


Scottsdale, AZ



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## 2022 Second Quarter Report to Shareholders & Partners Quarter ended June 30, 2022

### Dear Shareholders and Partners:

Greetings from your Management Team! We hope you are having a pleasant summer, and this report finds you in good health!

In this report, we present the 2nd Quarter 2022 financial performance for Edgewood Real Estate Investment Trust (“REIT”). Our REIT continues to realize strong performance with all asset classes performing at, or in excess, of budget. The multi-family portfolio consists of 6,200 units and occupancy as of June 30 was 95%; and the occupancy percentage was 98% if we exclude multi-family units impacted by value-add projects. We have been extremely successful in implementing value-add projects wherein we replace cabinets, counter tops, floor coverings, etc. We are able to increase rental rates on these enhanced units and have realized a 15% plus return on investment.

Our net lease portfolio consists of 90 healthcare and other commercial properties with occupancy exceeding 99%.

The current enterprise value of our portfolio is approaching \$1.8 billion and our market capitalization as of June 30 was \$980 million.

As you are aware, we are experiencing macro-economic events which are beginning to challenge businesses. We are well positioned to successfully handle these events and should benefit from the current inflationary environment. We have no variable rate debt; accordingly, we are not directly impacted by the increase in interest rates. In addition, we have been able to increase rents on our multi-family portfolio and are experiencing increased rent escalators in our net lease assets.

In the first half of 2022, we raised \$110 million in equity and continue to strengthen our balance sheet. As of the end of the 2nd quarter, we have sufficient equity, and cash or cash equivalent assets, to acquire an additional \$300 million of assets without the need to raise additional funds. We are starting to see buying opportunities with sellers that are over-leveraged. We have intentionally strengthened our balance sheet and cash position to take advantage of these opportunities. As we have since the inception of the REIT, we will be patient and acquire assets when we see a favorable risk adjusted return.

In the 2nd quarter, we acquired the following quality assets:

Two (2) Class A office buildings located in Scottsdale, Arizona - acquisition price \$85,000,000; industrial buildings located in Mankato and Bemidji, Minnesota – acquisition price \$7,750,000; main Bremer Bank located in Minot, North Dakota – acquisition price \$5,000,000; 128 multi-family units located in Springfield, Missouri – acquisition price \$18,000,000; and 90 multi-family townhome units in Minot, North Dakota – acquisition price \$11,300,000. The above assets were immediately accretive on an earnings-per-share basis.

We remain thankful for our shareholders and partners, and your continued support and confidence. If you have any questions, please contact a member of your management team.

Sincerely,

Management Team

## Income Statement Data

	YTD	Second Quarter 2022
Revenues	\$72,035,327	\$36,756,362
Net Income	\$19,049,053	\$9,870,128
Funds from Operations (FFO)	\$36,252,201	\$18,510,883
Funds Available for Distribution (FAD)	\$32,959,858	\$16,819,567

## Balance Sheet Data

	June 30, 2022
Current Assets	\$107,189,106
Current Liabilities	\$60,072,208
Total Real Estate Investments	\$1,357,588,459
Total Assets	\$1,484,805,128
Long Term Liabilities	\$717,768,215
Shareholder Equity	\$706,964,705

## Per Share Data

	YTD	Second Quarter 2022
Shares/ Partnership Units	41,685,212	41,685,212
Net Income	\$0.4570	\$0.2368
Funds from Operations (FFO)	\$0.8697	\$0.4441
Funds Available for Distribution (FAD)	\$0.7907	\$0.4035

## Weighted Shares Outstanding

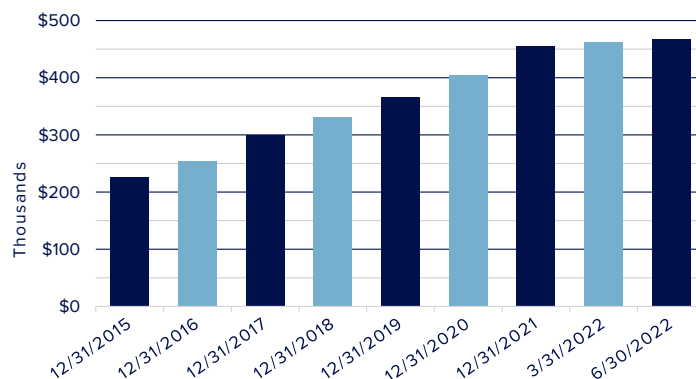
	YTD	Second Quarter 2022
Weighted Shares/ Partnership Units	39,492,793	40,412,364
Net Income – Weighted Share	\$0.4823	\$0.2442
Funds from Operations (FFO)	\$0.9179	\$0.4580
Funds Available for Distribution (FAD)	\$0.8346	\$0.4162
Dividends Per Share	\$0.5875	\$0.29375
Total Dividends Paid	\$23,331,988	\$11,949,258

## Dividend Coverage

	YTD	Second Quarter 2022
FFO/Total Dividends Paid	155.38%	154.91%
FAD/Total Dividends Paid	141.26%	140.76%

## 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 \$468,255.88 as of June 30, 2022.



## Dividend Declaration

The Board of Trustees declared a dividend of 29.375 cents per share to shareholders and partners of record as of June 30, payable on July 15, 2022. This constitutes the 45th 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 Oppegard at 701-212-4800 for assistance.

## Contact Edgewood REIT

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Shareholder Services: Kari Oppegard E: kari@ewreit.com P: 701-212-4800 W: edgewoodreit.com