

### QUARTERLY SUMMARY

Dakota REIT is setting the standard for private REITs with a 23-year track record of providing high and consistent distribution yields and appreciation of shareholder value. Since inception, we have achieved a 11.74% Compounded Return with distributions reinvested compared to 8.62% and 8.07% for the FTSE NAREIT Index and S&P 500, respectively.

The total return for Dakota REIT shares for 2020 was + 5.16%, as we maintained our share price at \$15.50 and increased our dividends to \$0.80 per share for the year. 2020 demonstrated how the prices of publicly-quoted REITs can fluctuate dramatically due to prevailing sentiment. We have also seen certain segments of the national real estate market suffer significant reductions in revenue, particularly in office, malls, and larger metropolitan areas. These conditions are reflected in the poor performance of public REIT markets, with the SPDR Dow Jones Real Estate ETF (RWR) down 11.34% for the year, including a 5.76% reduction in the dividend. Likewise, the NAREIT Index (FNRETR) lost 7.98%.

Dakota REIT's stability and favorable relative return can be accounted for by several factors:

- Our diversified mix of assets and tenants across our portfolio
- Strong and diverse economies in most of our growth markets, especially Fargo and Sioux Falls
- The quality of our tenants, which is in turn a direct result of our team's efforts
- Being in close contact with tenants throughout the year and working with those that needed some help in getting through the crisis
- Conservative valuations coming into 2020 (6.5% to 7.5% cap rates), so that no impairments or negative adjustments to the share price were necessary

As a result, our FFO will be only slightly below 2019 for the full year 2020 and total return to shareholders is positive in the most challenging year for real estate since 2008. We expect our audited 2020 financial statements in April.

The relative successes of our 2020 performance positions us well to realize and execute on our 2021 Focus Areas. A few of our top areas of focus include:

- Engage and build new relationships with RIA's and Family Offices to raise capital through our new Institutional share class
- Retain and nurture relationships with existing shareholders
- Offer opportunities for investors looking to do 1031 tax deferred exchanges and UPREIT transactions
- Deploy capital by expanding our development alliances to increase our allocation in multi-family, while we continue to seek acquisitions across multi-family, industrial and grocery-anchored asset classes
- Invest in our portfolio to attract and retain residential and commercial tenants

Thank you for your investment in Dakota REIT.

*Matt Pedersen, CPA*

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Chief Investment Officer, EVP Dakota REIT