Market Data

Medalist Diversified REIT NASDAQ: **MDRR**	
Fiscal Year	December
Industry	Real Estate
Recent Price	$0.90
Market Cap	$15.8M
Shares Out.	17.5M
Float	14M
Avg. Volume (90-day)	101.6K
Revenue (ttm)	$11.7M
Cash (mrq)	$4.6M
Total Assets (mrq)	$92.2M
Debt (mrq)	$66.3M

As of June 22, 2022

Company Website

medalistreit.com

Company Overview

Medalist Diversified REIT (NASDAQ: MDRR) was founded in 2015 as a real estate investment trust (REIT) specializing in acquiring, owning, and managing commercial real estate in the Southeast. The Company's strategy is to focus on opportunistic commercial real estate which is expected to provide an attractive balance of risk and returns. Medalist utilizes a rigorous, consistent, and replicable process for sourcing and conducting due diligence of acquisitions. The Company seeks to maximize operating performance of current properties by utilizing a hands-on approach to property management and leasing while monitoring the middle market real estate markets in the Southeast for acquisition opportunities and disposal of properties as considered appropriate.

Value Proposition

Medalist is a dividend-paying REIT targeting value-add investments in markets where its executive team maintains deep industry relationships and local market knowledge. Equity investments typically range from $1 million to $6 million (up to $10 million with board approval), and with typical leverage of 65% – 75%, average target property values arebetween $5 million and $30 million. The Company's investment strategy includes Industrial/Flex, Multifamily, Retail, and Hospitality properties in secondary and tertiary markets in the Southeastern U.S., where its market knowledge provides a competitive advantage in identifying under-managed, under- capitalized, or under-performing assets. Currently, the Company is targeting acquisitions in the Flex/Industrial and Retail market segments.

Medalist Diversified REIT has raised equity from high net worth, small institutions, and retail investors since launch and currently owns 553,281 sq. ft. of retail, 218,269 of flex industrial, and one 148- key hotel. Aegis Capital covers the stock with a buy rating and $2.25 price target; EF Hutton also covers MDRR with a buy rating and $1.50 price target.

Investment Highlights

- **Expanding portfolio of quality commercial properties**
  - Solid track record of execution on core strategy
  - June 2022 purchase of Salisbury Marketplace, a community shopping center consisting of 79,732 square feet of leasable area
  - Medalist owns an additional four retail properties (553,281 sq. ft.) and three flex/industrial properties (218,269 sq. ft.) with strong occupancy rates across its entire portfolio

- **Re-instated quarterly dividend in July 2021**
  - Four quarterly dividends of $0.02 per share paid since re-instatement

- **Analyst Buy Recommendations**
  - Aegis: buy rating and $2.25 price target
  - EF Hutton: buy rating and $1.50 price target

- **Strong Investment Track Record**
  - Medalist Fund I: 340k sq. ft. of retail and industrial and 290 multifamily units purchased; 8% annualized cash distributions paid quarterly (Q3 2013 - Q1 2018). Overall IRR on the fund was 12.8%
  - Medalist Fund II: 177k sq. ft. of retail and industrial purchased; 7.5% annualized cash distributions paid quarterly from Q1 2016 through Q2 2019

- **Opportunistic Investing Strategy**
  - Extensive deal flow network in target markets due to longstanding relationships with brokers, owners, and lenders
  - Focus on value creation through a "hands-on" management approach
  - Targeting opportunities in commercial real estate in secondary and tertiary markets in Virginia, N. Carolina, S. Carolina, Georgia, Florida, & Alabama where yields are higher than primary markets; cap rates at 7%-8%, depending on property type

- **Experienced Management Team**
  - Management with 50+ years of combined experience in commercial real estate and capital markets
  - MDRR's management team has purchased and managed properties with a total asset value of more than approximately $200 million