



Kodiak Apartments, Byron, MN



Fleet Farm, Cedar Rapids, IA

2021 Fourth Quarter Report to Shareholders & Partners Quarter ended December 31, 2021

Dear Shareholders and Partners:

We hope you had a pleasant holiday season and remain in good health. In this report, we are pleased to present very strong operating results for the 2021 calendar year. We are also looking forward to continued, profitable growth in 2022.

2021 represented our 11th year of operation. During the past 11 years, on a year-over-year basis, we increased our asset base and more importantly, our earnings-per-share. An increase in earnings-per-share resulted in a continued increase in the share price and dividend payout. During this 11-year period, we have increased our dividend payout from \$.57 per share in 2011 to \$1.17½ per share (effective January 1, 2022). In addition, our share price has increased from \$9.50 (2011) to \$23.50 (2021) per share. For investors who have been with us since 2011, their annual cash yield on investment is now 12.37%. In addition, shareholders continue to benefit from appreciation in asset values and annual payments of principal on our indebtedness.

For the year 2021, we experienced the following increases in some of our key financial metrics: Assets increased 21.4% or \$237,867,718; Funds Available for Distribution (FAD) increased 25.95% or \$11,854,750; FAD per Share increased 11.69% or \$0.18; Equity increased 35% or \$155,420,140. Our estimated enterprise value as of December 31 is \$1,575,400,793, which represents an increase of

19.77% or \$260,075,800 in 2021.

Your Management Team remains focused on profitable growth which corresponds to an increase in earnings-per-share, dividend payout and share price. To put a finer point on our growth model, we project for the year 2022 an increase in earnings-per-share of 14 cents. This number is comprised of organic growth (rent escalators in net leases and existing asset multi-family net operating income growth) of 8 cents per share; reduction in interest rate expense from refinancing of debt and principal payments of 2 cents per share; and accretive impact of profitable acquisitions which are projected to generate an additional 4 cents per share. This model of strong year-over-year organic growth in earnings supplemented by profitable acquisitions has served us well over the past 11 years. We can be proud of the success of our organization since its inception and as a Management Team, we remain committed to build upon this success. We look forward to a profitable 2022 as we continue to execute our business plan.

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

Income Statement Data

	YTD	Fourth Quarter 2021
Revenues	\$125,690,301	\$33,544,578
Net Income	\$34,707,853	\$8,263,385
Funds from Operations (FFO)	\$63,348,889	\$18,299,161
Funds Available for Distribution (FAD)	\$57,537,900	\$16,666,066

Balance Sheet Data

	December 31, 2021
Current Assets	\$65,065,395
Current Liabilities	\$55,412,936
Total Real Estate Investments	\$1,262,223,936
Total Assets	\$1,348,690,937
Long Term Liabilities	\$693,910,626
Shareholder Equity	\$599,367,376

Per Share Data

	YTD	Fourth Quarter 2021
Shares/ Partnership Units	36,807,527	36,807,527
Net Income	\$0.9430	\$0.2245
Funds from Operations (FFO)	\$1.7211	\$0.4972
Funds Available for Distribution (FAD)	\$1.5632	\$0.4528

Weighted Shares Outstanding

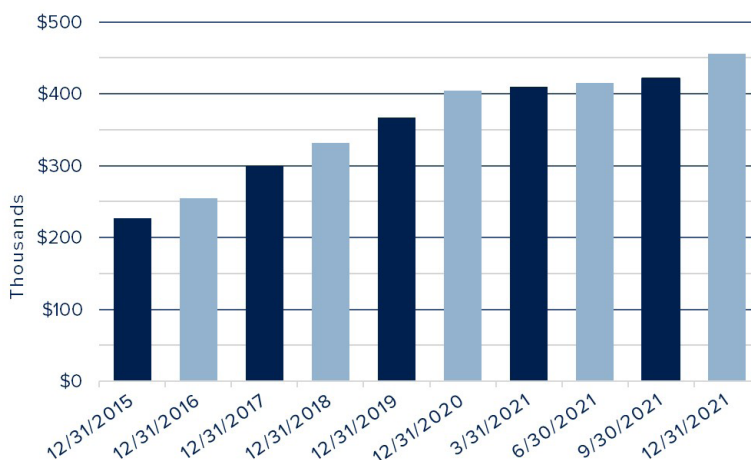
	YTD	Fourth Quarter 2021
Weighted Shares/ Partnership Units	33,180,850	35,817,712
Net Income – Weighted Share	\$1.0460	\$0.2307
Funds from Operations (FFO)	\$1.9092	\$0.5109
Funds Available for Distribution (FAD)	\$1.7341	\$0.4653
Dividends Per Share	\$1.1000	\$0.2750
Total Dividends Paid	\$36,797,174	\$9,897,808

Dividend Coverage

	YTD	Fourth Quarter 2021
FFO/Total Dividends Paid	172.16%	184.88%
FAD/Total Dividends Paid	156.36%	168.38%

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 \$456,172.37 as of December 31, 2021.



Dividend Declaration

The Board of Trustees declared a dividend of 27.50 cents per share to shareholders and partners of record as of December 31, payable on January 15, 2022. This constitutes the 43rd consecutive quarterly dividend paid to our shareholders and partners.

Dividend Reinvestment

Our Dividend Reinvestment Plan allows for the purchase of REIT 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 \$23.50, which was effective November 1, 2021. 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

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