constructed a 154 apartment units and 16,511 commercial square feet complex in Sioux Falls, South Dakota. C.R. Lloyd Associates, Inc. is an entity in which Craig Lloyd holds an ownership interest. The note receivable was paid in full in 2024. The note receivable had an interest rate of 6%. The Trust earned interest on the note receivable in the amount of \$105,038 and \$103,500, for the years ended December 31, 2024 and 2023, respectively. There was a balance on the note receivable of \$0 as of December 31, 2024.

### Related Party Guarantee

As part of the purchase of The Rowe Phase I, II, and III, from C.R. Lloyd Associates, Inc., of which the late Craig Lloyd, former trustee, was a partial owner, C.R. Lloyd Associated, Inc., provided an unconditional cash flow guarantee providing a 7% return on the original projected equity in the projects of \$8,896,049 starting on January 1, 2025. The guarantee remains in effect for the earlier of (A) twenty-four months, or (B) the month in which the cumulative return over 12 consecutive months is equal to or greater than the 7% guaranteed return. For the year ended December 31, 2025, the Trust recognized income of \$566,403 related to this guarantee, which is included in other income on the consolidated statements of operations. As of December 31, 2025, the full amount remains outstanding and is included in due from related party on the consolidated balance sheets.

### Note 13 – Noncontrolling Interest in Operating Partnership

As of December 31, 2025, 2024, and 2023 noncontrolling limited partnership units totaled 11,266,535, 10,830,452 and 9,821,061, respectively. During 2025, 2024, and 2023 the Trust declared distributions of \$10,774,397, \$9,540,127 and \$10,940,320, respectively, to noncontrolling interest limited partners, which were \$0.98, \$0.97 and \$0.92 per unit for the years ended December 31, 2025, 2024 and 2023. As of December 31, 2025 and 2024, distributions payable to noncontrolling limited partnership units totaled \$0.

### Note 14 - Beneficial Interest

The Trust is authorized to issue Class I common shares with \$1 par value. The primary distinction between Class I shares and Class A and Class B shares is that Class I shares can only be sold through Registered Investment Advisors, family offices and other institutional and fiduciary accounts or directly by representatives of the Trust and payment of commissions on the sale of Class I shares by the Trust is prohibited. Class A and B shares can only be sold through broker/dealers or directly by a representative of the Trust and a sales commission of up to 6% can be paid on share purchase transactions. As of December 31, 2025, 2024 and 2023, there were 4,249,597, 3,654,484 and 3,163,503 Class I shares issued, respectively.

The Trust is authorized to issue Class A common shares, Class B common shares and Class I common shares with \$1 par values, which collectively represent the beneficial interest of the Trust. Holders of Class A shares and Class I shares have the right to vote regarding amendments to the Declaration of Trust, changes to the Bylaws, election of Trustees, liquidation, roll-up transactions, sale of the Trust, and the term of the Trust. Class A and Class I shareholders also have the right to demand a special meeting of shareholders. The primary distinction between Class A and Class B and Class I shares is that Class B shares do not have the voting rights which Class A and Class I shares have and Class I shares can only be sold through registered investment advisors, family offices, and other institutional fiduciary accounts or directly by representatives of the Trust and payment of commissions on the sale of Class I shares by the Trust is prohibited.

As of December 31, 2025, 2024 and 2023, there were 8,901,442, 8,697,596 and 8,491,279, respectively, shares of Class A common shares outstanding. As of December 31, 2025, 2024 and 2023, there were 2,374,114, 2,319,364 and 2,275,407, respectively, shares of Class B common shares outstanding.

Common shares outstanding and common share amount by class of common stock for the years ended December 31, 2025, 2024 and 2023 are as follows:

	Common Shares				Common Shares Amount			
	Class A	Class B	Class I	Total	Class A	Class B	Class I	Total
Balance, December 31, 2022	8,264,214	2,200,050	2,018,075	12,482,339	\$ 83,536,172	\$ 23,975,697	\$ 32,462,038	\$ 139,973,907
2023 Shareholder Activity:								
Common Shares Issued	117,712	28,083	997,395	1,143,190	2,118,800	505,500	17,953,108	20,577,408
UPREIT units converted to REIT common shares	10,000	-	-	10,000	180,000	-	-	180,000
Repurchase of Shares	(165,973)	(54,120)	-	(220,093)	(2,876,371)	(890,599)	-	(3,766,970)
Dividends Reinvested	265,326	101,394	148,033	514,753	4,537,078	1,733,833	2,531,364	8,802,275
Syndication Costs	-	-	-	-	(72,416)	(19,366)	(25,586)	(117,368)
Balance, December 31, 2023	8,491,279	2,275,407	3,163,503	13,930,189	\$ 87,423,263	\$ 25,305,065	\$ 52,920,924	\$ 165,649,252
2024 Shareholder Activity:								
Common Shares Issued	95,368	29,712	397,980	523,060	1,811,983	564,526	7,561,615	9,938,124
UPREIT units converted to REIT common shares	14,415	-	-	14,415	273,894	-	-	273,894
Repurchase of Shares	(118,995)	(67,157)	(64,377)	(250,529)	(2,114,924)	(1,200,836)	(1,100,848)	(4,416,608)
Dividends Reinvested	215,529	81,402	157,378	454,309	3,890,300	1,469,318	2,840,668	8,200,286
Syndication Costs	-	-	-	-	(23,216)	(6,191)	(9,756)	(39,163)
Balance, December 31, 2024	8,697,596	2,319,364	3,654,484	14,671,444	\$ 91,261,300	\$ 26,131,882	\$ 62,212,604	\$ 179,605,786
2025 Shareholder Activity:								
Common Shares Issued	132,210	37,518	450,155	619,883	2,511,997	712,851	8,552,947	11,777,795
UPREIT units converted to REIT common shares	-	-	-	-	-	-	-	-
Repurchase of Shares	(156,106)	(65,923)	(30,906)	(252,935)	(2,825,741)	(1,188,112)	(528,496)	(4,542,349)
Dividends Reinvested	227,742	83,155	175,864	486,761	4,110,734	1,500,940	3,174,350	8,786,024
Syndication Costs	-	-	-	-	(27,733)	(7,397)	(13,240)	(48,370)
Balance, December 31, 2025	8,901,442	2,374,114	4,249,597	15,525,153	\$ 95,030,557	\$ 27,150,164	\$ 73,398,165	\$ 195,578,886

Dividends declared were \$0.98, \$0.97 and \$0.92, per unit for the years ending December 31, 2025, 2024 and 2023, respectively.

### Note 15 - Rental Revenue

Although the majority of the Trust's apartment unit and commercial leasing income is derived from fixed lease payments, some lease agreements also allow for variable payments. The primary driver of variable leasing income comes from utility reimbursements from apartment unit leases and common area maintenance reimbursements from commercial leases.

At the end of the term of apartment unit leases, unless the lessee decides to renew the lease with the Trust at the market rate or gives notice not to renew, the lease will be automatically renewed on a month-to-month term. Apartment unit leases include an option to terminate the lease, however the lessee must pay the Trust for expected or actual downtime to find a new tenant to lease the space and a lease termination fee specified in the lease agreement. Most commercial leases include options to renew, with the renewal periods extending the term of the lease for no greater than the same period of time as the original lease term. The initial option to renew for commercial leases will typically be based on a fixed price while any subsequent renewal options will generally be based on the current market rate at the time of the renewal. Certain commercial leases contain lease termination options that would require the lessee to pay termination fees based on the expected amount of time it would take the Trust to re-lease the space.

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The Trust's apartment unit and commercial lease agreements do not contain residual value guarantees. As the Trust is the lessor of real estate assets which tend to either hold their value or appreciate, residual value risk is not deemed to be substantial. Furthermore, the Trust carries comprehensive liability, fire, extended coverage, and rental loss insurance for each of its communities.

A maturity analysis of undiscounted future minimum non-cancellable base rent to be received under the above leases as of December 31, 2025 is summarized as follows:

Years ending December 31,	Amount
2026	\$ 69,460,903
2027	27,992,905
2028	24,616,270
2029	19,923,380
2030	16,617,302
Thereafter	41,026,233
	<u>\$ 199,636,993</u>

The maturity analysis above excludes \$417,052 of future minimum lease payments associated with three properties classified as held for sale as of December 31, 2025.

**Note 16 – Acquisitions and Dispositions**

The Trust continued to implement its strategy of acquiring properties in desired markets. In addition, the Trust continued to implement its strategy of disposing of properties that the Board of Trustees deems do not fit the long-term goals for the real estate portfolio.

**Acquisitions**

The Trust acquired the following properties during the year ended December 31, 2025:

Date	Property Name	Location	Property Type	Units/Square Footage/Acres	Total Net Assets Acquired
3/31/2025	Hunter's View Apartments	Fargo, ND	Apartment Complex	172 units	\$ 7,847,414
7/1/2025	Hunter's View Townhomes	Fargo, ND	Townhomes	12 units	1,056,185
8/13/2025	Depot on Main	Zimmerman, MN	Apartment Complex	65 units	4,371,721
8/13/2025	Park View Apartments	Ramsey, MN	Apartment Complex	121 units	8,323,867
8/13/2025	Sapphire Apartments	Ramsey, MN	Apartment Complex	118 units	8,410,857
12/19/2025	Kadler Industrial Building	Otsego, MN	Industrial Warehouse	30,090 Sq Feet 6.0 Acres	8,963,958
					<u>\$ 38,974,002</u>

In connection with the 2025 acquisitions, the Trust issued 677,704 limited partnership units in Dakota UPREIT valued at \$19.00 per unit for an aggregate consideration of approximately \$12,992,628. The Trust collected \$116,252 in administrative fees related to these issuances.

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

The Trust acquired the following properties during the year ended December 31, 2024:

Date	Property Name	Location	Property Type	Units/Square Footage/Acres	Total Net Assets Acquired
3/29/2024	Nexus at Grey's Landing	Des Moines, IA	Mixed-use	142 units 3,000 Sq. Feet	\$ 10,264,871
8/20/2024	The Rowe Phase III	Sioux Falls, SD	Mixed-use	46 Units 16,511 Sq. Feet	12,246,941
12/16/2024	Bassett Creek Innovation Center	Golden Valley, MN	Medical/Research	90,377 Sq. Feet	17,995,915
					<u>\$ 40,507,727</u>

In connection with the 2024 acquisitions, the Trust issued 1,042,241 limited partnership units in Dakota UPREIT valued at \$19.00 per unit for an aggregate consideration of approximately \$20,076,468. The Trust collected \$273,889 in administrative fees related to these issuances.

The Trust acquired the following properties during the year ended December 31, 2023:

Date	Property Name	Location	Property Type	Units/Square Footage/Acres	Total Net Assets Acquired
5/17/2023	The Rowe II - Buildings 1 and 2	Sioux Falls, SD	Apartment Complex	72 units	\$ 2,890,929
8/31/2023	The Rowe II - Building 3	Sioux Falls, SD	Apartment Complex	36 Units	3,562,179
12/21/2023	Tri-State Warehouse	Sioux Falls, SD	Industrial Warehouse	53,650 Sq. Feet	5,330,750
					<u>\$ 11,783,858</u>

In connection with the 2023 acquisitions, the Trust issued 344,835 limited partnership units in Dakota UPREIT valued at \$18.00 per unit for an aggregate consideration of approximately \$ 6,221,469. The Trust collected \$14,439 in administrative fees related to these issuances.

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

The following table summarizes the allocation of the purchase price, before prorations, the Trust recorded in conjunction with the acquisitions discussed above:

	2025	2024	2023
Total Purchase Price			
Purchase Price	\$ 94,529,980	\$ 62,099,069	\$ 20,950,000
Acquisition Costs	2,670,220	937,454	429,046
Total	<u>\$ 97,200,200</u>	<u>\$ 63,036,523</u>	<u>\$ 21,379,046</u>
Allocation of Purchase Price			
Restricted Cash	\$ 723,068	\$ 396,500	\$ -
Land	11,996,620	8,117,726	1,778,015
Building	77,055,017	43,591,076	19,601,031
Furniture and Fixtures	675,008	-	-
Land Improvements	3,920,427	-	-
Other Assets	6,910	68,729	-
Total Real Estate Properties	<u>94,377,050</u>	<u>52,174,031</u>	<u>21,379,046</u>
Intangible Assets			
Lease Intangible Asset	2,068,782	3,176,150	-
Real Estate Tax Abatement	754,367	1,549,836	-
Net Intangible Assets	<u>2,823,149</u>	<u>4,725,986</u>	<u>-</u>
Liabilities			
Assumed Debt, fair market value	(57,111,764)	(13,102,712)	(9,595,188)
Other Liabilities	(1,114,434)	(3,289,578)	-
Total Liabilities Assumed	<u>(58,226,198)</u>	<u>(16,392,290)</u>	<u>(9,595,188)</u>
Net Assets Acquired	38,974,002	40,507,727	11,783,858
Less:			
Noncontrolling Interest in UPREIT Issued	(12,992,628)	(20,076,468)	(6,221,469)
Net Cash Consideration	<u>\$ 25,981,374</u>	<u>\$ 20,431,259</u>	<u>\$ 5,562,389</u>

The intangible assets acquired during 2025 consist primarily of in-place leases, which have a weighted-average amortization period of 2.5 years and real estate tax abatements which have a weighted-average amortization period of 7 years. In aggregate the total intangible assets have a weighted average amortization period of 3.75 years.

#### Dispositions

During 2025, the Trust sold a 4,862 square foot commercial building in Dilworth, Minnesota. The sale price for the commercial building was \$900,000. The Trust originally purchased the building in 2012 for \$820,000.

During 2023, the Trust sold a 144,441 square foot mixed use building in Bloomington, Minnesota. The sale price for the mixed-use building was \$12,750,000. The Trust originally purchased the building in 2019 for \$11,850,000.

**Dakota Real Estate Investment Trust**  
Notes to Consolidated Financial Statements  
December 31, 2025, 2024 and 2023

During 2023, the Trust sold a 21,745 square foot office building in Minot, North Dakota. The sale price for the office building was \$700,000. The Trust originally purchased the building in 2011 for \$960,000.

#### Note 17 - Commitments and Contingencies

##### Environmental Matters

Federal law (and the laws of some states in which the Trust may acquire properties) imposes liability on a landowner for the presence on the premises of hazardous substances or wastes (as defined by present and future federal and state laws and regulations). This liability is without regard to fault or knowledge of the presence of such substances and may be imposed jointly and severally upon all succeeding landowners. If such hazardous substance is discovered on a property acquired by the Trust, the Trust could incur liability for the removal of the substances and the cleanup of the property. There can be no assurance that the Trust would have effective remedies against prior owners of the property. In addition, the Trust may be liable to tenants and may find it difficult or impossible to sell the property either prior to or following such a cleanup.

##### Risk of Uninsured Property Losses

The Trust maintains property damage, fire loss, and liability insurance. However, there are certain types of losses (generally of a catastrophic nature), which may be either uninsurable or not economically insurable. Such excluded risks may include war, earthquakes, tornados, certain environmental hazards, and floods. Should such events occur, (i) the Trust might suffer a loss of capital invested, (ii) tenants may suffer losses and may be unable to pay rent for the spaces, and (iii) the Trust may suffer a loss of profits which might be anticipated from one or more properties.

##### Pending Litigation

As of December 31, 2025, the Trust is involved in various legal proceedings arising from the ordinary operations directly related to the real estate industry. While the outcome of these matters cannot be predicted with certainty, based on advice from legal counsel, management believes the potential liability from these matters is not expected to have a material adverse effect on the Trust's financial position.

##### Purchase Commitments

During 2025, the Trust signed an agreement to purchase a mixed use building consisting of 112 apartment units and 11,774 square feet of commercial space in Omaha, Nebraska, for approximately \$27,150,000. The Trust expects to close on this property in the first quarter of 2026.

**Note 18 - Subsequent Events**

Subsequent to year-end, the Trust sold a 29,882 square foot commercial building in Valley City, North Dakota, for approximately \$2,250,000. The building had an original purchase price of approximately \$950,000 and a carrying value of approximately \$589,350 at the time of sale. The transaction is expected to result in a gain on sale of approximately \$1,624,900 in the first quarter of 2026. The building was included in assets held for sale on the consolidated balance sheet.

Subsequent to year-end, the Trust sold a 12,500 square foot industrial building in Bismarck, North Dakota, for approximately \$1,400,000. The building had an original purchase price of approximately \$747,915 and a carrying value of approximately \$514,590 at the time of sale. The transaction is expected to result in a gain on sale of approximately \$813,500 in the first quarter of 2026. The building was included in assets held for sale on the consolidated balance sheet.

Subsequent to year-end, the Trust purchased a 45,740 square foot industrial flex building in Oakdale, Minnesota, for approximately \$7,750,000.

Management has evaluated subsequent events through March 11, 2026, the date which the consolidated financial statements were available to be issued.

Supplementary Information  
December 31, 2025, 2024 and 2023

**Dakota Real Estate Investment Trust**

**Dakota Real Estate Investment Trust**  
Consolidated Schedules of Funds from Operations  
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
Funds from Operations *			
Net Income	\$ 9,337,396	\$ 11,370,000	\$ 10,573,147
Depreciation and Amortization	23,523,067	20,148,336	18,402,534
Amortization of Right-of-Use Asset	(58,944)	(64,487)	(58,944)
Loss (Gain) on Sale of Property	(197,633)	-	1,099,389
Gain from Investment in Unconsolidated Partnerships	(380,169)	-	-
Loss on Impairment of Investment in Unconsolidated Partnerships	1,411,530	-	-
Impairment of Lease Assets	-	-	949,291
Depreciation and Amortization from Equity Method Investments	-	265,328	300,559
Funds from Operations (FFO)	33,635,247	31,719,177	31,265,976
Amortization of Debt Issuance Costs	655,547	464,340	518,524
Straight-Line Rent	(423,956)	(203,565)	(287,631)
Amortization of Debt Discount	390,630	207,354	-
Insurance Recovery	-	(716,422)	-
Gain on Involuntary Conversion of Property	-	-	(1,501,507)
Adjusted Funds from Operations (AFFO) **	\$ 34,257,468	\$ 31,470,884	\$ 29,995,362
FFO per Share/Unit	\$ 1.29	\$ 1.32	\$ 1.36
AFFO per Share/Unit	\$ 1.32	\$ 1.31	\$ 1.31
Share Price as of December 31 - (\$19.00 for 2025 and 2024 \$18.00 for 2023)			
Price/FFO Ratio	14.70	14.43	13.19
Price/AFFO Ratio	14.44	14.54	13.75
Weighted Average Shares/Units	26,029,346	24,084,814	22,915,146

\* Funds from operations (FFO) are a supplemental non-GAAP financial measurement used as a standard in the real estate industry to measure and compare the operating performance of real estate companies.

\*\* Adjusted Funds from Operations (AFFO) takes the standard FFO and then adjusts it for certain items that are unique or occur infrequently.