HARTMAN vREIT XXI, INC.

SUPPLEMENT NO. 1 DATED April 23, 2021
TO THE PROSPECTUS DATED May 12, 2021

This document supplements, and should be read in conjunction with, our prospectus dated May 12, 2021, relating to our offering of up to $185,000,000 in shares of our common stock. Terms used and not otherwise defined in this Supplement No. 1 have the same meanings as set forth in our prospectus. The purpose of this Supplement No. 1 is to disclose:

- the status of our public offering;
- determination of net asset value per share as of December 31, 2020
- a description of our real estate investments;
- our recent acquisitions;
- selected financial data;
- our performance - funds from operations and modified funds from operations;
- our tangible net book value per share
- information regarding our indebtedness;
- information regarding our distributions;
- compensation paid to our Advisor, affiliates and the dealer manager;
- information regarding redemption of shares of our common stock;
- information on experts; and
- incorporation of certain information by reference.

Status of Our Public Offering

Our follow-on offering (File no. 333-232308) was declared effective on January 14, 2020. In our follow-on offering, we are offering up to $180,000,000 in any combination of Class A and Class T shares of our common stock to the public and up to $5,000,000 in Class A and Class T shares of our common stock to our stockholders pursuant to our distribution reinvestment plan.

On May 12, 2020, the Company's board of directors authorized the classification and designation of Class I and Class S common stock. As of December 31, 2020, 900,000,000 shares of capital stock were classified as common stock, par value $0.01 per share, 270,000,000 of which were classified and designated as Class A common stock (“Class A Shares”), 280,000,000 were classified and designated as Class S common stock ("Class S Shares"), 280,000,000 of which were classified as Class I common stock ("Class I Shares"), and 70,000,000 were designated as Class T Common stock (“Class T Shares”). The additional share classes have been included in an amendment to the Company's registration statement and prospectus which was declared effective by the Securities and Exchange Commission on July 27, 2020.

Effective January 26, 2021, the sale price of our Class A, Class S, Class I and Class T common shares to the public is $11.38, $10.61, $10.23 and $10.89 per share, respectively, representing the net asset value per share as determined by the board of directors plus the applicable sales commissions and managing broker dealer fees. The sale price of all classes of common shares to our shareholders pursuant to the distribution reinvestment plan is $10.23 per share.

As of December 31, 2020, we had accepted subscriptions for, and issued 8,342,318 shares, net of redemptions, of our Class A common stock, including 577,288 shares issued pursuant to our distribution reinvestment plan and stock distributions, and 468,982 shares, net of redemptions, of our Class T common stock, including 25,797 shares issued pursuant to our distribution reinvestment plan and stock distributions, resulting in gross proceeds of $86,942,755.

We intend to conduct a continuous offering of an unlimited member of shares of our common stock over an unlimited time period by filing a new registration statement prior to the end of the three-year period described in

Rule 415 under the securities act of 1933, as amended, however, in certain states this offering is subject to annual extension. We reserve the right to terminate our public offering at any time.

Determination of Net Asset Value Per Share as of December 31, 2020

On January 26, 2021, our board of directors, including all our independent directors determined an estimated net asset value ("NAV") per share of our Class A, Class S, Class I and Class T common stock of $10.23 per share as of December 31, 2020.

In determining the estimated NAV per share, our board relied upon information contained in a report, or the valuation report, provided by our advisor, the recommendation of the audit committee of our board and our board's experience with, and knowledge of, our real property and other assets as of December 31, 2020. The objective of our board in determining the estimated NAV per share of our common stock was to arrive at a value, based on recent, available data, that our board believed was reasonable based on methods that it deemed appropriate after consultation with our advisor and the audit committee. In preparing the valuation report, our advisor relied in part on valuations of commercial real estate properties provided by LaPorte CPAs and Business Advisors, which we refer to herein as the Valuation Expert. To calculate the estimated NAV per share in the Valuation Report, our advisor used a methodology pursuant to the provisions of Practice Guideline 2013-01, *Valuations of Publicly Registered Non-Listed REITs*, issued by the Institute for Portfolio Alternatives in April 2013. The Valuation Expert did not determine the NAV of the Company's common shares.

We are providing the estimated NAV per share to assist broker dealers and stockholders in evaluating the Company and to assist broker dealers in meeting their ongoing customer account statement reporting obligations under the current rules of the Financial Industry Regulatory Authority, Inc. ("FINRA").

The estimated NAV per share is based on (x) the estimated value of the our assets less the estimated value of our liabilities divided by (y) the number of outstanding shares of our Class A, Class S, Class I and Class T common stock, all as of December 31, 2020. We intend to determine NAV on a quarterly basis, or otherwise in the sole discretion of the board, which value may be substantially different than the NAV determined as of December 31, 2020.

Investors are cautioned that the market for commercial real estate can fluctuate quickly and substantially and values of our assets and liabilities are expected to change in the future. Investors should also consider that we are in the process of raising capital in its follow-on public offering and as of December 31, 2020, the valuation date, real estate and real estate related assets of our company consisted of 10 owned properties, an 84% tenant-in-common interest in a Houston office property, a non-controlling limited liability company interest in an affiliate which owns 39 properties and 1,258,406 shares of common stock and OP units of an affiliated real estate investment trust ("REIT"). As we continue to raise capital from the sale of shares of common stock in its follow-on public offering and invests in additional real estate properties and real estate investments, its assets and liabilities, and the NAV per share of its common stock, will vary significantly from the values as of December 31, 2020.

<u>Investments in real estate</u>

As of December 31, 2020, we owned 10 commercial properties comprising 881,215 square feet located in San Antonio, Richardson and Houston, Texas, an 84% tenant-in-common interest in a Houston office property, a 2.47% interest in an affiliate special purpose entity which owns 39 office, retail and light industrial properties in Texas and 1,258,406 shares of common stock and OP units of Hartman Short Term Income Properties XX, Inc. ("Hartman XX") an affiliate public non-traded REIT.

The Valuation Expert determined an estimated fair value of each of the real estate assets owned by us and our affiliates in which we have an interest. The real estate valuations were based on property level historical and budgeted operating and occupancy information provided by us and our advisor. The Valuation Expert did not conduct inspections of the real properties.

Valuation of Interest in Hartman SPE, LLC. On October 1, 2018, Hartman XX together with Hartman affiliates Hartman Income REIT, Inc. ("HIREIT"), Hartman XIX, Inc. ("Hartman XIX") and us, contributed a total of 39 commercial real estate properties to Hartman SPE in exchange for limited liability company membership interests.

We contributed our 48.8% interest in Three Forest Plaza, and office property located is Dallas, Texas, which we owned in a joint venture arrangement with Hartman XX to Hartman SPE in exchange for a 5.89% interest in Hartman SPE. On March 1, 2019, we exchanged 3.42% of our interest in Hartman SPE with Hartman XX in exchange for 700,302 shares of common stock of Hartman XX.

We acquired 661,940 shares of HIREIT common stock and 80,000 Hartman Income REIT Operating Partnership LP OP units which became 497,926 shares of Hartman XX common stock and 60,178 Hartman XX Operating Partnership OP units as a result of the effectiveness of the mergers.

The advisor determined the net asset value of our ownership interest in Hartman SPE as of December 31, 2020 as follows (in thousands) (amounts in the table are unaudited):

Estimated fair value of Hartman SPE real estate assets	$	567,082
Other assets		68,517
Other liabilities		(39,284)
Notes payable, net		(257,012)
Net asset value of Hartman SPE	$	339,303
Net asset value of Hartman SPE	$	339,303
vREIT XXI ownership interest		2.47%
Net asset value of vREIT XXI ownership interest	$	8,381

Valuation of Interest in Hartman XX. The board of directors of Hartman XX determined a NAV of its common shares of $11.18 per common share and OP unit as of December 31, 2020. We own 1,258,406 shares of Hartman XX common stock as of December 31, 2020.

Other Assets and Liabilities. The board of directors determined that the estimated valuation of our other assets and liabilities, consisting of cash and cash equivalents; accounts receivable; prepaid expenses and other assets; due to related parties; accounts receivable and accrued expenses; and tenant security deposits, was equal to the fair value of such assets as of December 31, 2020 due to their short maturities.

Notes Payable. The board of directors determined that book value and fair value of notes payable are equal as of December 31, 2020.

Estimated NAV per share. The estimated NAV per share is based upon 8,789,200 shares of our Class A, Class S, Class I and Class T common stock issued and outstanding as of December 31, 2020. Although the estimated NAV has been developed as a measure of value as of a specific time, December 31, 2020, the estimated NAV does not reflect a liquidity discount for the fact that the shares are not currently traded on a national securities exchange or the limited nature in which a shareholder may redeem shares under our share redemption program (if at all), a discount for the non-assumability or prepayment obligations associated with certain of our debt, or a discount for our corporate level overhead.

The following table presents how the estimated net asset values per share were determined as of December 31, 2020 (in thousands except per share amounts) (amounts in the table are unaudited):

Estimated fair value of investment in real estate assets	$	94,747
Estimated net asset value of Hartman SPE ownership interest		8,381
Estimated net asset value of Hartman XX common stock		14,069
Other assets and liabilities, net		9,890
Note payable		(37,210)
Estimated net asset value attributable to common share stockholders	$	89,877
Class A, Class S, Class I and Class T common shares outstanding	$	8,789,200
Estimated NAV per common share	$	10.23

As of December 31, 2020, the estimated NAV was allocated on a per share basis as follows:

Estimated fair value of investment in real estate assets	$	10.78
Estimated net asset value of Hartman SPE ownership interest		0.95
Estimated net asset value of Hartman XX common stock		1.60
Other assets and liabilities, net		1.13
Note payable		(4.23)
Estimated net asset value attributable to common share stockholders	$	10.23

The capitalization rates used to value the real estate assets owned by us and our affiliates in which we have an interest, were selected and applied by the Valuation Expert on a property-by-property basis and were selected based on several factors, including but not limited to industry surveys, discussions with industry professionals, property type, age, current room rates and other factors that the Valuation Expert deemed appropriate. The following summarizes the overall discount rates and capitalization rates used by the Valuation Expert:

	Low	High	Weighted Average
Capitalization rate	—%	8.3%	5.4%

While we believe that the capitalization rates used by the Valuation Expert were reasonable, a change in those rates would significantly impact the concluded values of our properties and the concluded values of properties owned by affiliates in which we has an indirect interest, and accordingly, the estimated NAV per share. The table below illustrates the impact on the Company's estimated NAV per share if the weighted average capitalization rate of 5.4% listed above were increased or decreased by 2.5%, assuming all other factors remain unchanged:

	Estimated NAV per common share due to	
	Decrease of 2.5%	Increase of 2.5%
Direct capitalization – capitalization rate	$10.49	$10.00

Limitations of Valuation Method. FINRA rules provide limited guidance on the methods an issuer must use to determine its estimated value per share. As with any valuation method, and as noted above, the methods used to determine our estimated net asset value per share were based upon a number of assumptions, estimates and judgments that may not be accurate or complete. The estimated net asset value per share determined by our board is not audited, does not represent the fair value of our assets less the fair value of our liabilities according to GAAP, and is not a representation, warranty or guarantee that, among other things:

- a stockholder would be able to realize the estimated value per share if such stockholder attempts to sell his or her shares;

- a stockholder would ultimately realize distributions per share equal to the estimated value per share upon liquidation of our assets and settlement of our liabilities or a sale of the Company;

- shares of our common stock would trade at the estimated value per share on a national securities exchange;

- a third party would offer the estimated value per share in an arms-length transaction to purchase all or substantially all the shares of our common stock; or

- the methods used to determine the estimated value per share would be acceptable to FINRA, under the Employee Retirement Income Security Act, the Securities and Exchange Commission or any state securities regulatory entity with respect to their respective requirements.

Further, the estimated net asset value per share was calculated as of a particular moment in time and the value of the Company's shares will fluctuate over time as a result of, among other things, future acquisitions or dispositions of assets, developments related to individual assets and changes in the real estate and capital markets.

Description of Our Real Estate Investments

As of December 31, 2020, our investments in real estate assets consisted of the ten properties listed below and a 2.47% ownership interest in an affiliated entity which owns 39 office, retail and light industrial properties in Houston, Dallas, and San Antonio, Texas, which refer to as the "Hartman SPE". We also own 1,198,228 common shares and 60,178 OP units of an affiliate, Hartman Short Term Income Properties, XX, Inc. and subsidiaries.

Property Name	**Year**	**Space Type**	**Gross Leasable Area SF**	**In-Place Occupancy**	**No. of Tenants**	**Annualized Base Rental Revenue (in thousands)**	**Average Base Rental Revenue per Occupied SF**	**Acquisition Price (in thousands)**	**Encumbrance (1) (in thousands)**
Village Pointe	1982	Retail	54,246	79 %	12	$ 604	$ 14.06	$ 7,226	
Richardson Tech Center	1987	Flex/R&D	96,660	74 %	15	555	7.80	$ 5,166	$ 2,520
Spectrum	1986	Office	175,390	90 %	32	3,586	22.61	$ 16,951	
11211 Katy Freeway	1976	Office	78,642	57 %	48	728	16.19	$ 4,495	
1400	1982	Office	102,893	68 %	17	1,528	21.70	$ 9,582	
16420 Park Ten Place	1982	Office	83,760	47 %	11	939	23.89	$ 7,510	
Willowbrook Building	1982	Office	67,581	32 %	13	436	20.22	$ 3,972	
Timberway II	1982	Office	130,828	70 %	22	1,828	19.98	$ 11,890	
One Park Ten	1982	Office	34,089	49 %	20	307	18.41	$ 3,075	
Two Park Ten	1982	Office	57,126	87 %	20	1,057	21.25	$ 5,125	
Grand Total			**881,215**	**65 %**	**210**	**$ 11,568**	**$ 19.06**		

(1) Specific encumbrances represent mortgage loans secured by the property indicated. Also see "*East West Bank Master Loan Agreement" below.*

Investment in unconsolidated entities

Effective March 1, 2019, our board of directors approved the exchange of 3.42% of our 5.89% ownership interest in the Hartman SPE for 700,302 shares of common stock of Hartman Short Term Income Properties XX, Inc. ("Hartman XX"). The exchange reduced our ownership interest in Hartman SPE from 5.89% to 2.47%.

On April 14, 2020, we made a tender offer to shareholders of Hartman Income REIT, Inc. ("HIREIT") to acquire up to 500,000 shares of HIREIT's common stock at a price of $4.00 per share. On May 1, 2020, we extended the term of the tender offer until May 13, 2020 and modified the offer to purchase up 500,000 shares of HIREIT common stock at a price of $5.00 per share.

As of September 24, 2020, the Company completed the acquisition of 661,940 HIREIT common shares and 80,000 Hartman Income REIT Operating Partnership ("HIROP") OP units for consideration of $3,709,703.

The HIREIT common shares and HIROP OP units contemporaneously converted to 497,926 Hartman XX common shares and 60,178 Hartman XX Operating Partnership OP units in connection with the merger of those entities effective July 1, 2020.

Significant Tenants

The following table sets forth information about our five largest tenants of our properties as of December 31, 2020:

Tenant Name	**Location**	**Annualized Rental Revenue (in thousands)**	**Percentage of Total Annualized Rental Revenue**	**Initial Lease Date**	**Lease Expiration Year**
Oracle America, Inc.	Spectrum	$ 2,149	19.0 %	9/9/2016	12/9/2021
Enventure Global Technology Inc.	Timberway II	736	6.0 %	11/1/2015	4/30/2021
Hargrove And Associates, Inc.	Two Park Ten	562	5.0 %	7/1/2017	5/31/2024
Strategy Engineering & Consulting, LLC	1400 Broadfield	499	4.0 %	3/1/2018	2/29/2024
HDR Engineering	Spectrum	480	4.0 %	11/16/2015	11/16/2025
Total		$ 4,426	38.0 %		

The following table sets forth information about tenants which occupy more than 10% of the property in which they are located, as of December 31, 2020:

Tenant Name	Location	Annualized Rental Revenue (in thousands)	Percentage of Total Annualized Rental Revenue	Percentage of Property Occupied	Lease Expiration Year
Oracle America, Inc.	Spectrum	$ 2,149	19 %	49 %	2021
Enventure Global Technology Inc.	Timberway II	736	6 %	23 %	2021
Hargrove And Associates, Inc.	Two Park Ten	562	5 %	44 %	2024
Strategy Engineering & Consulting, LLC	1400 Broadfield	499	4 %	25 %	2024
HDR Engineering	Spectrum	480	4 %	15 %	2025
Corporate Travel Planners, Inc.	Spectrum	355	3 %	10 %	2022
Rgn-Houston Xl, LLC	1400 Broadfield	300	3 %	12 %	2024
Liberty Lift Solutions, LLC	16420 ParkTen	252	2 %	13 %	2024
Qval Property Advisors, LLC	Timberway II	198	2 %	8 %	2025
West Africa Management Services, LLC	16420 ParkTen	179	1 %	8 %	2021
Total		**$ 5,710**	**49 %**		

Lease Expirations

The following table shows lease expirations for our properties as of December 31, 2020 during each of the next ten years:

		Gross Leasable Area Covered by Expiring Leases		Annualized Base Rent Represented by Expiring Leases	
Year of Lease Expiration	**Number of Leases Expiring**	**Approx. Square Rent**	**Percent of Total Occupied Square Feet**	**Amount (in thousands)**	**Percent of Total Rent**
2021	47	210	36 %	$ 4,538	40 %
2022	33	63	11 %	1,337	12 %
2023	21	64	11 %	1,121	10 %
2024	25	126	22 %	2,604	23 %
2025	18	84	15 %	1,357	12 %
2026	7	14	2 %	109	1 %
2027	1	5	1 %	110	1 %
2028	2	12	2 %	133	1 %
2029	—	—	— %	—	— %
2030+	—	—	— %	—	— %
Total	154	578	100 %	$ 11,309	100 %

We believe that all of our properties are adequately covered by insurance and are suitable for their intended purposes. Each of our properties faces competition from similar properties located in and around their respective submarkets.

Management is not currently aware of any plans for any material renovation, redevelopment or improvement with respect to our current properties.

Our Recent Acquisitions

On May 14, 2020, the Company closed a tender offer to purchase of 681,388 shares of common stock of Hartman Income REIT, Inc. for $3,454,600. Hartman Income REIT, Inc. is the parent company of our property manger and sponsor.

On December 29, 2020, the Company completed its acquisition of tenant in common ("TIC") interests represent an ownership of approximately 83% of an office building located at 3100 Weslayan, Houston, Texas. The Weslayan property ("Weslayan") comprises approximately 78,289 square feet. Weslayan is approximately 66% occupied by 18 tenants. The remaining 17% TIC ownership is owned by Allen Hartman.

The acquisition price for the TIC interests acquired was $6.696 million including the assumption of $3.413 million of mortgage indebtedness.

Selected Financial Data

The following selected financial data should be read in conjunction with our unaudited consolidated financial statements and related notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 31, 2021, and our Annual Report on Form 10-K/A for the year ended December 31, 2019 filed with the SEC on May 11, 2020, which are incorporated by reference herein. Our results of operations for the periods presented below are not indicative of those expected in any future periods.

	As of December 31,	
Balance Sheet Data (in thousands)	**2020**	**2019**
Total real estate assets, at cost	$ 80,674	$ 77,173
Total real estate assets, net	69,825	72,482
Total assets	$ 102,437	$ 89,571
Notes payable, net	35,213	18,317
Total liabilities	40,449	22,966
Total special limited partnership interests	1	1
Total stockholders’ equity	$ 61,987	$ 66,604

	For the year ended December 31,	
Operating Data (in thousands, except per share data)	**2020**	**2019**
Total revenues	$ 13,028	$ 7,478
Net loss	$ (2,002)	$ (1,085)
Net loss per common share – basic and diluted	$ (0.23)	$ (0.18)

	For the year ended December 31,	
Other Data (in thousands)	**2020**	**2019**
Cash flow provided by (used in)		
Operating activities	$ 4,141	$ 2,242
Investing activities	(18,409)	(51,652)
Financing activities	14,404	43,829
Distributions paid in cash	(3,180)	(1,937)
Distributions declared for common shares (1)	5,564	4,245
Weighted average number of common shares outstanding, basic and diluted	8,691	6,075
FFO (2)	$ 4,751	$ 2,956
MFFO (2)	$ 5,146	$ 3,140

(1) We paid our first monthly distribution payment in January 2017. See “Distribution Policy”.

(2) GAAP basis accounting for real estate utilizes historical cost accounting and assumes real estate values diminish over time. In an effort to overcome the difference between real estate values and historical cost accounting for real estate assets, the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, established the measurement tool of funds from operations (“FFO”). Since its introduction, FFO has become a widely used non-GAAP financial measure among REITs. Additionally, we use modified funds from operations (“MFFO”) as defined by the Investment Program Association as a supplemental measure to evaluate our operating performance. MFFO is based on FFO but includes certain adjustments we believe are necessary due to changes in accounting and reporting under GAAP since the establishment of FFO. Neither FFO nor MFFO should be considered as alternatives to net loss or other measurements under GAAP as indicators of our operating performance, nor should they be considered as alternatives to cash flow from operating activities or other measurements under GAAP as indicators of liquidity. For additional information on how we calculate FFO and MFFO and a reconciliation of FFO and MFFO to net loss, see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Funds From Operations and Modified Funds From Operations.”

Our Performance – Funds From Operations and Modified Funds From Operations

Funds From Operations, or FFO, is a non-GAAP financial measure defined by the National Association of Real Estate Investment Trusts ("NAREIT"), an industry trade group, which we believe is an appropriate supplemental measure to reflect the operating performance of a real estate investment trust, or REIT in conjunction with net income. FFO is used by the REIT industry as a supplemental performance measure. FFO is not equivalent to our net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004, or the White Paper. The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property and asset impairment write-downs, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO. Our FFO calculation complies with NAREIT’s policy described above.

We define MFFO, a non-GAAP measure, consistent with the IPA’s Guideline 2010-01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds from Operations, or the Practice Guideline, issued by the IPA in November 2010. The Practice Guideline defines MFFO as FFO further adjusted for the following items, as applicable, included in the determination of GAAP net income: acquisition fees and expenses; amounts relating to deferred rent receivables and amortization of above and below market leases and liabilities (which are adjusted in order to reflect such payments from a GAAP accrual basis to a cash basis of disclosing the rent and lease payments); accretion of discounts and amortization of premiums on debt investments; mark-to-market adjustments included in net income; nonrecurring gains or losses included in net income from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan, unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting, and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments calculated to reflect MFFO on the same basis. The accretion of discounts and amortization of premiums on debt investments, nonrecurring unrealized gains and losses on hedges, foreign exchange, derivatives or securities holdings, unrealized gains and losses resulting from consolidations, as well as other listed cash flow adjustments are adjustments made to net income in calculating the cash flows provided by operating activities and, in some cases, reflect gains or losses which are unrealized and may not ultimately be realized.

Presentation of this information is intended to provide useful information to investors as they compare the operating performance of different REITs, although it should be noted that not all REITs calculate FFO and MFFO the same way, so comparisons with other REITs may not be meaningful. FFO and MFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as an indication of our performance, as an alternative to cash flows from operations as an indication of its liquidity, or indicative of funds available to fund its cash needs including its ability to make distributions to its stockholders. FFO and MFFO should be reviewed in conjunction with other GAAP measurements as an indication of our performance. MFFO is useful in assisting management and investors in assessing the sustainability of operating performance in future operating periods, and in particular, after the offering and acquisition stages are complete and net asset value is disclosed. FFO and MFFO are not useful measures in evaluating net asset value because impairments are taken into account in determining net asset value but not in determining FFO or MFFO.

Neither the SEC, NAREIT nor any other regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, the SEC, NAREIT, or another regulatory body may decide to standardize the allowable adjustments across the non-listed REIT industry and as a result we may have to adjust our calculation and characterization of FFO or MFFO.

The table below summarizes our calculation of FFO and MFFO for the year ended December 31, 2020 and 2019 and a reconciliation of such non-GAAP financial performance measures to our net loss, in thousands.

	December 31,	
	2020	**2019**
Net loss	$ (2,002)	$ (1,085)
Depreciation and amortization of real estate assets	6,158	3,481
FFO attributable to unconsolidated entity, Hartman SPE, LLC (1)	595	560
Funds from operations (FFO)	4,751	2,956
Organization and offering costs	395	184
Modified funds from operations (MFFO)	$ 5,146	$ 3,140

(1) The Company's share of Hartman SPE, LLC FFO is based on the below financial data:

Hartman SPE, LLC	**December 31,**	
	2020	**2019**
Net loss	$ (2,359)	$ (7,159)
Depreciation and amortization expense	26,438	25,687
FFO	$ 24,079	$ 18,528
Weighted average ownership	2.47 %	3.02 %

Our Tangible Net Book Value Per Share

As of December 31, 2020, our net tangible book value per share was $7.04 compared to our public offering price of $11.38 per Class A common share, $10.89 per Class T common share, $10.61 per Class S common share and $10.23 per Class I common share. Our net tangible book value per share of our common stock was determined by dividing the net book value of our tangible assets net of our total liabilities as of December 31, 2020 by the total number of shares of our common stock outstanding as of December 31, 2020. Net tangible book value is used generally as a conservative measure of net worth that we do not believe reflects our estimated value per share. Net tangible book value is not intended to reflect the value of our assets upon our orderly liquidation in accordance with our investment objectives. However, net tangible book value does reflect certain dilution in value of our common stock from the issue price as a result of (1) accumulated depreciation and amortization of real estate investments, (2) fees paid in connection with our public offerings and (3) the fees and expenses paid to our Advisor and its affiliates in connection with the selection, acquisition and management of our investments. Additionally, investors who purchased shares in our public offering will experience dilution in the percentage of their equity investment in us as we sell additional common shares in the future pursuant to our public offering, if we sell securities that are convertible into shares of our common stock or if we issue shares upon the exercise of options, warrants or other rights.

Information Regarding Our Indebtedness

As of December 31, 2020 and December 31, 2019, we had total outstanding indebtedness of $35,445,000 and $18,520,000, respectively. As of December 31, 2020 and December 31, 2019, respectively, our leverage ratio, or the ratio of our total debt to total real estate assets at cost plus cash and cash equivalents, was 44% and 24%. Our debt-to-net asset ratio, defined as our total debt as a percentage of our total assets less total liabilities, was approximately 57% and 28%.

Richardson Tech Center Mortgage

Our wholly owned subsidiary, Hartman Richardson Tech Center, LLC, is a party to a $3,570,000, three-year mortgage loan agreement with a bank. The mortgage loan is secured by the Richardson Tech Center Property. On March 26, 2021 the Company entered into a modification agreement with the lender extending the maturity date to March 14, 2022. As modified, the loan is payable in monthly installments of principal and interest of $12,345. Interest expense accrues at the prime interest rate. The outstanding balance of the mortgage is $2,520,000 as of December 31, 2020. The interest rate as of December 31, 2020 and December 31, 2019 was 2.89% and 4.55%, respectively.

East West Bank Master Loan Agreement

On December 27, 2018, we entered into a $20 million master loan agreement with a bank (the "EWB Credit Facility"). The MCFA is secured by the Spectrum Building, the 11211 Katy Freeway Building, the 1400 Broadfield Building, the 16420 Park Ten Building and the 7915 FM 1960 Building. The EWB Credit Facility note bears interest at the bank's prime rate less 0.10%. Payment of interest only is required in monthly installments until the initial maturity date, which is December 27, 2021. The outstanding balance of the loan agreement was $20,000,000 and $16,000,000 as of December 31, 2020 and December 31, 2019, respectively. The interest rate of December 31, 2020 was 2.75% and the amount available to be borrowed was $0.

On March 10, 2020, the Company entered into a second $20 million master credit facility agreement ("MCFA II") with East West Bank. The Village Pointe and Accesso Portfolio properties are collateral security for the credit facility. The initial loan availability under the credit agreement is $13,925,000. The credit agreement matures on March 9, 2023. The initial interest rate and the interest rate as of December 31, 2020 was 2.75%. After the initial interest period, the interest rate resets to Prime minus 50 basis points. The outstanding balance under the MCFA II was $12,925,000 as of December 31, 2020 and the amount available to be borrowed was $1,000,000.

The Company entered into a joinder and amendment to the MCFA II facility dated March 29, 2021 which added an office property located in Houston, Texas and owned by Hartman Income REIT Property Holdings, LLC, an affiliate of the Company and Hartman XX, to the collateral security for the credit facility. The borrowing base of the credit facility increased from $13,925,000 to $15,550,000. The outstanding balance under the MCFA II was $13,924,900 as of March 31, 2021 and the amount available to be borrowed was $1,625,100.

Information Regarding Our Distributions

We paid our first cash and stock distributions distribution on January 20, 2017. Our Current distribution rate is $0.65 per Class A Common share and $0.54 per Class T and Class S common shares. Our distributions are authorized quarterly and paid monthly.

The following table reflects the total distributions paid in cash and issued in shares of our common stock for the period from January 2017 (the month the Company first paid distributions) through December 31, 2020:

Period	Cash	DRP & Stock	Total
First Quarter 2017	$ 27,000	$ 19,000	$ 46,000
Second Quarter 2017	62,000	72,000	134,000
Third Quarter 2017	105,000	115,000	220,000
Fourth Quarter 2017	127,000	163,000	290,000
First Quarter 2018	154,000	192,000	346,000
Second Quarter 2018	182,000	246,000	428,000
Third Quarter 2018	215,000	293,000	508,000
Fourth Quarter 2018	237,000	345,000	582,000
First Quarter 2019	305,000	388,000	693,000
Second Quarter 2019	388,000	484,000	872,000
Third Quarter 2019	498,000	646,000	1,144,000
Fourth Quarter 2019	746,000	629,000	1,375,000
First Quarter 2020	771,000	543,000	1,314,000
Second Quarter 2020	790,000	605,000	1,395,000
Third Quarter 2020	798,000	605,000	1,403,000
Fourth Quarter 2020	821,000	620,000	1,441,000
Total	$ 6,226,000	$ 5,965,000	$ 12,191,000

Distributions are paid on a monthly basis. Distributions for all record dates of a given month are paid approximately 20 days following the end of such month.

For the year ended December 31, 2020, we paid aggregate distributions of $5,553,000, including $3,180,000 of distributions paid in cash and $2,373,000 issued in common stock as stock distributions and pursuant to our distribution reinvestment plan. During the same period, cash provided by operating activities was $4,141,000, our net loss was $2,002,000 and our FFO was $4,751,000. For the year ended December 31, 2020, 36% of distributions were paid from net cash provided by operating activities.

For the year ended December 31, 2019, we paid aggregate distributions of $4,084,000, including $1,937,000 of distributions paid in cash and $2,147,000 issued in common stock as stock distributions and pursuant to our distribution reinvestment plan. During the same period, cash provided by operating activities was $2,242,000 and our FFO was $2,956,000. For the year ended December 31, 2019, 52% of distributions were paid from net cash provided by operating activities.

For the period from inception to December 31, 2020, we paid aggregate distributions of $12,191,000, including stock distributions and distributions paid in shares of common stock pursuant to or distribution reinvestment plan. During this period, cash provided by operating activities was $4,619,000, our net loss was $5,965,000 and our FFO was $8,222,000. 38% was paid from net cash provided by operating activities and 62% was funded from offering proceeds. For a discussion of how we calculate FFO, see "Management Discussion and Analysis of Financial Condition and Results of Operations-Funds From Operations and Modified Funds From Operations".

Compensation Paid To Our Advisor, Affiliates and the Dealer Manager

The following data supplements and should be read in conjunction with the section of our prospectus captioned "Management Compensation."

The table below summarizes the cumulative compensation, fees and reimbursements we paid to our Advisor and its affiliates and our dealer manager for the period from September 3, 2015 (inception) to December 31, 2020:

Type of Fee or Reimbursement		
Offering Stage:		
Selling commissions and dealer manager fees	$	6,382,001
Organization and offering expense reimbursement	$	1,772,540
Operational Stage:		
Acquisition fee	$	2,011,188
Origination fee	$	—
Debt financing fee	$	—
Asset management fee	$	996,914
Property management fees and reimbursements	$	2,254,020
Operating expense reimbursement	$	—
Acquisition expense reimbursement	$	—
Disposition Stage:		
Disposition fee	$	—

Information Regarding Redemption of Our Common Stock

As of December 31, 2020, we have redeemed 33,080 shares of our common stock pursuant to our redemption plan.

Information on Experts

The consolidated financial statements of Hartman vREIT XXI, Inc. and Subsidiaries, appearing in our Annual Report on Form 10-K as of December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019, have been audited by Weaver and Tidwell, L.L.P., an independent registered public accounting firm, as set forth in their report thereon included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference on the reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Laporte CPAs and Business Advisors, an independent accounting and advisory firm, provided valuation services in the form of a report of concluded values for real estate properties owned by the Company and other Hartman affiliates in which the Company has an equity interest. Laporte CPAs concluded value report with respect to each of our properties as of December 31, 2020 and properties owned by Hartman SPE LLC, Hartman Income REIT, Inc. and Hartman Short Term Income Properties XX, Inc., was used by our advisor to calculate the number provided for "Estimated fair value of Hartman SPE real estate" included in this prospectus under the caption "Determination of Estimated NAV Per Share." Such numbers are included in this Prospectus given the authority of such firm as an expert in real estate valuations and appraisals. Laporte CPAs did not calculate our estimated NAV per share.

Incorporation of Certain Information by Reference

We have elected to "incorporate by reference" certain information into this prospectus. By incorporating by reference, we are disclosing important information to you by referring you to documents we have filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for information incorporated by reference that is superseded by information contained in the prospectus. You can access documents that are incorporated by reference into this prospectus at our website at *www.hartmaninvestment.com*. There is additional information about us and our Advisor and its affiliates at the website, but unless specifically incorporated by reference herein as described in the paragraphs below, the contents of that site are not incorporated by reference in or otherwise a part of the prospectus. Our website can also be accessed at *www.hartmanreits.com.*

The following documents filed with the SEC are incorporated by reference in this prospectus (Commission File No. 333-232308), except for any document or portion thereof deemed to be "furnished" and not filed in accordance with SEC rules:

- Annual Report on Form 10-K filed with the SEC on March 31, 2021;
- Current Report on Form 8-K filed with the SEC on January 28, 2021;
- Current Report on Form 8-K/A filed with the SEC on January 10, 2020;

We will provide to each person, including any beneficial owner of shares of our common stock, to who this prospectus is delivered and upon request, a copy of any or all of the information we have incorporated by reference into this prospectus but not delivered with this prospectus. To receive a free copy of any of the documents incorporated by reference in this prospectus, other than exhibits, unless they are specifically incorporated by reference in those documents, call or write us at:

Hartman vREIT XXI, Inc.
2909 Hillcroft, Suite 420, Houston, Texas 77057
(800) 880-2212
Attention: Investor Relations

The information relating to us contained in this prospectus does not purport to be comprehensive and should be read together with the information contained in the documents incorporated or deemed to be incorporated by reference in this prospectus.