


Ridgeway Dental, Waterloo, IA



Coulee Ridge Townhomes, Bismarck, ND

2021

Third Quarter Report to Shareholders & Partners
Quarter ended September 30, 2021

Dear Shareholders and Partners:

Greetings from your Management Team! We hope you had a pleasant summer and remain in good health. At Edgewood REIT, we continue to have a productive year and have added a number of quality assets since our last report. This includes 202 fifty-five plus multi-family units in Minot, North Dakota; 198 multi-family units in the Rochester, Minnesota market; and a quality medical office building in Waterloo, Iowa. These acquisitions are accretive from an earnings-per-share standpoint.

In this report, we present the third quarter financial performance ending September 30, 2021, which is tracking ahead of budget and reflects an 11% FAD (funds available for distribution) per share increase, over the same period last year.

Based on the performance of our portfolio (approaching \$1.6 billion in enterprise value), the Board of Trustees at its September meeting approved an increase in share price from \$22.00 per share to \$23.50 per share effective concurrent with the next Private Placement Offering – November 1, 2021. At this meeting, your Management Team presented to the Board of Trustees a current valuation report for Edgewood REIT. Management valued Edgewood REIT based on four recognized valuation methods for real estate investment trusts. In its analysis, Management paid greatest attention to the “net asset value” approach in valuing Edgewood REIT. This approach values real estate based on net operating income and sell-side cap rates. The gross value is reduced by long-term debt to arrive at a net asset value number, which is divided by shares outstanding to arrive at the net asset value per share. The net asset value

approach, in addition to the other valuation methods, support a valuation of \$23.50 per share.

In conjunction with the share price increase, the Board of Trustees reaffirmed their commitment to maintain a 5% dividend yield on issuance price. This would equate to an annual dividend of \$1.175 per share with this 7.5 cent increase to begin the first quarter of 2022.

As Edgewood REIT continues to grow, we remain focused on risk management. We operate under the maxim “to think first about risk before possible rewards.” In other words, make sure we are comfortable with the risk profile of an asset and the anticipated financial return adequately compensates for the risk. We manage balance sheet risk on both the asset and liability sides of the ledger. On the asset side, particularly with our net lease assets, we focus intently on tenant credit risk and insure we have a margin of safety in our investment portfolio. On the liability side, we: (i) continue to fix the interest rates associated with our debt; (ii) are reasonable in the amount of leverage; and (iii) ladder debt maturities so we are not forced to refinance assets during unfavorable interest rate environments.

We can be proud of our success since inception of Edgewood REIT, and as a Management Team, our commitment is to build upon this success. We look forward to a strong finish to 2021.

As always, if you have any questions, please contact a member of your Management Team. Thank you for your ongoing support.

Sincerely,

Edgewood Management Team

BUILDING OUR **FUTURE**

Income Statement Data

	YTD	Third Quarter 2021
Revenues	\$92,145,723	\$31,825,308
Net Income	\$26,444,468	\$7,984,352
Funds from Operations (FFO)	\$45,049,728	\$15,786,449
Funds Available for Distribution (FAD)	\$40,871,834	\$14,232,957

Balance Sheet Data

	September 30, 2021
Current Assets	\$64,206,132
Current Liabilities	\$50,763,457
Total Real Estate Investments	\$1,169,092,064
Total Assets	\$1,250,095,456
Long Term Liabilities	\$676,537,062
Shareholder Equity	\$522,794,937

Per Share Data

	YTD	Third Quarter 2021
Shares/ Partnership Units	34,509,851	34,509,851
Net Income	\$0.7663	\$0.2314
Funds from Operations (FFO)	\$1.3054	\$0.4574
Funds Available for Distribution (FAD)	\$1.1844	\$0.4124

Weighted Shares Outstanding

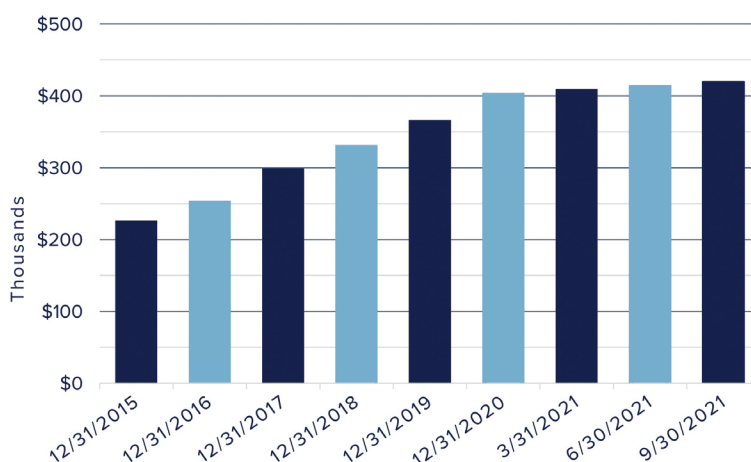
	YTD	Third Quarter 2021
Weighted Shares/ Partnership Units	32,352,186	33,457,033
Net Income – Weighted Share	\$0.8174	\$0.2386
Funds from Operations (FFO)	\$1.3925	\$0.4718
Funds Available for Distribution (FAD)	\$1.2633	\$0.4254
Dividends Per Share	\$0.8250	\$0.2750
Total Dividends Paid	\$26,899,366	\$9,328,417

Dividend Coverage

	YTD	Third Quarter 2021
FFO/Total Dividends Paid	167.48%	169.23%
FAD/Total Dividends Paid	151.94%	152.58%

Investment Performance

Calculations for the Investment Earnings Chart are based on an initial investment of \$100,000 with all quarterly dividends reinvested. An investment of \$100,000 on January 1, 2011 (inception) would be worth \$421,858.52 as of September 30, 2021.



Dividend Declaration

The Board of Trustees declared a dividend of 27.50 cents per share to shareholders and partners of record as of September 30, payable on October 15, 2021. This constitutes the 42nd consecutive quarterly dividend paid to our shareholders and partners.

Dividend Reinvestment

Our Dividend Reinvestment Plan allows for the purchase of additional shares at a 5% discount from the current share price to those shareholders and partners who elect to participate in the Plan. The Plan allows flexible reinvestment options. If you are not currently participating in the Plan and would like to do so, please contact your investment representative or the Edgewood REIT office.

Edgewood REIT Shares

The Trustees approved a private placement offering at \$22.00, which will terminate on October 31, 2021. Effective November 1, 2021, the Trustees approved a private placement offering at \$23.50. If you are interested in purchasing additional shares, please contact your investment representative, Roger Domres at 701-240-3335 or Kari Opegard at 701-212-4800 for assistance.

Contact Edgewood REIT

Roger Domres E: Roger.Domres@ewreit.com P: 701-240-3335
Shareholder Services: Kari Opegard E: kari@ewreit.com P: 701-212-4800 W: edgewoodreit.com