



Eaglebrook Apartments, Fargo, ND

2023 Fourth Quarter Report to Shareholders & Partners Quarter ended December 31, 2023

Dear Shareholders and Partners:

Greetings from your Management Team!

We hope you had a pleasant holiday season and remain in good health.

In this report, we are pleased to present our operating results for calendar year 2023 and 4th Quarter 2023. During the past year, we realized profitable growth in our asset portfolio. Our year-over-year growth in earnings per share was a result of rent escalators in our net lease assets and 5.1% NOI growth – on a same store basis – in our multi-family portfolio. In 2023, our equity book value increased by \$87.0 million, and we ended the year with a leverage ratio of 42% to enterprise value and 49% to book value. In this uncertain economic environment, we remain cautious in deployment of capital and maintain a conservative balance sheet.

An important role of senior management, and the Board of Trustees, is to properly allocate capital. Our objective is to create economic value for investors through the investment in a diversified real estate portfolio, which generates a rate of return in excess of cost of capital. In addition, we are cognizant of risk and remain focused on risk adjusted yields. From a capital allocation standpoint, we continue to concentrate on acquisitions of multi-family and net lease assets. Currently, 43% of our net operating income is generated from multi-family assets and 57% from net lease (predominately triple net lease) assets. In the net lease class, 74% is comprised of senior housing and medical office properties. This mix of multi-family and net lease real estate provides predictable earnings

– primarily on the net lease side - along with attractive real estate appreciation – primarily on the multi-family side. This asset mix has resulted in year-over-year growth in distributable cash flow per share, which, in turn, has resulted in year-over-year dividend and net asset value growth.

As we kick off 2024, the enterprise value of our company (liquidation value of our assets) is approaching \$2.2 billion, and our market capitalization is \$1.3 billion. We own real estate in 14 states and our asset mix provides strong geographic and real estate sector diversification. In 2024 we are forecasting, and have budgeted, for continued growth in earnings on both an absolute and per share basis.

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

Sincerely,

Management Team

UPCOMING EVENTS:

March 5, 2024

Investor Appreciation Reception
at the ADERO in Scottsdale, AZ

June 4, 2024

Annual Shareholders Meeting
at The Olive Ann Hotel in Grand Forks, ND

We look forward to seeing you!

Income Statement Data

	YTD	Fourth Quarter 2023
Revenues	\$189,924,817	\$52,684,778
Net Income	\$45,600,819	\$13,434,783
Funds from Operations (FFO)	\$91,008,645	\$26,220,578
Funds Available for Distribution (FAD)	\$81,884,557	\$22,280,840

Balance Sheet Data

	December 31, 2023
Current Assets	\$61,298,699
Current Liabilities	\$68,098,229
Total Real Estate Investments	\$1,797,276,607
Total Assets	\$1,896,544,720
Long Term Liabilities	\$912,508,175
Shareholder Equity	\$915,938,316

Per Share Data

	YTD	Fourth Quarter 2023
Shares/ Partnership Units	50,096,249	50,096,249
Net Income	\$0.9103	\$0.2682
Funds from Operations (FFO)	\$1.8167	\$0.5234
Funds Available for Distribution (FAD)	\$1.6345	\$0.4448

Weighted Shares Outstanding

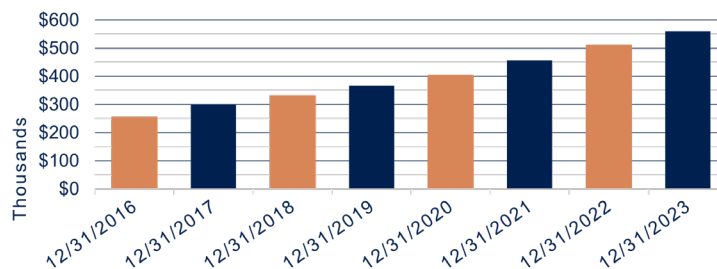
	YTD	Fourth Quarter 2023
Weighted Shares/ Partnership Units	47,917,657	49,887,065
Net Income – Weighted Share	\$0.9516	\$0.2693
Funds from Operations (FFO)	\$1.8993	\$0.5256
Funds Available for Distribution (FAD)	\$1.7089	\$0.4466
Dividends Per Share	\$1.25	\$0.3125
Total Dividends Paid	\$59,971,332	\$15,608,867

Dividend Coverage

	YTD	Fourth Quarter 2023
FFO/Total Dividends Paid	151.75%	167.99%
FAD/Total Dividends Paid	136.54%	142.74%

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 \$559,623.57 as of December 31, 2023.



Dividend Declaration

The Board of Trustees declared a dividend of 31.25 cents per share to shareholders and partners of record as of December 31, payable on January 15, 2024. This constitutes the 51st 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 \$26.00 per share, effective November 1, 2023. If you are interested in purchasing additional shares, please contact your investment representative, Roger Domres at 701-240-3335 or Natasha Kemmer at 701-212-4800 for assistance.

Contact Edgewood REIT

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