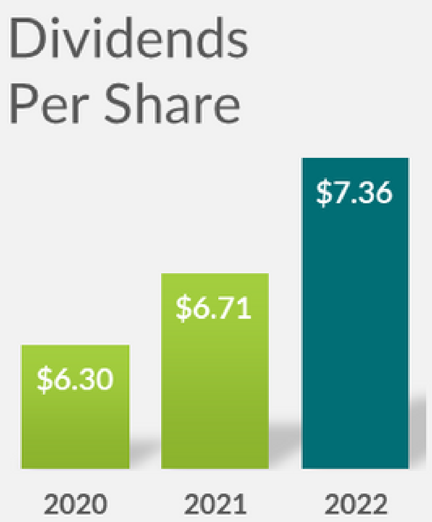
GINKGOREIT

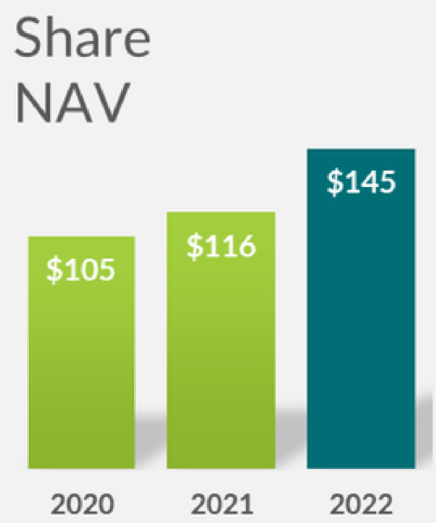
2022
ANNUAL REPORT

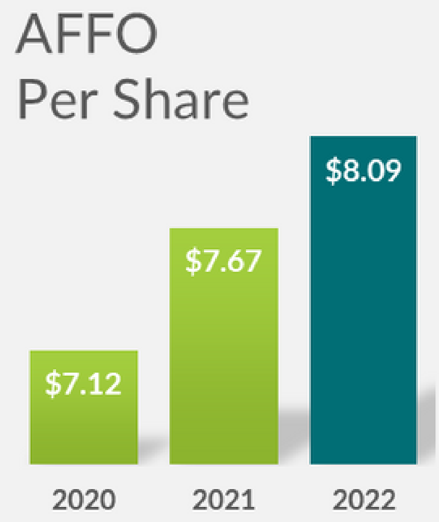
GINKGO REIT INC.
PRIVATE, NON-TRADED
PERPETUAL LIFE OFFERING

200 S College St, Suite 200
Charlotte NC, 28202
www.ginkgoreit.com

3-YEAR PERFORMANCE







AT GINKGOREIT,

we seek to deliver to our investors attractive, consistent and tax-advantaged dividends by investing in multifamily communities located in the Carolinas and catered to the workforce resident. Our non-traded, perpetual life offering provides a tax-efficient, income driven investment opportunity for investors seeking low volatility exposure and wealth preservation.

We will continue to seek to achieve above market returns while also focusing on environmental sustainability and providing a comfortable, well-maintained living environment for our residents.

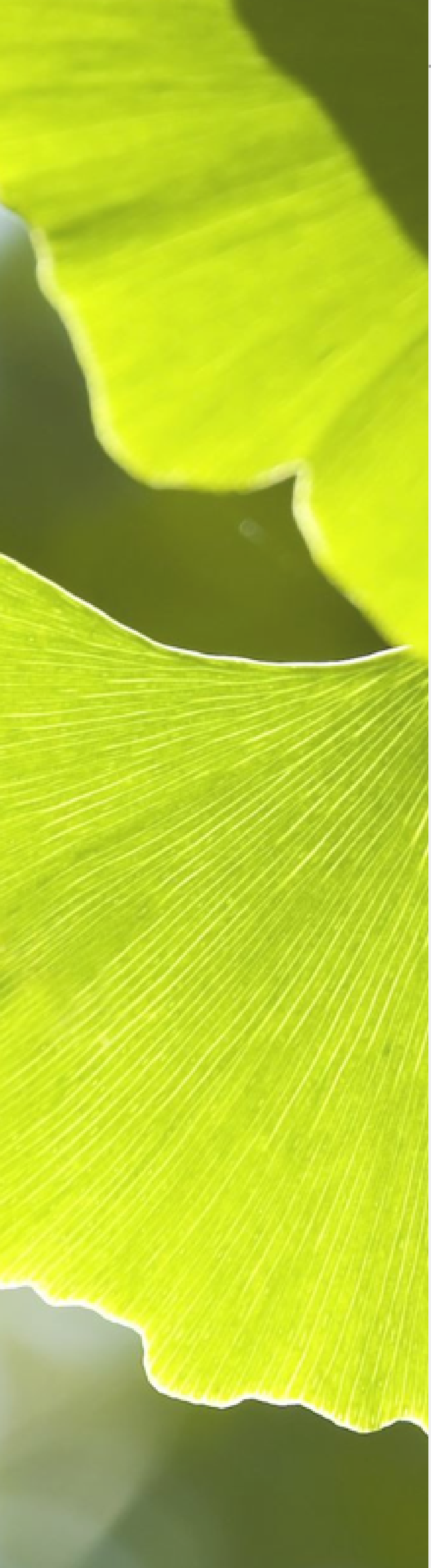


TABLE OF CONTENTS

March 3, 2023

Dear Shareholders and Unitholders,

We are pleased to report on the success and performance of Ginkgo REIT Inc. and Ginkgo Multifamily OP LP (collectively referred to as the "Company" or "REIT") for 2022. We believe this annual report summarizes the REIT's current position and provides insights into our future outlook, following three years of significant growth. The REIT seeks to maximize the total return to our investors by providing both tax-efficient dividends and long-term capital appreciation. Our position as a privately held, non-traded, REIT provides a differentiated investment opportunity compared to the public market. We have outperformed public counterparts to date, and our early-stage growth promises to have stronger tax-advantages when compared to the mature publicly traded REITs. Since inception, 100% of our dividends have been treated as return of capital ("ROC")[1] and qualified for tax deferral until redemption. When compared to other taxable investments, the REIT's dividend offers a meaningful after-tax yield advantage as our ROC dividends reduce the cost basis of the investment, effectively converting ordinary income into long-term capital gains (at the time of redemption).

During 2022, the REIT celebrated its 3-year anniversary. **The REIT generated a 31.8% total annual return[2] in 2022 and has generated a 76.5% total return since inception**. We are extremely proud to continue to deliver on our investment goals of providing attractive, tax-advantaged monthly income, while at the same time creating and preserving long-term shareholder value by operating through a **unique hybrid investment model**. We believe our unique business model is advantaged when compared to both other public and non-traded REIT opportunities. The REIT invests 60% of its equity in wholly owned or majority-owned (consolidated) communities and 40% of its equity in joint venture arrangements (unconsolidated communities) with strategic third parties. This structure has two primary benefits i) greater diversification from our equity raise since we augment our equity with other joint venture equity; and ii) **potential for outsized returns to the REIT if certain performance hurdles are achieved for the joint ventures.**

Corporate and Performance Highlights (as of and year ended December 31, 2022):

- $384M in total asset value[3], consisting of direct and indirect investments in 39 communities, comprising 6,293 units, located across 4 Carolina regions.
- 1,483 apartment homes added to the portfolio (31% YoY growth), through a combination of UPREIT transactions and third-party purchases.
- Expanded the size of our Board of Directors from five to six and welcomed Cory Olson as an additional independent member to the Board. Mr. Olson brings over 25 years of real estate and investment management experience. We look forward to his presence on the Board, adding new perspectives and supporting our management team to create value for our shareholders.
- **31.8% total return[2] in 2022 and 76.5% total return[2] since inception (July 1, 2019)**
- AFFO/share of $8.09, representing 5.4% year-over-year growth.
- Three share price increases in 2022: +12.9% in January 2022, +7.6% in May 2022 and +2.8% in August 2022.
- Strong dividend coverage ratio on all operating metrics. Dividends and distributions have been 100% return of capital[1] (tax deferred) since formation.

We see continued, strong demand to live in our well-located and well-maintained communities. We are focused on the preservation and operation of workforce housing in the Carolinas and believe our sector positioning allows us to benefit from all market cycles, including in periods of expansion as well as dislocation of the broader economic environment. Population growth, job growth and projected migration in our Carolina regions continue to outpace the national average, resulting in increased rental demand for our communities.

Portfolio Update

Our portfolio delivered strong earnings growth, as demonstrated by the 13.9% growth in same-community[4] net operating income in 2022. The REIT's cash flow was consistently stable with occupancy[5] and rent collections in the mid-90s%. 1.5% of the REIT's vacancy in 2022 was the result of the renovation program. We completed renovations on 349 units across our portfolio in 2022, adding significant value to our communities, while also improving residents' quality of life.

5.4%
AFFO per Unit Growth

The REIT's key performance metric, Adjusted Funds from Operations ("AFFO") per Unit, demonstrates the scale and profitability of the portfolio. AFFO per unit was $8.09 for the year, 5.4% higher than the 2021, and compounds on our ability to generate same-community[4] growth despite significant portfolio expansion.

Same-community[4] revenue grew 10.8% and same-community[4] expenses increased 7.5%, resulting in same-community[4] NOI increase of 13.9% in comparison to 2021. The increase in revenue is due to the combined impact of higher average rental rates and mid to high 90s% occupancy and collections levels. The increase in property operating costs is consistent with the current inflationary environment, resulting in increased labor, R&M costs, insurance related costs and property tax increases. Our strongest headwinds in expenses for 2023 appear to be property tax increases and insurance premium increases, which continue to exceed inflation.

For the joint venture arrangements (unconsolidated communities), year-over-year comparisons are not as meaningful since capital plans need to be considered by each community on a stand-alone basis. The unconsolidated communities generally have significant capital restoration plans, lowering occupancy and creating cash flow disruptions. However, the higher vacancy is temporary and intended by management as units are pulled offline to complete interior renovations. The completion of these value-add programs has continued to add to the REIT's outsized performance, via capital appreciation. We expect our cash to be more constrained in 2023 due to i) longer than anticipated permitting timelines to begin construction and ii) large replacement interest rate cap escrow requirements. We continue to monitor our cash flow models and costs of the value-add initiatives to ensure assets have sufficient working capital.

In preparing the 2023 operating budgets and forecasts, we have performed a rigorous review of each asset and the potential impacts of additional interest rate movements. We will continue to focus on the stabilization of the joint venture communities to limit cash flow uncertainty for the REIT.

Acquisitions Volume

10
new communities acquired

2022 was another acquisitive year for the REIT, with 1,493 apartment homes added to the portfolio. These new additions provide additional scale in our target Carolina markets, while also producing increased and diversified cash flow to the portfolio.

We embarked on one of our most exciting acquisitions yet with acquiring a 41% interest in two Charlotte assets, referred to as Aurora and Central Pointe Apartments, comprising 822-units in aggregate. $30 million of equity was contributed by the REIT for the combined $170 million acquisition. This transaction positions the REIT to thrive in one of Charlotte's strongest and fastest growing submarkets, with opportunities for value creation through an extensive capital plan. $21 million in renovations is planned to be invested in the two assets to assist in the communities' repositioning and to bring the amenities and facilities in line with other nearby luxury communities. Additionally, we completed this transaction with a new joint venture partner who has a targeted 3-5 year holding period, which we will be well positioned to buy their interest when they wish to sell.

While we believe there will continue to be exciting opportunities on the horizon, we expect to slow our acquisition volume in 2023 to focus on the renovation plans of the communities acquired in 2021 and 2022.

Balance Sheet Management and Capital Allocation

We continue to focus on maintaining a strong balance sheet, with ample liquidity and no debt maturities until late 2024 (late 2025 if extension options are elected). As of year-end 2022, the REIT's total liquidity of $5.1 million is through a combination of unrestricted cash and undrawn availability on the secured credit facility. Additional assets will be added as collateral for the secured facility in early 2023, which will increase the available borrowing capability by approximately $4.0 million. In anticipation of rising interest rates, we proactively locked in low fixed rates with long-dated maturities, protecting the portfolio from rising debt costs and maintaining a balanced debt maturity schedule. **For the consolidated assets, our financing is 85% fixed-rate with a 6.7-year weighted average maturity and a weighted average interest rate[6]**

of 4.3%. As we enter 2023 with interest rates continuing to rise, we have sought to further mitigate our exposure to interest rate movements by entering into an interest rate swap. The swap agreement has a notional amount of $20 million and effectively converts a portion of the variable-rate credit facility debt to fixed rate.

Due to the nature of the joint venture transactions, we primarily elect to finance the unconsolidated assets (off-balance sheet debt) through variable-rate debt. The variable-rate financing allows for drawing capabilities to fund the joint venture assets' capital plans while at the same time providing the portfolio with debt diversification. 98% of the unconsolidated assets debt is variable-rate with a weighted average interest rate[6] of 4.4%. We have purchased interest rate caps to manage our exposure to interest rate movements on the variable-rate debt (ranging from 0.75% to 2.75% per annum against the respective floating-rate index). However, in 2022, replacement rate cap escrow requirements spiked significantly, causing cash flow constraints on many of the unconsolidated assets. Accordingly, we are reevaluating all active capital improvement plans to ensure adequacy to fund the interest rate cap escrows.

The REIT raised $48.4 million in equity in 2022 (inclusive of common shares, common OP Units, preferred OP Units and dividend reinvestment), which was used to fund acquisitions and capital improvements to upgrade existing communities. **Since inception, all dividends and distribution have been paid from operating cash flows.** We are currently seeking new sources of capital and are actively raising equity to have adequate capital allocation to fund future opportunities.

Valuation Overview

The Board's practice is to review the portfolio valuation quarterly to determine the net asset value ("NAV")[7] of the REIT in calculating the Share/Unit NAV. The REIT's valuation process involves utilizing external appraisals, rather than in-house valuations. Management augments the third-party valuations by performing its own review of the appraised values, cap rates and cash flows and compares to its internally devised metrics. Management also includes all non-real estate assets, liabilities and contingent liabilities of the balance sheet of the REIT in its review. Management's review and calculations are provided to the Board for their consideration. Differences in assumptions are evaluated and valuations are reconciled where necessary by the Board. We believe this is an appropriate and industry consistent valuation approach that fairly reflects the actual value of the Company.

We acknowledge the investment environment has changed rapidly over the past 6 months, and we have reflected this in our valuation process by increasing our cap rates by 25-50bps higher than the external appraisals, resulting in lower valuation multiples. However, we believe these valuation decreases are driven by disruptions in capital markets leading to increased investment rates, not overall real estate fundamentals.

We believe based on this valuation process, the REIT's performance and price is more closely tied to the underlying asset values than publicly traded REITs. A primary attribute of the non-traded stock valuation model is that the price of the stock is less volatile and better reflects the real world value, compared to the public market volatility, which can swing daily.

$145
Share NAV at year-end 2022

Management completed its Q4 2022 valuation of the NAV in January 2023 and concluded based on (i) current appraised values, (ii) cash flow assumptions and (iii) cap rates, that no change to the Share NAV is warranted and the current price of $145 per share accurately reflects the current value and position of the REIT. The net effect of increased asset level cash flow but lower valuation multiples has been neutral to the share price, thus far.

Joint Venture Arrangements

The REIT owns a weighted average interest of 28% in 4,199 units, effectively increasing the portfolio's wholly owned portfolio size by 1,175 units. We refer to the partially owned interests as joint venture arrangements (or unconsolidated communities for GAAP terminology). The key economic distinction between wholly owned communities and joint venture arrangements is the equity invested. For joint ventures, the REIT generally invests 5% to 40% of the required capital to fund the acquisition, rather than 100% of the equity in a wholly owned community. First and foremost, this limits our exposure to larger transactions and/or when an acquisition has a significant value-add program. **Secondly, and most intriguing about these investments, is the potential for accelerated and outsized participation returns paid to the REIT by the joint venture.** If the joint venture achieves certain performance hurdles, the REIT can receive an additional

10% to 25%+ profit above the REIT's 28% ownership threshold. This is akin to our investors participating in the general partner (or manager) interest and receiving the surplus profit participation, via capital appreciation.

Several key characteristics of the joint venture arrangements are noted below:

- Exposure to larger size transactions with more significant capital renovation programs.
- 5% - 40% of the equity is invested by the REIT.
- Opportunity to participate in outsized performance gains harvested from the value-add initiatives. The REIT can receive an additional 10-25% of the cash flows and capital appreciation.
- Expectation to recapitalize many of these investments to wholly owned communities after completion of the capital program and when our joint venture partner wishes to sell (typically 24-48 months).

We believe the REIT's focus on acquiring properties with a value-add component should continue to produce attractive returns and outsized AFFO and NOI growth, which we believe will deliver long-term capital appreciation to our investors.

Looking Ahead

We believe the outlook for the overall multifamily sector remains strong and the prospect of population and job growth for our target Carolina markets will continue to support favorable rental demands in 2023. Our unique operating structure has enabled us to operate efficiently and to scale while maintaining a favorable outcome for our investors. We continue to distribute a monthly dividend that is funded 100% by cash flow from operations, while also creating long-term wealth. The wholly owned communities provide up-front and recurring cash flow to support our dividend, while the joint venture arrangements allow investors to participate in outsized returns on investments through performance fees paid by the joint ventures to the REIT.

As capital market rates continue to widen, we are carefully monitoring our dividend coverage. In this inflation oriented, rising rate environment, we acknowledge the impact this may have on our cash flows and ability to maintain our current dividend yield exclusively from operating cash flow. Rising interest rates have constrained cash at many of our joint venture assets due to significant escrow funding increases for replacement interest rate caps. The ability for the joint ventures to pay distributions to the Company may be affected during this period of higher interest rates. We will continue to monitor how inflation and interest rates may impact operations. However, we remain optimistic that our risk mitigation strategies and sector positioning will prove to be beneficial in containing our cost structure despite this market shift.

Notwithstanding the inflationary pressures experienced in 2022, we are very pleased with our operational results and overall progress. **Our strong financial results allowed the REIT to increase its monthly cash dividend by 10% in 2022, while still maintaining a conservative payout ratio on AFFO of 91%.** In the first 3 years of operations, we primarily focused on expansion opportunities to scale the portfolio. In 2023, we expect to slow our investment activity but remain proactive regarding portfolio management. Our goal for 2023 is to achieve accretive growth organically by optimizing rental operations and stabilizing cash flow in the joint venture assets by completing the value-add capital plans.
As we move into 2023, we will continue to build upon our solid operating foundation and further strengthen our balance sheet. We expect to deploy new investment offerings in 2023 to both existing and institutional investors to expand our capital sources and capitalize on attractive investment opportunities as they may arise.

We want to thank our investors for your support of Ginkgo REIT over the past 3 ½ years. Our team looks forward to delivering continued value in the year to come.

Sincerely,

William C. Green
Co-Chief Executive Officer

Eric S. Rohm
Co-Chief Executive Officer and Secretary

Key Highlights

Returns built from the foundation fostered by our hybrid operating model

Total Return

- **31.8%** 2022 Return[1]

Capitalization

- **$384M** Total Asset Value[3]
- **$179M** NAV[7]

Performance

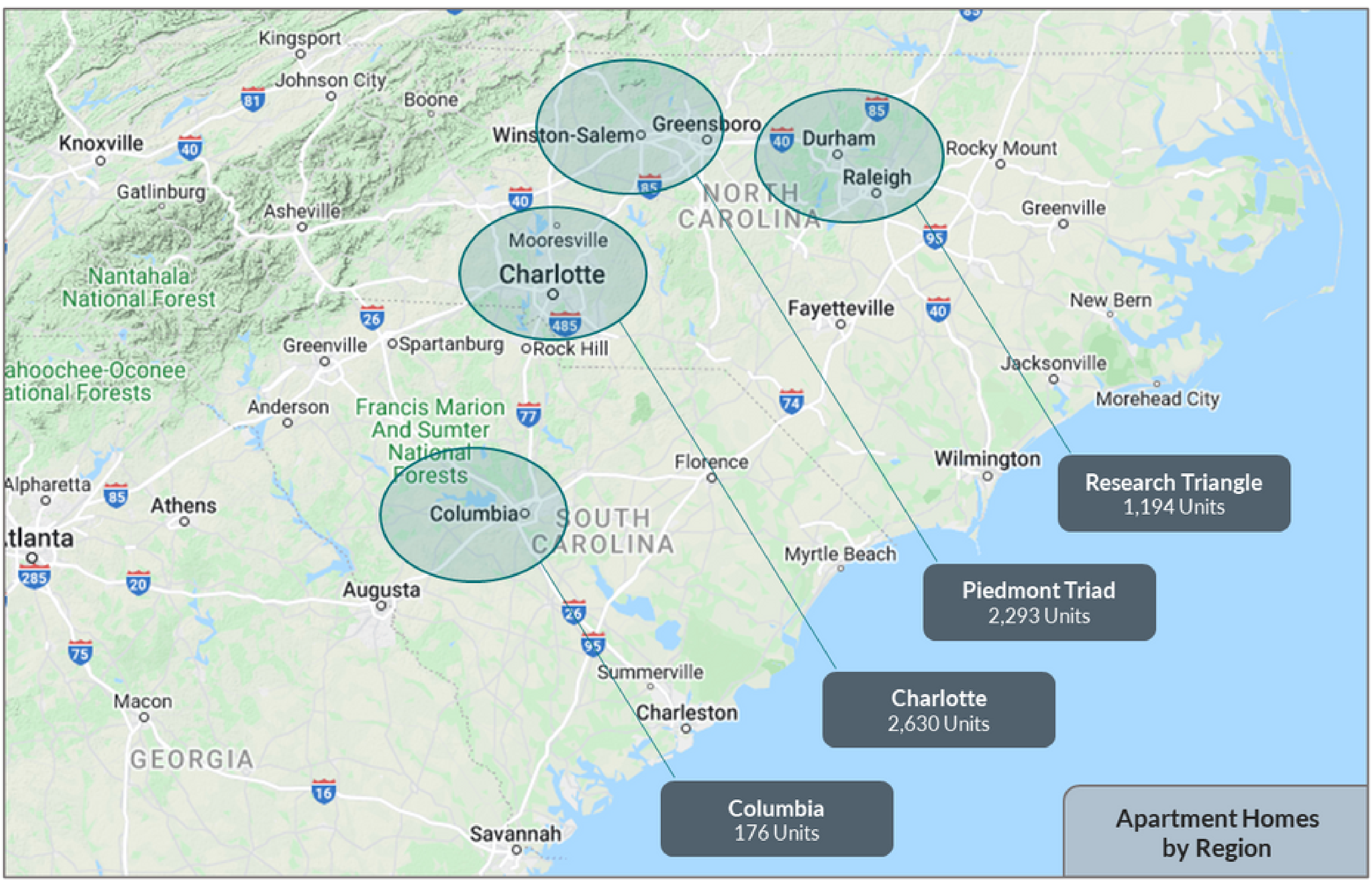
- **10.8%** Same-Community[4] Revenue Growth
- **13.9%** Same-Community[4] NOI Growth
- **100%** of Dividends Funded by Operations

Capital Investment

- **$28M** Invested Capital for Improvements[8]
- **349** Units Renovated[8]
- **$393** Average Rent Increase per Renovation[8]
- **1.5%** Vacancy Attributed to Renovations[8]

Current Portfolio (as of December 31, 2022)

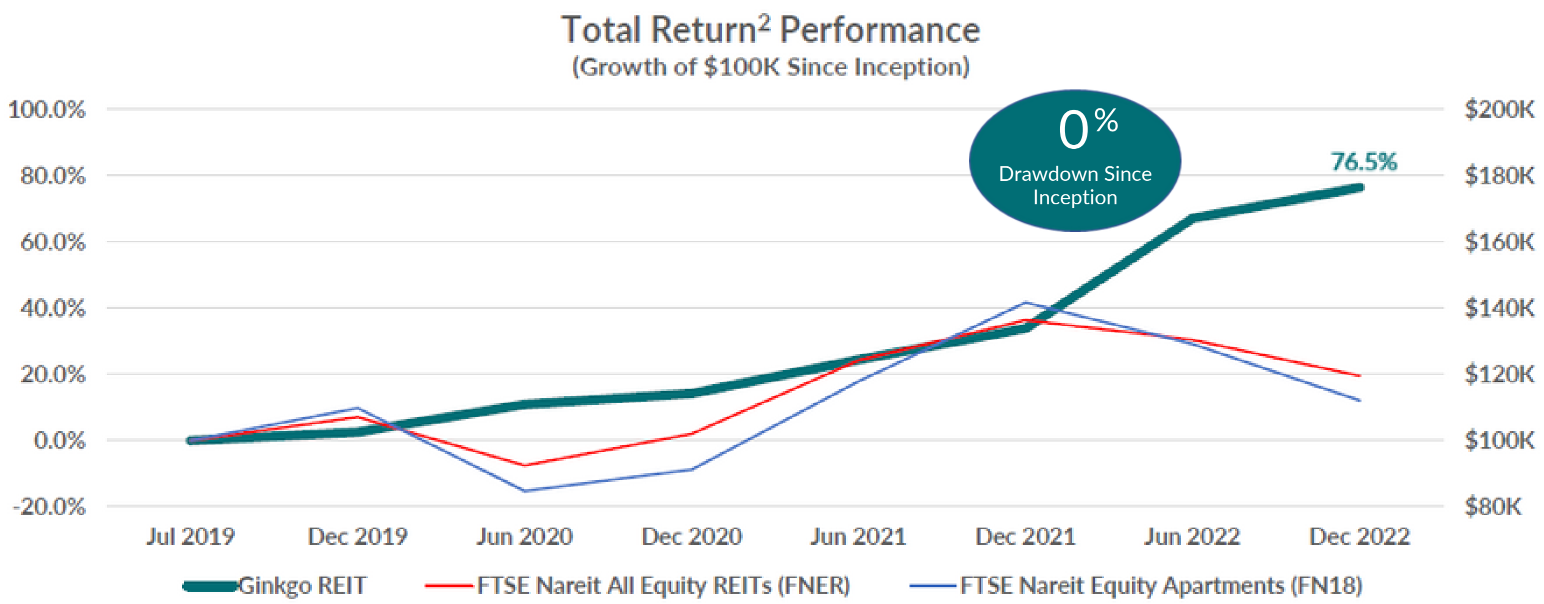
6,293 UNITS – 39 COMMUNITIES – 4 CAROLINA REGIONS



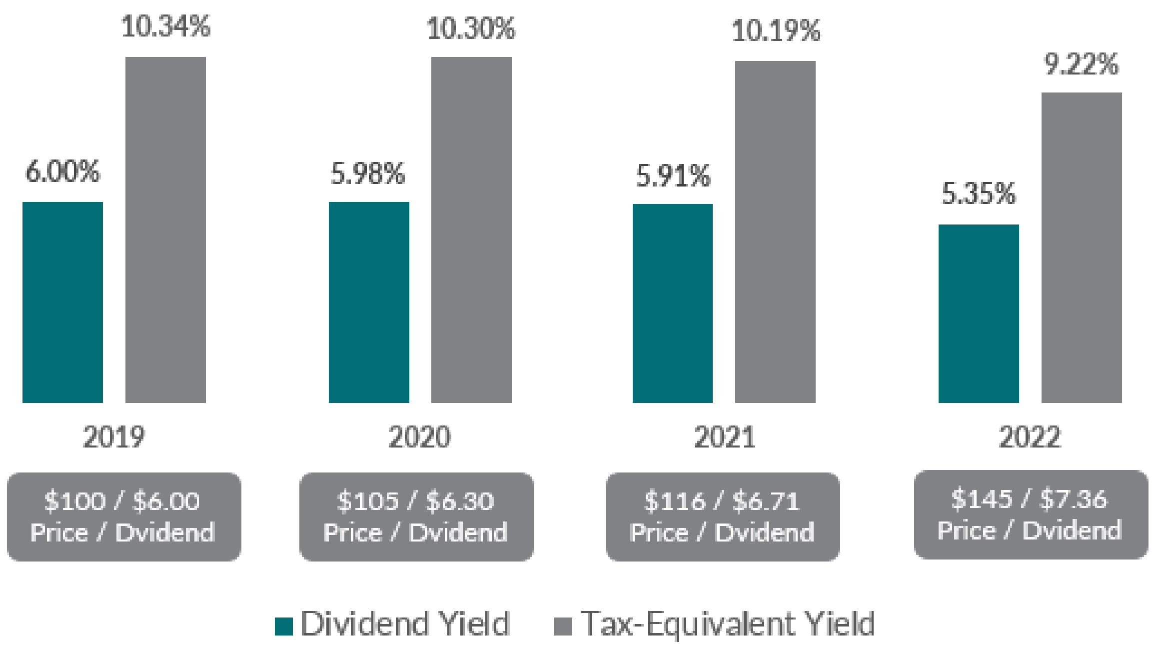
Performance Summary

GinkgoREIT has continued to provided attractive, tax-advantaged monthly income, while at the same time creating long-term shareholder value since its inception in July 2019.

Total Returns[2]					Curent Annualized
Inception Date	1-Year	2-Year	3-Year	Since Inception	Distribution Rate
July 1, 2019	**31.8%**	**54.4%**	**72.1%**	76.5%	5.2%



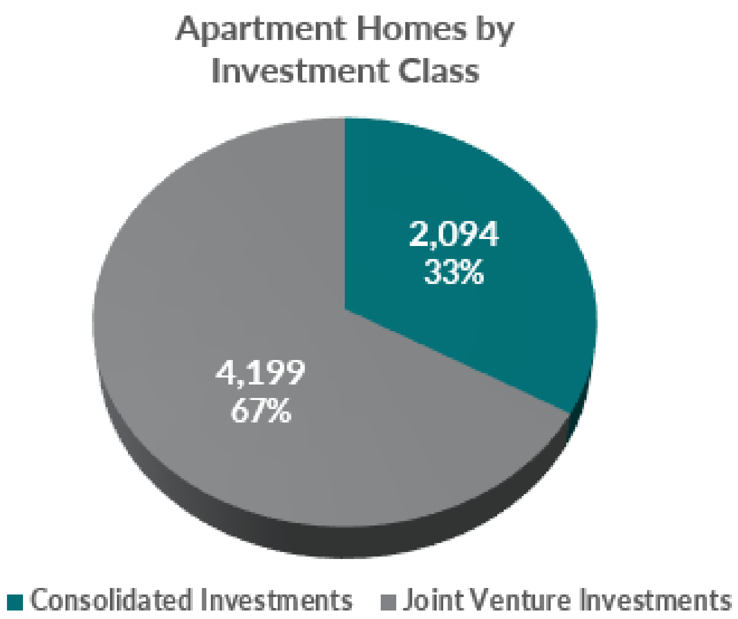
Annualized Dividend Yield[9]

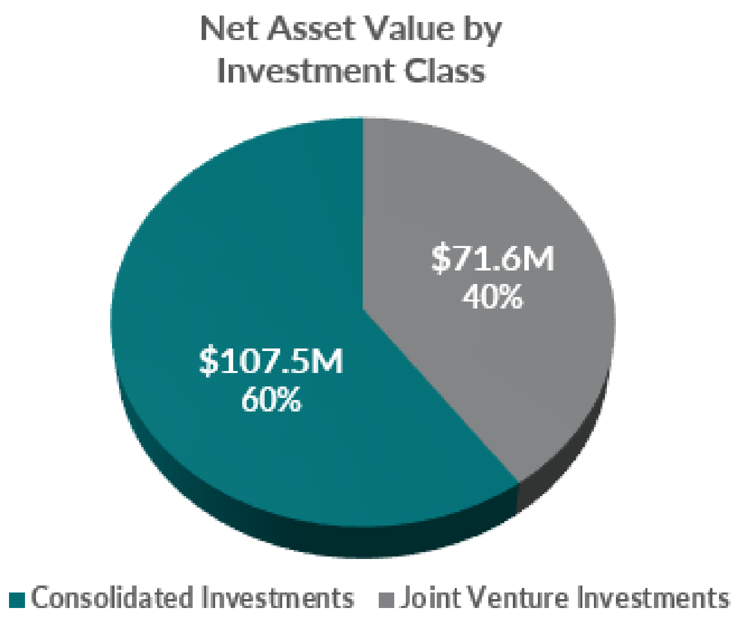


Dividends
100% ROC
Since Inception

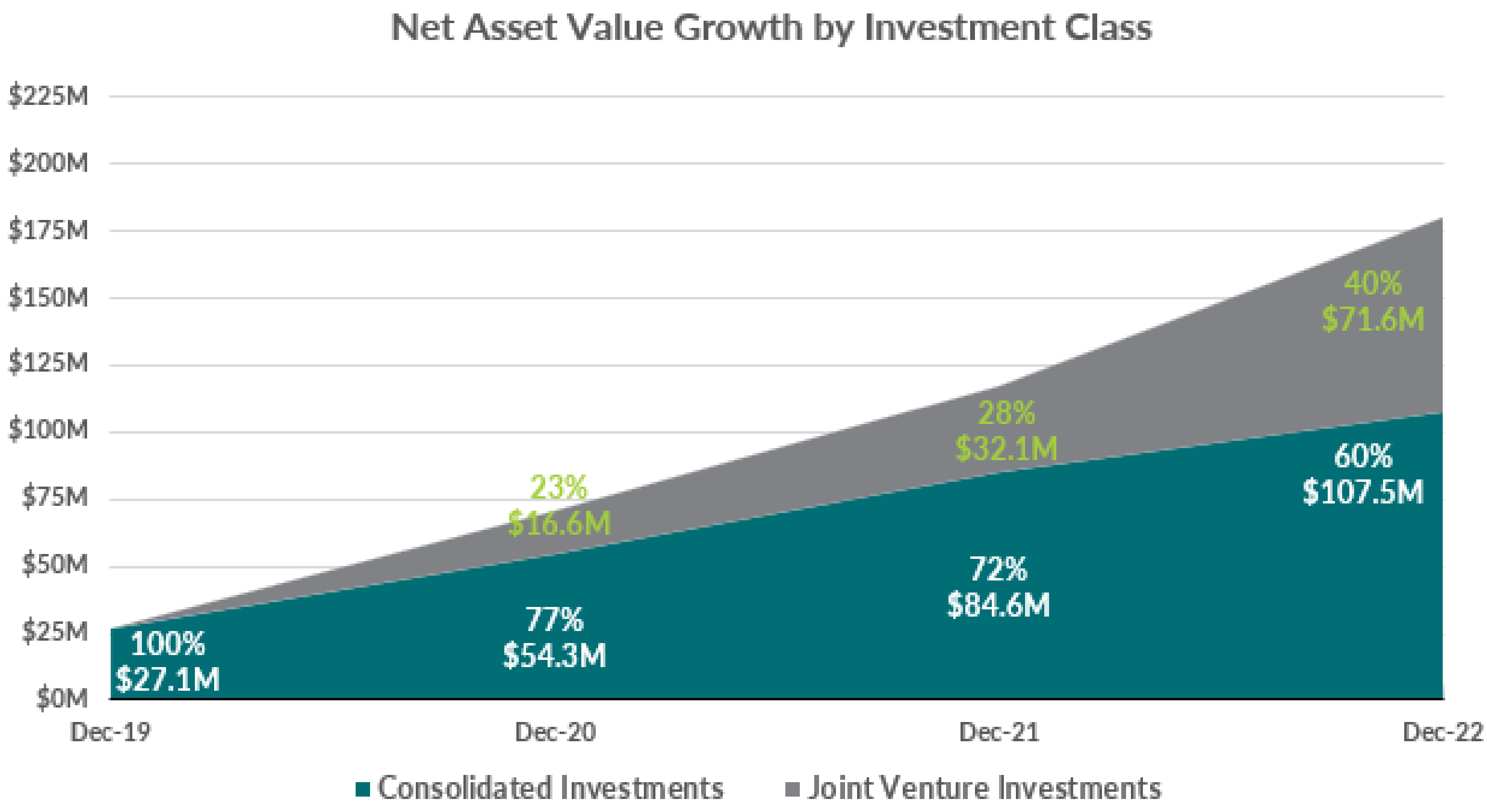
Investment Allocation

Our investment strategy involves owning the portfolio of multifamily communities through a unique hybrid model, comprising wholly owned or majority-owned (consolidated) communities and joint venture arrangements (unconsolidated).





We target the portfolio to own 60%+ of our physical apartment homes in joint venture arrangements, but which only represent 40% of our net asset value (equity).

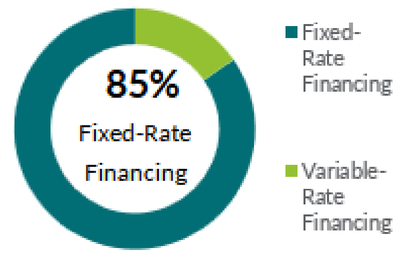


Capitalization

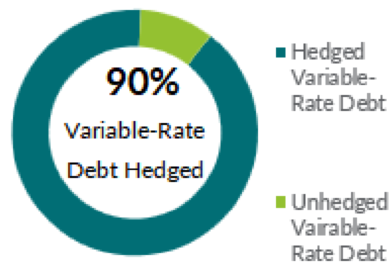
Our portfolio benefits from a balanced debt structuring, focused on a fixed-rate balance sheet to mitigate interest rate risk. We are conservatively leveraged between 60-70% and have staggered our debt maturities, minimizing exposure to liquidity risk.

Indebtedness		Principal Balance	Weighted Average Interest Rate[6]	Weighted Average Maturity Date	Weighted Average LTV
Consolidated Debt					
Fixed rate loans:					
Fixed rate mortgages	$	144,364,374	3.92%	7/11/2030	56.2%
Variable rate loans:					
Secured revolving credit facility		25,950,000	L + 2.40%	11/30/2024	58.7%
Total, Consolidated Debt		170,314,374	4.26%	9/2/2029	56.3%
Unamortized debt acquisition costs		(1,333,106)			
Consolidated Debt, net	$	168,981,268			
Unconsolidated Debt[10]					
Fixed rate loans:					
Fixed rate mortgages	$	6,446,425	4.50%	2/24/2029	60.4%
Variable rate loans:					
Variable rate mortgages		402,954,509	L + 2.32%	11/30/2027	61.6%
Total, Unconsolidated Debt	$	409,400,934	4.38%	12/6/2027	61.6%
Total, Debt	**$**	**579,715,308**	**4.34%**	**6/10/2028**	**59.9%**

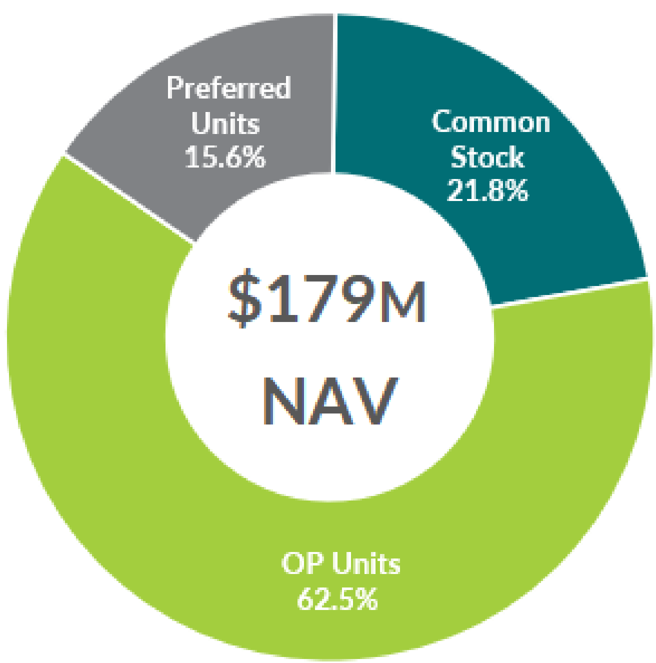
Balance Sheet
(Consolidated Debt)



Off-Balance Sheet
(Unconsolidated Debt[10])



Equity Capital Structure



3
Classes of Equity

Shares of Common Stock		269,872
Common OP Units		772,518
Preferred OP Units		250,000
Dilution of Preferred OP Units at Conversion		(56,604)
Total Shares / Units		1,235,786
NAV per Share / Unit		145
Net Asset Value	**$**	**179,188,970**

Board of Directors

We believe a balanced Board of Directors with diverse backgrounds and expertise best serves the interests of our management, the Company and our shareholders. Our Board help's guide our long-term investment strategy along with our policies on valuations, risk management and governance.

PHILIP S. PAYNE

CHAIRMAN OF THE BOARD OF DIRECTORS

- Founding member of Ginkgo Residential LLC.
- Recently founded The Lotus Campaign, a not for profit enterprise focused on increasing the availability of housing for people experiencing homelessness by engaging the private, for-profit real estate community.
- Previously served as the Chairman of the Board of BNP Residential Properties, Inc., a publicly traded real estate investment trust.

CORY M. OLSON

INDEPENDENT DIRECTOR

- Serves as as the Chief Operating Officer of Rialto Capital Group Holdings LLC, an integrated commercial real estate investment and asset management firm
- Previously served as President, Chief Operating Officer and Chief Financial Officer of LNR Property LLC, the Real Estate Investing and Servicing Segment of Starwood Property Trust (NYSE:STWD).

LAWRENCE A. BROWN

INDEPENDENT DIRECTOR

- Serves as Chairman of Starwood Mortgage Capital, one of the leading commercial real estate lenders in the United States.
- Co-founder, and previously served as Managing Director and Chief Operating Officer of AllBridge Investments, an investor in the commercial real estate capital markets.
- Founded Deutsche Bank Mortgage Capital , a wholly owned subsidiary of Deutsche Bank

WILLIAM C. GREEN

DIRECTOR AND CO-CHEIF EXECUTE OFFICER

- Principal of Ginkgo Residential LLC.
- Serves as the Lead Independent Director of Arbor Realty Inc., a publicly traded REIT (NYSE:ABR).
- Serves on the Board of Directors of Royal Oak Realty Trust Inc., a privately held REIT.
- Previously served as Global Head of Real Estate Capital Markets at Wachovia Securities and as head of Commercial Mortgage Securitization at Banc of America Capital Markets.

ROBERT J. SULLIVAN

INDEPENDENT DIRECTOR

- Counsel to Movement Mortgage, one of the fastest growing mortgage banks in the country with over 650 locations in 50 States. He is active in all aspects of Movement Mortgage with an emphasis on financing lines.
- Retired partner from the law firm Alston & Bird LLP, where he practiced law and focused on commercial real estate and corporate finance transactions, including loan workout and restructuring, structured products, special servicing, CLO origination and servicing, and commercial lending transactions.

ERIC S. ROHM

DIRECTOR AND CO-CHEIF EXECUTE OFFICER

- Principal of Ginkgo Residential LLC.
- Previously served as Chief Legal & Administrative Officer of Babcock & Brown Residential LLC.
- Previously practiced law in the Real Estate Department of Kennedy Covington Lobdell & Hickman, LLP, focusing on all aspects of real estate acquisitions, dispositions, development and financing, as well as real estate private equity investment transactions.

End Notes

All figures are approximate and as of December 31, 2022, unless otherwise indicated. The terms “we”, “us” and “our” refer collectively to Ginkgo REIT Inc. and Ginkgo Multifamily OP LP with reference to the entirety of this report. Past performance does not guarantee future results.

1. Since inception (July 1, 2019), 100% of dividends have been characterized as Return of Capital ("ROC"). ROC distributions reduce the investor's tax basis in the year the distribution is received, and generally defer taxes on that portion until redemption. Upon redemption, the investor may be subject to higher capital gains taxes as a result of a lower cost basis due to the return of capital distributions. This information is not tax advice and each investor’s personal tax situation varies. Investors should consult their own tax advisors in order to understand any applicable tax treatment and consequences of an investment.

2. Returns shown reflect the percentage change in the NAV per share from the beginning of the applicable noted period, plus the amount of any distribution per share declared in the period. All returns shown assume reinvestment of distributions.

3. Total assets is measured as (i) the asset value of real estate investments (based on fair value), plus (ii) the value of unconsolidated real estate investments (based on fair value and inclusive of unrealized promote or other incentive fee profit as part of the arrangement of the joint venture) and (iii) cash and cash equivalents and other assets as reported on the accompanying Consolidated Balance Sheet. This represents a non-GAAP measurement as the assets are measured at fair-value.

4. Same-Community is defined as consolidated communities owned for the entirety of the periods being presented or compared. Same-Community is only inclusive of the consolidated communities and excludes unconsolidated investments. This represents 1,672 residential units as of December 31, 2022.

5. Occupancy is weighted by the total real estate asset value against all real estate communities. Occupancy represents the percentage of all leased units divided by the total unit count for the month ended December 31, 2022. Unless otherwise noted as Same-Community, Occupancy is inclusive of both consolidated and unconsolidated communities.

6. Weighted Average Interest Rate is weighted by the the total outstanding debt against all real estate communities (in each respective investment class). Interest rates are inclusive of derivative instruments, consisting of interest rate caps and swaps (strike rates ranging from 0.75% to 2.75% per annum against the respective floating-rate index). The term "L" refers to the relevant floating benchmark rate, which include 1-month LIBOR, 30-day SOFR and 1-month BSBY.

7. NAV is calculated in accordance with the valuation guidelines approved by our board of directors. Please refer to the Supplementary Financial Information section of this report for a breakdown of the major components of our NAV and a reconciliation of GAAP equity to our NAV.

8. Invested Capital for Improvements, Units Renovated, Average Rent Increase per Renovation and Vacancy Attributed to Renovation is inclusive of both consolidated and unconsolidated communities. For unconsolidated communities, this represents the dollar amount and metrics for the joint venture entity, not the Company or Company's pro-rata share. Capital improvements spent by the Company for the consolidated communities are included in the accompanying consolidated financial statements.

End Notes (continued)

9. Dividend Yield represents the sum of the monthly distribution per share divided by the monthly Share NAV for the year. Tax-Equivalent Yield is the return that a taxable investment would need to generate to equal the after-tax yield received from a tax-free or tax-advantaged investment. The tax-equivalent yield assumes (i) all income earned on the hypothetical fixed income investment is taxed at the top federal tax rate of 37%, (ii) estimated state tax rate of 5% and (iii) the impact of taxes that would be payable upon redemption are excluded. The Tax-equivalent yield shown for 2022 is an estimate as the 2022 tax return for Ginkgo REIT Inc. has not been completed. As such, no investor should rely on such estimations.

10. Unconsolidated Debt refers to the mortgage debt on the unconsolidated investments, which are accounted for using the equity method in the accompanying consolidated financial statements as the Company does not hold a controlling financial interest. The unconsolidated debt is not reported on the balance sheet but disclosed here for informational purposes.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Any statements contained in this report that do not describe historical facts may constitute “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995, including statements with respect to the expected financial results of the Company. These may include our financial projections and estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, statements with respect to acquisitions and statements regarding future performance. The forward-looking statements are subject to a number of risks, trends and uncertainties that could cause actual performance to differ materially from these forward-looking statements. A number of those risks, trends and uncertainties are discussed within both Ginkgo REIT Inc.’s Private Placement Offering Memorandum and Ginkgo Multifamily OP LP’s Private Placement Preferred Offering Memorandum. Any forward-looking statements should be evaluated in light of these important risk factors. We disclaim any obligation to update or revise these forward-looking statements. Additionally, this report does not constitute an offer to sell any securities.

GENERAL RISKS OF INFLATION AND INTEREST RATES TO OUR BUSINESS

We have relied primarily on fixed-rate financing for our consolidated investments, locking in what we believe were favorable spreads between leverage, income yields and interest rates, and have tried to maintain a balanced schedule of debt maturities. Our joint venture, unconsolidated investments are primarily financed with variable-rate debt due to the nature of the transactions. We also use interest rate derivatives to manage our exposure to interest rate movements of the variable-rate debt, such as interest rate caps and swaps. However, we are subject to market risk associated with changes in interest rates in terms of our variable-rate debt and the price of acquiring new fixed-rate debt or refinancing of existing debt. Certain unconsolidated investments mortgage loans with lender requirements for maintaining interest rate hedging instruments may materially affect several of the joint ventures financial condition due to transaction costs in purchasing replacements. The hedge instruments have maturities commencing between October 2023 and November 2026. The escrow reserves for the replacement of these hedge instruments poses a significant burden to the unconsolidated investments cash flows. The ability for the unconsolidated investments to pay distributions to the Company may be limited or curtailed during periods of higher interest.

While we have paid consecutive monthly distributions to our shareholders and unitholders since inception, funded solely from cash flows generated from operations, we face liquidity and market risks that could hinder our ability to continue to declare distributions or to pay those distributions solely from operating cash flow. These risks, which may be outside of our control resulting from changes in global, national, regional, or local economic and real estate market conditions, could negatively impact our communities’ ability to generate cash flows and burden the Company’s cash position. We may not generate sufficient cash flow from operations to fully fund distributions to our shareholders and unitholders, and may fund distributions from sources other than cash flow from operations, including, without limitation, capital raising proceeds (including from sales of our common stock or Operating Partnership units), dividend reinvestment, new borrowings or refinances and the sale of our assets. We continue to carefully monitor our dividend coverage and deploy risk mitigation strategies to limit the impact of both internal and external risk factors.

The timing, source and amounts of cash flows generated by the Company are inherently related to changes in interest rates, inflation, insurance costs, and other fluctuations in the capital markets environment, which can affect the Company’s plans for acquisitions, redevelopment activities and paying distributions. Historically, the residential sector has provided a somewhat natural protection to inflation as with shorter lease durations, rents can be increased to current market rates as leases roll. However, inflation may impact our labor force, cost structure and target sector, which remain outside of our control and the risk management procedures implemented by us may not be adequate. As such, these risk factors could adversely impact our ability to pay distributions in future periods.

SUPPLEMENTARY FINANCIAL INFORMATION

We present the following supplementary financial information as a supplement to the consolidated financial statements. We encourage you to read the consolidated financial statements and the notes accompanying the consolidated financial statements included within this Annual Report in conjunction with this supplementary information. This information is not intended to be a replacement for the Company's consolidated financial statements.

References herein to "Company," "we," "us," or "our" refer to Ginkgo REIT, Inc. and Subsidiaries, including Ginkgo Multifamily OP LP (the "Operating Partnership"). References herein to "Shareholder" refers to both Ginkgo REIT, Inc. shareholders and Operating Partnership unitholders.

Funds from Operations and Adjusted Funds from Operations

We believe funds from operations ("FFO") is a meaningful supplemental, non-GAAP operating metric. Our consolidated financial statements are presented under historical cost accounting which, among other things, requires depreciation of real estate investments to be calculated on a straight-line basis. As a result, our operating results imply that the value of our real estate investments will decrease evenly over a set time period. However, we believe that the value of real estate investments will fluctuate over time based on market conditions and as such, depreciation under historical cost accounting may be less informative. FFO is a standard REIT industry metric defined by the National Association of Real Estate Investment Trusts ("NAREIT"). Pursuant to the updated guidance for FFO provided by the Board of Governors of the NAREIT and as determined by the Board of Directors of the Company, we define FFO as net income or loss (computed in accordance with GAAP), excluding (i) depreciation from real property, (ii) gains or losses from sales of depreciable real property, (iii) impairment write downs on depreciable real property, (iv) performance fee allocation to our Advisor paid, or to be paid, in shares of common stock, (v) extraordinary items, and (vi) similar adjustments for noncontrolling interests and unconsolidated entities.

We also believe that adjusted funds from operations ("AFFO") is a meaningful supplemental, non-GAAP disclosure of our operating results. AFFO further adjusts FFO in order for our operating results to reflect the specific characteristics of our business by adjusting for items we believe are not related to our core operations. Our adjustments to FFO to arrive at AFFO include removing the impact of (i) non-cash stock compensation to the Board of Directors, (ii) amortization of debt acquisition costs, (iii) non-cash asset management fees included in earnings from unconsolidated real estate ventures from the Company's position in certain unconsolidated investments, and (iv) similar adjustments for noncontrolling interests and unconsolidated entities.

The following table presents a reconciliation of net loss to FFO and AFFO for the years ended December 31, 2022 and 2021:

	2022	2021
Net loss including noncontrolling interests	$ (7,389,361)	$ (3,521,433)
Adjustments to arrive at Funds from Operations (FFO):		
Depreciation	8,252,244	6,086,968
Adjustment for depreciation in unconsolidated real estate ventures	3,461,029	1,418,851
Adjustment for M.I. in consolidated joint venture	73,997	61,564
Non-cash performance fee allocation	5,989,119	1,448,245
Loss on early debt extinguishment	382,179	467,888
Gain on consolidation of real estate joint venture	(3,039,885)	(787,617)
Preferred distributions	(1,557,976)	(204,754)
FFO	**6,171,346**	**4,969,712**
Adjustments to arrive at Adjusted Funds from Operations (AFFO):		
Amortization of debt acquisition costs	380,286	185,183
Non-cash stock compensation to Board of Directors	106,875	82,500
Amount attributable to unconsolidated entities	267,477	-
AFFO	**$ 6,925,984**	**$ 5,237,395**
Weighted Average Shares Outstanding	**856,556**	**682,647**
FFO Per Unit	7.20	7.28
AFFO per Unit	8.09	7.67
Distribution Per Share	7.36	6.71
Distribution as a Percentage of FFO	102.2%	92.1%
Distribution as a Percentage of AFFO	91.0%	87.4%

Common Stock and Operating Partnership Units

The common stock offering, as outlined in Ginkgo REIT Inc.'s Private Placement Offering Memorandum, consists of shares of common stock with $0.01 par value per share. As of December 31, 2022, we had 257 shareholders with shares of common stock.

Operating Partnership units ("Common OP Units") are issued to unitholders as part of the contributions of properties or ownership in properties to the Operating Partnership. As of December 31, 2022, we have 101 unitholders with Common OP Units.

As a privately-held REIT, shares of our common stock are not listed for trading on a stock exchange or other securities market. The purchase price per share for our common stock is equal to our Net Asset Value ("NAV") per share, as determined by the Board of Directors of the Company (the "Board") and reviewed at least annually. Common OP Units are economically equivalent to shares of our common stock and accordingly, prices for our common stock apply to Common OP Units equally.

The following table presents our changes to our NAV per share and dividend per share since inception:

As of:	NAV per Share	Dividend per Share
July 1, 2019	$ 100.00	$ 0.50
January 1, 2020	105.00	0.53
January 1, 2021	111.00	0.55
August 18, 2021	116.00	0.57
January 21, 2022	131.00	0.60
May 18, 2022	141.00	0.62
August 16, 2022	145.00	0.63

Convertible Preferred Equity

The Operating Partnership completed the offering of $25,000,000 Convertible Preferred Operating Partnership Units ("Preferred OP Units"), with $100 par value per unit, during the second quarter of 2022. Pursuant to Ginkgo Multifamily OP LP's Private Placement Preferred Offering Memorandum, the offering ended on May 31, 2022. The cash purchase price for the Preferred OP Units is equal to the par value of $100.

The Preferred OP Units pay an annual distribution yield of 7% (payable monthly), with the first distribution paid August 1, 2021. Holders of Preferred OP Units may be entitled to receive a 2% cumulative distribution at redemption, should the unitholder not elect to convert. It should be noted that changes in the common dividend have no impact of the Preferred OP Unit distribution.

As of December 31, 2022, we have 30 unitholders with Preferred OP Units.

After 2 years from issuance and at the option of the unitholder, each Preferred OP Unit is convertible into shares of common stock of the Company. The number of shares of common stock to be issued upon conversion is dependent upon the issuance date and price of the underlying stock. The common shares to be issued in a conversion election is equal to the number of Preferred OP Units offered for conversion multiplied by the conversion ratio (as determined by the respective NAV per share at the time of issuance).

The following table provides a summary of the conversion option for the Preferred OP Units issued and outstanding as of December 31, 2022:

	Preferred OP Units	Common Stock Price at Issuance	Conversion Ratio	Common Stock Issuable at Conversion	Earliest Open Conversion Date
	43,250	$ 111.00	0.833	36,042	6/30/2023
	156,520	$ 116.00	0.784	122,664	10/18/2023
	47,730	$ 131.00	0.694	33,123	3/31/2024
	2,500	$ 145.00	0.627	1,567	8/31/2024
Total/Wtd Average	**250,000**		**0.774**	**193,396**	**11/2/2023**

Net Asset Value

We calculate NAV per share in accordance with the valuation guidelines that are approved by our Board. The Company's NAV must be determined at least annually. Our total NAV presented in the following tables includes the NAV of our common stock, Common OP Units and Preferred OP Units, assuming fully converted into shares of common stock at the respective conversion rates.

The following table provides a breakdown of the major components of our NAV as of December 31, 2022:

Components of NAV		**December 31, 2022**		**Per Share**
Investments in real estate	$	296,289,000	$	239.76
Investments in unconsolidated real estate ventures		79,806,000		64.58
Cash and cash equivalents		5,108,810		4.13
Restricted cash		917,882		0.74
Other assets		1,935,379		1.57
Debt obligations		(170,314,374)		(137.82)
Prepayment penalties and/or defeasance costs		(3,564,000)		(2.88)
Other liabilities		(8,862,173)		(7.17)
Tax indemnification liability		(20,422,754)		(16.53)
Noncontrolling interests in consolidated joint venture		(1,704,800)		(1.38)
Net Asset Value	**$**	**179,188,970**	**$**	**145.00**
Number of outstanding shares/units; fully diluted[(1)]		1,235,785		
NAV per Share/Unit	**$**	**145.00**		

(1) This is inclusive of the total outstanding Preferred OP Units being converted into 193,396 additional common shares.

The following table reconciles total equity per our consolidated balance sheet to our NAV:

Reconciliation of Total Equity to NAV		**December 31, 2022**		**Per Share**
Total equity under GAAP	$	115,700,809	$	93.63
Adjustments:				
Unrealized real estate appreciation from investments in real estate		61,101,278		49.44
Accumulated depreciation		19,729,052		15.96
Unrealized fair value changes from investments in unconsolidated real estate ventures		9,682,491		7.84
Unamortized debt acquisition costs		(1,333,106)		(1.08)
Debt obligations marked to fair value		(3,564,000)		(2.88)
Tax indemnification liability		(20,422,754)		(16.53)
Noncontrolling interests in consolidated joint venture		(1,704,800)		(1.38)
Net Asset Value	**$**	**179,188,970**	**$**	**145.00**

The following details the adjustments to reconcile GAAP total equity to our NAV:

- Our investments in real estate are presented under historical cost in our GAAP consolidated financial statements. Additionally, our debt obligations ("Debt") are recorded at their carrying value in our consolidated financial statements. As such, any increases or decreases in the fair market value of our investments in real estate or our Debt are not recorded in our GAAP results. For purposes of determining our NAV, our investments in real estate and our Debt are recorded at fair value. Debt marked to fair value is inclusive of prepayment penalties and/or defeasance costs on loans with lower leverage.

- Our investments in unconsolidated real estate ventures are initially recorded at cost using the equity method of accounting. As such, any fluctuations in the fair value of these investments due to appreciation in value, depreciation in value or fair value of expected promote income are not recorded in our GAAP results.

- We depreciate our investments in real estate in accordance with GAAP. Such depreciation is excluded for purposes of determining our NAV.

- We report our unamortized debt acquisition costs as a direct reduction to the carrying value of our Debt in accordance with GAAP. Such costs are excluded for purposes of determining our NAV as these costs are expensed as incurred when our Debt is marked to fair value.

- The Operating Partnership has indemnified each holder of Common OP Units against certain tax consequences in the event of a taxable sale of the Common OP holder(s) contributed property. As defined in the respective tax indemnification agreements, the Operating Partnership agrees to pay to the holder(s) of Common OP Units the aggregate income tax payable under applicable federal and state law in effect at the time of the sale, up to a period of 10 years. For purposes of determining our NAV, the estimated potential tax liability in accordance with the tax indemnification agreements is included assuming complete liquidation of the Company in a single sale of all the assets, free and clear. While the Company may have the ability to employ further tax deferral strategies in the case of periodic, individual asset sales of these contributed properties, the whole portfolio methodology in calculating the Company's NAV reflects the potential cost of complying with the indemnity agreements. It should be noted that this liability is the Company's management's best estimate. Management has not performed detailed tax analyses or engaged a professional tax advisor to calculate, assess, review or audit this estimate. Accordingly, our NAV calculation is inherently subjective, and our NAV may not accurately reflect the impact of the potential tax indemnifications.

- Total equity includes the economic interest of the Company's various classes of capital, comprising common stock, Common OP Units and Preferred OP Units, as well as third party interests in a joint venture that is consolidated in the accompanying consolidated financial statements. The Operating Partnership has consolidated the joint venture as the accounting requirements for consolidation are met. For purposes of determining our NAV, the non-controlling interest in the consolidated joint venture is removed. The non-controlling interest is reported at fair value in this calculation.

The following table further provides condensed financial information for the components of our NAV as of December 31, 2022:

Condensed Financial Information for Components of NAV		**December 31, 2022**
Assets		
Investments in real estate	$	296,289,000
Investments in unconsolidated real estate ventures		79,806,000
Cash and other assets		7,962,071
Total assets		**384,057,071**
Liabilities		
Debt obligations		(173,878,374)
Other liabilities		(8,862,173)
Tax indemnification liability		(20,422,754)
Total liabilities		**(203,163,301)**
Noncontrolling interests in consolidated joint venture		(1,704,800)
Net Asset Value	**$**	**179,188,970**
Stockholders' equity	$	39,131,377
Operating Partnership noncontrolling interests(1)	$	140,057,593

(1) We refer to the limited partners of the Operating Partnership as the majority unitholders or the Operating Partnership's noncontrolling interest.

Dividends and Distributions

Beginning July 1, 2019, we declared monthly distributions for our common stock and Common OP Units, which are generally paid one to three days after month-end. We have paid distributions consecutively each month since such time. Both our common stock and Common OP Units receive the same distribution per share, which was declared at $7.36 and $6.71 per share for the years ended December 31, 2022 and 2021, respectively. It should be noted that declared dividends are paid one month in arrears, making cash receipts lag by a month when comparing to dividends declared.

The following table details the distributions declared for the years ended December 31, 2022 and 2021:

Declaration Month	**2022**	**2021**
January	$ 0.60	$ 0.56
February	0.60	0.56
March	0.60	0.56
April	0.60	0.56
May	0.60	0.56
June	0.60	0.56
July	0.62	0.56
August	0.62	0.56
September	0.63	0.56
October	0.63	0.57
November	0.63	0.57
December	0.63	0.57
	$ 7.36	**$ 6.71**

The following table summarizes our distributions paid during the years ended December 31, 2022 and 2021:

	2022		**2021**	
Dividends and Distributions	**Amount**	**Percentage**	**Amount**	**Percentage**
Payable in cash	$ 4,421,910	73%	$ 3,029,354	74%
Reinvested into common shares	1,650,996	27%	1,077,063	26%
Total dividends and distributions	**$ 6,072,906**	**100%**	**$ 4,106,417**	**100%**
Sources of Dividends and Distributions				
Cash flows from operating activities	$ 4,421,910	100%	$ 3,029,354	100%
Offering proceeds	-	0%	-	0%
Total sources of dividends and distributions	**$ 4,421,910**	**100%**	**$ 3,029,354**	**100%**

	Amount	**Dividend Coverage**	**Amount**	**Dividend Coverage**
Cash flows from operating activities – GAAP	$ 8,624,523	1.42x	$ 5,168,998	1.26x
Funds from Operations – non-GAAP	$ 6,171,346	1.02x	$ 4,969,712	1.21x
Adjusted Funds from Operations – non-GAAP	$ 6,925,984	1.14x	$ 5,237,395	1.28x

Real Estate Portfolio

The following table provides information regarding our portfolio of real estate communities as of December 31, 2022:

Communities	Location	Acquisition Date	Ownership Interest[1]	Units	Occupancy[2]
Consolidated real estate [3]:					
Brookford Place	Winston Salem, NC	Aug. 2019	100%	108	97.3%
Glendare Park	Winston Salem, NC	Aug. 2019	100%	600	92.0%
Salem Ridge	Winston Salem, NC	Sep. 2019	100%	120	97.8%
501 Towns	Durham, NC	Oct. 2019	100%	236	94.0%
Bridges at Quail Hollow	Charlotte, NC	Feb. 2020	100%	90	94.8%
Matthews Lofts	Charlotte, NC	Mar. 2020	100%	81	96.4%
Pepperstone	Greensboro, NC	April 2020	100%	108	95.7%
Woodcreek Farms	Columbia, SC	April 2020	67%	176	95.2%
Lexington Street	Durham, NC	June 2020	100%	16	93.2%
Savannah Place	Winston Salem, NC	Sep. 2020	100%	172	93.7%
Gardens at Country Club	Winston Salem, NC	Nov. 2020	100%	137	93.8%
East Park	Charlotte, NC	Nov. 2021	100%	71	84.1%
Spencer Crossing	Greensboro, NC	Dec. 2021	100%	63	94.2%
Swathmore Court	High Point, NC	Dec. 2021	100%	104	92.4%
Pinnix Apartments	Winston Salem, NC	Apr. 2022	100%	12	22.6%
Total consolidated real estate[3]				2,094	
Unconsolidated real estate [4]:					
Forest at Chasewood	Charlotte, NC	Oct. 2020	15%	220	93.0%
Kimmerly Glen	Charlotte, NC	Oct. 2020	40%	260	90.0%
Croasdaile Farms	Durham, NC	Nov. 2020	32%	272	92.4%
The Cedars	Charlotte, NC	Nov. 2020	25%	40	91.5%
Town 324	Charlotte, NC	June 2021	6%	24	99.9%
The Cove	Winston Salem, NC	June 2021	5%	213	96.5%
The Station on Pineview	Winston Salem, NC	June 2021	5%	165	98.5%
Cedar Ridge	Winston Salem, NC	June 2021	5%	112	89.6%
Arbor Creek	Durham, NC	Aug. 2021	15%	347	89.6%
Boundary Village	Durham, NC	Sep. 2021	37%	186	86.8%
Yorkshire	Rock Hill, SC	Sep. 2021	36%	183	91.5%
The Flats at Salem	Winston Salem, NC	Oct. 2021	38%	259	90.9%
Weyland	Charlotte, NC	Oct. 2021	5%	200	90.7%
The Preserve	Durham, NC	Oct. 2021	15%	137	92.7%
Country Club	Charlotte, NC	Dec. 2021	25%	110	93.0%
Fieldbrook	Charlotte, NC	Mar. 2022	25%	110	94.2%
Parkwood East	Charlotte, NC	Apr. 2022	27%	128	96.9%
Bridgewood & Ridgecrest Manor	Winston Salem, NC	Apr. 2022	18%	72	88.8%
Olde North Village	Winston Salem, NC	Apr. 2022	18%	48	91.4%
Biscayne	Charlotte, NC	June 2022	25%	54	94.7%

Aurora	Charlotte, NC	Aug. 2022	38%	486	91.4%
Central Pointe	Charlotte, NC	Aug. 2022	46%	336	94.8%
The Arden & The Davy	Charlotte, NC	Nov. 2022	5%	35	99.2%
Axiom	Charlotte, NC	Nov. 2022	30%	202	88.2%
Total unconsolidated real estate[4]				4,199	
Total Investments in Real Estate				**6,293**	

(1) Certain of our joint venture agreements provide the Company with a profits interest based upon achieving certain investment return thresholds. For investments that have achieved such returns, the Ownership Interest in this table is representative of the Company's current profit participation.
(2) Occupancy rate is defined as the percentage of leased units divided by the total unit count for the month ended December 31, 2022.
(3) Consolidated investments refer to wholly owned or majority-owned communities, where the Company holds a controlling financial interest (generally owned 50% or more or the Company owns a super-majority voting interest).
(4) Unconsolidated investments refer to communities owned through joint venture arrangements where the Company owns (i) partial interest in the real estate and (ii) the Company does not have financial control (generally owned 50% or less). These investments are classified as investments in unconsolidated real estate ventures under GAAP.

Portfolio Ownership and Purchase Structure

The following table provides summary information regarding the ownership, purchase structure and timeline of acquisitions for our portfolio of real estate communities as of December 31, 2022:

	Purchased[1] Units	Contributed[2] Units	Total Units	Consolidated Units	Unconsolidated Units	Total Units
2019	236	828	1,064	1,064	0	1,064
2020	455	1,117	1,572	780	792	1,572
2021	824	1,350	2,174	238	1,936	2,174
2022	599	884	1,483	12	1,471	1,483
Current Portfolio	**2,114**	**4,179**	**6,293**	**2,094**	**4,199**	**6,293**
% of Portfolio	34%	66%	100%	33%	67%	100%

(1) Purchased Units refer to communities acquired from third-party sellers for cash consideration.
(2) Contributed Units refer to communities acquired from related party entities where individuals and/or entities contributed their properties or ownership interests in properties to the Operating Partnership in exchange for Operating Partnership units. Generally, these acquisitions are non-cash to the Company except in limited circumstances where Operating Partnership units and cash were exchanged for purchase.

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Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

Ginkgo REIT Inc. and Subsidiaries

December 31, 2022 and 2021

Table of Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Ginkgo REIT Inc.

Opinion
We have audited the consolidated financial statements of Ginkgo REIT Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Charlotte, North Carolina
March 3, 2023

Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
Assets		
Investments in real estate, net	$ 215,458,670	$ 188,434,503
Investments in unconsolidated real estate ventures	70,123,509	34,988,075
Cash and cash equivalents	5,108,810	3,525,647
Restricted cash	917,882	1,296,852
Rental accounts receivable, net of allowance	576,464	534,610
Prepaid expenses and other assets	1,358,915	1,247,899
Total assets	**$ 293,544,250**	**$ 230,027,586**
Liabilities and Equity		
Liabilities		
Mortgage notes payable, net	$ 143,031,268	$ 122,190,992
Secured revolving credit facility	25,950,000	23,700,000
Accounts payable, accrued expenses and other liabilities	8,862,173	3,819,595
Total liabilities	177,843,441	149,710,587
Equity		
Stockholders' equity		
Common stock, $0.01 par value; 900,000,000 shares authorized, 269,874 and 191,573 issued and outstanding as of December 31, 2022 and 2021, respectively	2,699	1,916
Additional paid-in capital	30,231,427	19,970,714
Accumulated deficit and cumulative distributions	(6,776,578)	(3,470,788)
Total stockholders' equity	23,457,548	16,501,842
Noncontrolling interests	92,243,261	63,815,157
Total equity	115,700,809	80,316,999
Total liabilities and equity	**$ 293,544,250**	**$ 230,027,586**

Consolidated Statements of Operations
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenues		
Rental income	$ 23,241,103	$ 17,237,575
Other tenant income	3,085,667	2,460,623
Total revenues	26,326,770	19,698,198
Property Expenses		
Property operating expenses	11,161,428	8,638,299
Property management fees	1,124,725	855,331
Total property expenses	12,286,153	9,493,630
Other operating (income) expenses		
Depreciation	8,252,244	6,086,968
Director and professional fees	672,502	378,822
Asset management fees	1,573,912	916,294
Performance fee allocation	5,989,119	1,448,245
Gain on consolidation of real estate venture	(3,039,885)	(787,617)
Total other operating expenses	13,447,892	8,042,712
Operating income	592,725	2,161,856
Other (income) expenses		
Interest:		
Interest expense incurred	6,235,099	5,158,575
Amortization of debt acquisition costs	380,286	185,183
Earnings from unconsolidated real estate ventures	847,448	(200,504)
Loss on early debt extinguishment	382,179	467,888
Interest and other income	(328)	(690)
Other expenses, net	137,402	72,837
Total other expenses	7,982,086	5,683,289
Net loss	(7,389,361)	(3,521,433)
Net loss attributable to noncontrolling interests	(5,820,285)	(2,817,079)
Net loss attributable to Ginkgo REIT Inc.	**$ (1,569,076)**	**$ (704,354)**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

	Common Stock, par value	Additional Paid-in Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balances, December 31, 2020	**$ 1,517**	**$ 15,430,848**	**$ (1,686,859)**	**$ 13,745,506**	**$ 42,377,044**	**$ 56,122,550**
Issuance of common stock	422	4,793,181	-	4,793,603	-	4,793,603
Issuance of convertible preferred Operating Partnership units	-	-	-	-	17,684,149	17,684,149
Issuance of Operating Partnership units for contributed properties	-	-	-	-	11,006,945	11,006,945
Common stock repurchased	(23)	(253,315)	-	(253,338)	-	(253,338)
Dividends and distributions	-	-	(1,079,575)	(1,079,575)	(3,231,596)	(4,311,171)
Purchase of noncontrolling interests in consolidated joint venture	-	-	-	-	(1,057,739)	(1,057,739)
Distributions to noncontrolling interests in consolidated joint venture	-	-	-	-	(146,567)	(146,567)
Net loss	-	-	(704,354)	(704,354)	(2,817,079)	(3,521,433)
Balance, December 31, 2021	**$ 1,916**	**$ 19,970,714**	**$ (3,470,788)**	**$ 16,501,842**	**$ 63,815,157**	**$ 80,316,999**
Issuance of common stock	785	10,289,180	-	10,289,965	-	10,289,965
Issuance of convertible preferred Operating Partnership units	-	-	-	-	7,315,852	7,315,852
Issuance of Operating Partnership units for contributed properties	-	-	-	-	33,316,426	33,316,426
Common stock/units repurchased	(19)	(271,553)	-	(271,572)	(174,672)	(446,244)
Exchange of Operating Partnership units for comonn stock	17	243,086	-	243,103	(243,103)	-
Dividends and distributions	-	-	(1,736,714)	(1,736,714)	(5,894,168)	(7,630,882)
Distributions to noncontrolling interests in consolidated joint venture	-	-	-	-	(71,946)	(71,946)
Net loss	-	-	(1,569,076)	(1,569,076)	(5,820,285)	(7,389,361)
Balance, December 31, 2022	**$ 2,699**	**$ 30,231,427**	**$ (6,776,578)**	**$ 23,457,548**	**$ 92,243,261**	**$ 115,700,809**

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net loss	$ (7,389,361)	$ (3,521,433)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	8,252,244	6,086,968
Director fees	106,875	82,500
Preformance fee allocation	5,989,119	1,448,245
Gain on consolidation of real estate venture	(3,039,885)	(787,617)
Amortization of debt acquisition costs	380,286	185,183
Operating distributions from unconsolidated real estate ventures	2,931,904	1,262,482
Earnings from unconsolidated real estate ventures	847,448	(200,504)
Loss on early debt extinguishment	382,179	467,888
Changes in operating assets and liabilities:		
Rental accounts receivable, net of allowance	(15,607)	(115,593)
Prepaid expenses and other assets	(188,607)	283,415
Accounts payable, accrued expenses and other liabilities	367,928	(22,536)
Net cash provided by operating activities	8,624,523	5,168,998
Cash flows from investing activities:		
Cash and cash equivalents and restricted cash received in acquisition of real estate through UpREIT transaction:	-	489,210
Acquisitions of investments in real estate, net	(6,340,684)	(21,279,570)
Acquisition fees paid	(160,593)	(501,986)
Capital improvements to real estate	(6,503,512)	(2,840,562)
Contributions to investments in unconsolidated real estate ventures	(8,216,622)	(8,700,173)
Non-operating distributions from unconsolidated real estate ventures	671,623	7,108,119
Deposits on real estate acquisitions	(23,500)	(138,946)
Net cash used in investing activities	(20,573,288)	(25,863,908)
Cash flows from financing activities:		
Proceeds from issuance of common stock	7,083,849	3,634,040
Proceeds from issuance of convertible preferred Operating Partnership units	5,975,839	6,925,000
Dividends and distributions paid	(4,421,910)	(3,029,354)
Preferred distributions paid	(1,557,976)	(204,754)
Repurchase of common stock/units	(446,244)	(253,338)
Proceeds from mortgage notes payable	21,091,000	-
Repayments of mortgage notes payable	(16,225,017)	(12,548,532)
Borrowings from secured revolving credit facility	9,250,000	23,700,000
Repayments of secured revolving credit facility	(7,000,000)	-
Payments for early debt extinguishment	(161,300)	(423,120)
Debt acquisition costs paid	(363,337)	(560,456)
Purchase of noncontrolling interests in consolidated joint venture	-	(1,057,739)
Distributions to noncontrolling interests in consolidated joint venture	(71,946)	(146,567)
Net cash provided by financing activities	13,152,958	16,035,180
Net increase (decrease) in cash and cash equivalents and restricted cash	1,204,193	(4,659,730)
Cash and cash equivalents and restricted cash, beginning of year	4,822,499	9,482,229
Cash and cash equivalents and restricted cash, end of year	**$ 6,026,692**	**$ 4,822,499**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. Organization

Ginkgo REIT Inc. (the "Company" or "we"), a Maryland corporation that has elected to be taxed as a real estate investment trust ("REIT") under the Internal Revenue Code, was formed and commenced operations on January 22, 2019. The Company was formed to be the sole general partner of Ginkgo Multifamily OP LP (the "Operating Partnership"), which was formed primarily for the purpose of acquiring, through purchase or contribution, direct or indirect ownership interests in a portfolio of income-producing multifamily rental communities located primarily in North Carolina and South Carolina. Substantially all of the Company's business is conducted through the Operating Partnership. The Company and the Operating Partnership are externally managed by Ginkgo Residential LLC (the "Advisor"), a related party to the Company. The Adviser conducts substantially all of the Company's and Operating Partnership's operations and provides asset management services for its real estate investments in accordance with the advisory agreement.

As of December 31, 2022, the Operating Partnership owned or held ownership interests in 39 multifamily rental communities, comprising 6,293 units. The ownership of the Operating Partnership's real estate investments is through a combination of wholly owned subsidiaries and joint venture arrangements.

The following table represents the rental communities wholly owned, or controlled, by the Operating Partnership and consolidated in the accompanying consolidated financial statements:

Operating Community		Location	Date Acquired	Units	Ownership Percentage
Glendare Park		Winston Salem, NC	August 2019	600	100.0%
Brookford Place		Winston Salem, NC	August 2019	108	100.0%
Salem Ridge		Winston Salem, NC	September 2019	120	100.0%
501 Towns		Durham, NC	October 2019	236	100.0%
Bridges at Quail Hollow	(1)	Charlotte, NC	February 2020	90	100.0%
Matthews Lofts		Charlotte, NC	March 2020	81	100.0%
Pepperstone		Greensboro, NC	April 2020	108	100.0%
Woodcreek Farms	(2)	Columbia, SC	April 2020	176	66.9%
Lexington Street		Durham, NC	June 2020	16	100.0%
Savannah Place	(3)	Winston-Salem, NC	September 2020	172	100.0%
Gardens at Country Club		Winston Salem, NC	November 2020	137	100.0%
East Park		Charlotte, NC	November 2021	71	100.0%
Spencer Crossing		Greensboro, NC	December 2021	63	100.0%
Swathmore Court		High Point, NC	December 2021	104	100.0%
Pinnix Apartments		Kernersville, NC	April 2022	12	100.0%

(1) Bridges at Quail Hollow was consolidated on May 1, 2021, when the Operating Partnership acquired 100% of the interests in the property. The Company's partial interest prior to consolidation was held using the equity method of accounting.
(2) Woodcreek Farms was consolidated as a variable interest entity on June 1, 2020, when the Operating Partnership obtained a controlling financial interest. The Company's partial interest prior to consolidation was held using the equity method of accounting.
(3) Savannah Place was consolidated on April 1, 2022, when the Operating Partnership acquired 100% of the interests in the property. The Company's partial interest prior to consolidation was held using the equity method of accounting.

UpREIT Structure

The Company is structured as an umbrella partnership real estate investment trust ("UpREIT"). The Company is the sole general partner and owns a minority interest in the Operating Partnership, through which the Company conducts substantially all of its operations. As of December 31, 2022 and 2021, the Company owned 21% and 22%, respectively, of the ownership interests of the Operating Partnership.

The Company refers to the limited partners of the Operating Partnership (the "Limited Partners") as the majority unitholders or the Operating Partnership's noncontrolling interest (see Note 10). Limited Partners will generally be able to redeem their units for cash (see Note 13). UpREITs are generally structured so that distributions of cash from the Operating Partnership are allocated between the Company and the limited partners based on their respective unit ownership. As of December 31, 2022 and 2021, the Limited Partners owned 79% and 78%, respectively, of the ownership interests of the Operating Partnership.

2. Summary of Significant Accounting Policies

Principals of Consolidation and Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying consolidated financial statements include the accounts of the Company, the Company's subsidiaries, including the Operating Partnership and its subsidiaries, and a joint venture in which the Company has a controlling interest. For the consolidated joint venture, the noncontrolling partner's share of the assets, liabilities and operations of the joint ventures is included in noncontrolling interests as equity of the Company. The noncontrolling partner's interest is generally computed as the joint venture partner's ownership percentage. All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

In determining whether the Company has a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, the Company considers whether the entity is a variable interest entity ("VIE") and whether it is the primary beneficiary. The Company is the primary beneficiary of a VIE when it has (i) the power to direct the most significant activities impacting the economic performance of the VIE and (ii) the obligation to absorb losses or receive benefits significant to the VIE. The Operating Partnership is considered to be a VIE. The Company consolidates the Operating Partnership because it has the ability to direct the most significant activities of the entities such as purchases, dispositions, financings, budgets and overall operating plans. Where the Company does not have the power to direct the activities of the VIE that most significantly impact its economic performance, the Company's interest for those partially owned entities are accounted for using the equity method of accounting.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers cash and investment instruments purchased with a maturity of three months or less to be cash and cash equivalents. The Company maintains cash on deposit with banks that, at times, exceed federally insured amounts.

Reclassifications

Certain items in the consolidated financial statements and footnotes have been reclassified, with no effect on total assets, total liabilities, net income or stockholders' equity. In addition, the Company reclassified certain items within the accompanying Consolidated Statements of Cash Flows to conform to the current year presentation.

Restricted Cash

Restricted cash primarily consists of amounts in escrow related to real estate taxes, insurance and other lender escrows in connection with certain mortgage notes and tenant security deposits.

Rental Accounts Receivable, Net of Allowance

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with any damages or cleaning fees as applicable. The Company accounts for all past due rents at the contract rate and recognizes other tenant charges on the date assessed at the actual amount due. The Company does not accrue interest on these accounts. Tenant receivables are charged to bad debt expense and an allowance created based upon a periodic review of the accounts by management or after 30 days.

When a resident moves out, any balance on their account is immediately written off as uncollectible. The allowance for doubtful accounts was $235,515 and $227,789 as of December 31, 2022 and 2021, respectively.

Debt Acquisition Costs

Debt acquisition costs include legal, structuring, and other loan costs incurred by the Company from obtaining its debt obligations. Debt acquisition costs related to the Company's mortgage notes payable are recorded as an offset from the carrying amount of the debt to which they relate and amortized over the term of the applicable mortgage agreement. Debt acquisition costs related to the Company's secured revolving credit facility are recorded as a component of other assets on the Company's Consolidated Balance Sheets and amortized over the term of the credit facility agreement.

Investments in Real Estate

In accordance with Financial Accounting Standards Board ('FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations*, the Company determines whether the acquisition of a property qualifies as a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the property acquired does not constitute a business, the Company accounts for the transaction as an asset acquisition. The guidance for business combinations states that when substantially all of the fair value of the gross assets to be acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset or set of assets is not a business. All property acquisitions to date have been accounted for as asset acquisitions.

The Company capitalizes acquisition-related costs associated with asset acquisitions as part of the allocated purchase price. The fair value of rental property acquired is allocated to tangible assets, consisting of land, buildings and improvements and identifiable intangible assets, such as amounts related to in-place leases and acquired "above-market" and "below-market" leases. Estimated fair value determinations are based on management's judgment, which is based on various factors including market conditions, the characteristics of the real estate, and/or real estate appraisals.

The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant. The Company also considers an allocation of other acquired intangibles such as, in-place leases and acquired "above market" and "below-market" leases. Based on the Company's acquisitions to date, we have not allocated any amounts to intangible assets.

Rental property is carried at cost and presented net of accumulated depreciation on the accompanying Consolidated Balance Sheets. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of straight-line methods for financial reporting purposes. The estimated lives used in determining depreciation are as follows:

Buildings and improvements	15 - 39 years
Land improvements	7 - 10 years
Fixtures, furniture and equipment	3 - 7 years

Maintenance and ordinary repairs of property and equipment are charged to property operating expense as incurred. Improvements which extend the life, increase the capacity, or improve the safety or the efficiency of an asset are capitalized.

The Company assesses its real estate properties for impairment periodically or when there is an event or change in circumstances that indicates an impaired value. The evaluation for impairment is based on a number of factors, including market conditions, capitalization rates and performance of the property including net operating income, future occupancy and rental rates. If the Company determines that the carrying amount of a real estate property is not fully recoverable, the carrying amount is evaluated. The Company evaluates the recoverability of its real estate properties based on estimated future undiscounted cash flows and the estimated liquidation value, and provides for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the real estate property. If impaired, the Company will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the real estate property. No impairment was recorded for the years ended December 31, 2022 and 2021.

Investments in Unconsolidated Real Estate Ventures

Investments in unconsolidated real estate joint ventures are accounted for using the equity method and are initially recorded at cost using a cost accumulation model, in which such investments are recognized based on the cost to the Company, including transaction costs, and subsequently adjusted for equity in earnings and cash contributions and distributions. These investments are generally owned 50% or less by the Company or the Company does not have control but is able to exercise substantial influence. Under the equity method of accounting, the net equity investment is reflected within the accompanying Consolidated Balance Sheets, and the Company’s share of earnings from investments in unconsolidated real estate ventures is included within the accompanying Consolidated Statements of Operations. The joint venture agreements may designate different percentage allocations among investors for profits and losses; however, the Company’s recognition of joint venture income or loss generally follows the joint venture’s distribution priorities, which may change upon the achievement of certain internal rate of return hurdles.

Upon the acquisition of a controlling financial interest of an unconsolidated real estate venture, the real estate venture is consolidated, and a gain or loss is recognized upon the remeasurement of unconsolidated real estate venture in the Consolidated Statements of Operations equal to the amount by which the fair value of the Company’s previously owned unconsolidated real estate venture interest exceeds its carrying value.

On a periodic basis, the Company assesses whether there are any indicators that the value of the Company’s investments in unconsolidated real estate ventures may be impaired. An investment is impaired only if the fair value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other-than-temporary. The ultimate realization of impairment is dependent on a number of factors, including the performance of each investment and market conditions. No impairment was recorded for the years ended December 31, 2022 and 2021.

Revenue Recognition

The Company’s primary sources of revenue and the related revenue recognition policies are as follows:

Rental revenue consists of base rent arising from tenant leases at the Company’s apartment communities. Revenue is recorded when due from residents and is recognized monthly as it is earned. Tenant leases for the rental of an apartment unit are generally year-to-year and are renewable upon consent of both parties on an annual basis. Advanced receipts of rental income are deferred and classified as liabilities until earned.

Other tenant income primarily consists of utility reimbursements, late fees, pet fees, lease application fees and other one-time fees, which are recognized when earned.

Leases

The Company derives revenue pursuant to its lease agreements with tenants. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the lease inception, the Company determines whether each lease is a sales-type, direct financing or operating lease. Such classification is based on whether:

- The lessee gains control of the underlying asset and the lessor therefore relinquishes control to the lessee under certain criteria (sales-type or direct-financing); or
- All other leases that do not meet the conditions of either a sales-type lease or a direct financing lease is an operating lease.

The Company’s leases are classified as operating leases in accordance with relevant accounting guidelines, and the related revenue is recognized on a straight-line basis.

Noncontrolling Interests
Noncontrolling interests reported in the accompanying Consolidated Balance Sheets includes the economic interest in the Operating Partnership held outside of the Company, as well as third party interests in a joint venture that is consolidated in the accompanying consolidated financial statements. Noncontrolling interests are reported as a separate component of equity.

Noncontrolling interests are subsequently adjusted for additional contributions, distributions to noncontrolling interest holders and the noncontrolling interest holders' proportional share of the net income or loss of each respective entity.

Consolidated Joint Venture
The Operating Partnership holds a 66.9% ownership interest in a joint venture owning Woodcreek Apartments, a 176-unit apartment community in Columbia, SC. The Operating Partnership has consolidated this joint venture in the accompanying consolidated financial statements as the joint venture is considered to be a VIE and the Operating Partnership is the primary beneficiary as it is the manager of the joint venture and the noncontrolling members do not have substantive participating rights. Control over this joint venture is further demonstrated by the Operating Partnership's ability to unilaterally make significant operating decisions in the ordinary course of business. In addition, there is the inability of the noncontrolling members to remove the Operating Partnership from its role as the manager of the joint venture.

Income Taxes
The Company has elected to be taxed as a REIT under the Internal Revenue Code. The Company believes it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to operate in the foreseeable future in such a manner so that it will remain qualified as a REIT for federal income tax purposes. To maintain REIT status and not be subject to federal income taxation at the corporation level, the Company is generally required to distribute at least 90% of its adjusted taxable income to its stockholders and satisfy certain other organizational and operating requirements.

The Operating Partnership is treated as a partnership for income tax purposes and is not subject to income taxes. The taxable income or loss is reported on the individual income tax returns of its partners based upon the percentage of ownership. No provision for income taxes is required in the accompanying consolidated financial statements.

The Company is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. The Company has evaluated each of its tax positions and has determined that no additional provision or liability for income taxes is necessary. The 2019-2022 tax years remain open to examination by respective tax jurisdictions to which the Company and its subsidiaries are subject.

Share Value Determination
Shares of common stock and common Operating Partnership units (see Note 10) are offered or issued at an amount equal to the Company's net asset value ("NAV") divided by the number of outstanding shares (the "Share NAV"). Any change to the Company's NAV will require the approval of a majority of the Company's board of directors (the "Board"), including approval of a majority of the independent directors of the Board. The Company's NAV will be made at least annually, but the Board may review the NAV more frequently if there is a significant change in the property portfolio, or material events that may affect the value of a particular property or otherwise affect the value of the common stock, or if the Board determines, in its sole discretion, that a more frequent valuation is warranted. The Board may, but is not required to, engage consultants, appraisers and other real estate or investment professionals to assist in the valuations and determinations of the Company's NAV.

As of December 31, 2022 and 2021, the Share NAV was $145.00 and $116.00, respectively.

Stock-Based Compensation
The Company recognizes costs related to all stock-based payments based on their fair value on the grant date. Such costs are expensed at the time of issuance.

Members of the Board, excluding the Co-Chief Executive Officers of the Company, receive shares of common stock each quarter as partial compensation for serving on the Board. Stock-based compensation cost for stock is issued to the Board members at the Share NAV at the respective grant date. Compensation costs related to stock issued to the Board members for the years ended December 31, 2022 and 2021 were $106,875 and $82,500, respectively, and are included in director and professional fees in the accompanying Consolidated Statements of Operations.

3. Supplemental Cash Flow Disclosures

Cash paid for interest was $6,160,703 and $5,165,129 for the years ended December 31, 2022 and 2021, respectively.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported in the accompanying Consolidated Balance Sheets to amounts reported in the accompanying Consolidated Statements of Cash Flows for the years ended December 31:

	2022	2021
Cash and cash equivalents	$ 5,108,810	$ 3,525,647
Restricted cash	917,882	1,296,852
Total cash and cash equivalents and restricted cash	$ 6,026,692	$ 4,822,499

The following table provides a reconciliation to the cash and cash equivalents and restricted cash received in acquisition of real estate through UpREIT transactions reported on the accompanying Consolidated Statements of Cash Flows for the years ended December 31:

	2022	2021
Investments in real estate	$ -	$ (15,757,565)
Current assets acquired	-	(59,821)
Current liabilities assumed	-	100,436
Mortgage notes payable, net assumed	-	10,964,363
Issuance of Operating Partnership units for contributed properties	-	2,542,272
Contributions from noncontrolling interests in consolidated joint venture	-	-
Remeasurement of previously unconsolidated real estate venture to fair value	-	2,699,525
Cash and cash equivalents and restricted cash received in acquisition of real estate through UpREIT transaction:	$ -	$ 489,210

The following table provides a reconciliation to acquisitions of investments in real estate, net reported on the accompanying Consolidated Statements of Cash Flows for the years ended December 31:

	2022	2021
Investments in real estate	$ (28,612,306)	$ (24,625,640)
Current assets acquired	(67,812)	(22,993)
Current liabilities assumed	133,776	98,126
Mortgage notes payable, net assumed	15,879,121	3,270,937
Issuance of Operating Partnership units for contributed properties	738,402	-
Issuance of convertible preferred Operating Partnership units for contributed properties	626,832	-
Remeasurement of previously unconsolidated real estate venture to fair value	4,961,303	-
Acquisitions of investments in real estate, net	$ (6,340,684)	$ (21,279,570)

The following are noncash investing and financing activities that have been excluded from the accompanying Consolidated Statements of Cash Flows for the years ended December 31:

	2022	2021
Common stock issued under Company's dividend reinvestment plan	$ 1,650,996	$ 1,077,063
Common stock issued as settlement of performance fee allocation included in accounts payable, accrued expenses and other liabilities	$ 1,448,245	$ -
Issuance of Operating Partnership units for ownership interests in investments in unconsolidated real estate ventures	$ 32,578,024	$ 8,464,673
Issuance of convertible preferred Operating Partnership units for ownership interests in investments in unconsolidated real estate ventures	$ 713,181	$ 10,759,149
Exchange of Operating Partnership units for comonn stock	$ 243,103	$ -
Acquisition fees in accounts payable, accrued expenses and other liabilities	$ -	$ 177,000

4. Acquisitions

Investments in Real Estate

During the year ended December 31, 2022, the Company acquired controlling financial interests in two apartment communities, comprising 184 units.

The following table provides further details of the apartment communities acquired during the years ended December 31, 2022:

Community Name		Location	Ownership Percentage	Date Acquired	Units	Purchase Price (1)
Savannah Place	(2)	Charlotte, NC	100.0%	April 2022	172	$ 27,815,336
Pinnix Apartments		Kernersville, NC	100.0%	April 2022	12	957,563
					184	$ 28,772,899

(1) Purchase price is inclusive of acquisition-related costs.
(2) The Operating Partnership consolidated this entity, effective April 1, 2022, when it acquired the remaining 74.6% interests. The prior interest holders elected to sell their membership units for cash or in exchange for Operating Partnership Units or convertible preferred Operating Partnership units (see Note 11), or a combination thereof. The purchase price is representative of the agreed upon offering price, inclusive of acquisition-related costs. Prior to obtaining the remaining 74.6% ownership interests, the Company held its interests using the equity method of accounting and a gain on consolidation of $3,039,885 was recorded in the accompanying Consolidated Statements of Operations upon consolidation.

During the year ended December 31, 2021, the Company acquired controlling financial interest in four apartment community, comprising 328 units.

The following table provides further details of the apartment community acquired during the year ended December 31, 2021:

Community Name		Location	Ownership Percentage	Date Acquired	Units	Purchase Price (1)
Bridges at Quail Hollow	(2)	Charlotte, NC	100.0%	May 2021	90	$ 15,757,565
East Park		Charlotte, NC	100.0%	November 2021	71	6,630,259
Spencer Crossing		Greensboro, NC	100.0%	December 2021	63	6,879,614
Swathmore Court		Triad, NC	100.0%	December 2021	104	11,352,267
					328	$ 40,619,705

(1) Purchase price is inclusive of acquisition-related costs.

(2) The Operating Partnership consolidated this entity, effective May 1, 2021, when it acquired the remaining 48.5% tenant-in common interest in Bridges at Quail Hollow when the co-tenant contributed its interest to the Operating Partnership in exchange for Operating Partnership units. The purchase price is representative of the contribution value in the UpREIT transaction, inclusive of acquisition-related costs. Prior to obtaining the remaining 48.5% tenant-in-common ownership interest, the Company held its interests using the equity method of accounting and a gain on consolidation of $787,617 was recorded in the accompanying Consolidated Statements of Operations upon consolidation.

Investments in Unconsolidated Real Estate Ventures

During the year ended December 31, 2022, the Company acquired partial interests in eight real estate investments, comprising 1,471 units, and accounts for these investments using the equity method of accounting (see Note 5).

The following table provides further details of the partial interests acquired during the year ended December 31, 2022:

Investment		Location	Ownership Percentage	Date Acquired	Units	Capital Contributed (1)
Ginkgo Fieldbrook LLC		Mooresville, NC	25.0%	March 2022	110	$ 1,780,675
Parkwood JV LLC	(2)	Winston-Salem, NC	5.0%	April 2022	128	2,452,560
Phoenix Dragon Real Assets Fund LLC	(3)	Raleigh, NC	14.5%	April 2022	120	928,000
Ginkgo Biscayne II LLC		Cary, NC	36.6%	June 2022	54	1,093,750
Aurora JV LLC	(2)	Charlotte, NC	38.1%	Aug. 2022	486	17,148,214
Central Pointe JV LLC	(2)	Charlotte, NC	45.5%	Aug. 2022	336	13,690,700
The Arden & The Davy		Charlotte, NC	4.8%	Nov. 2022	35	203,175
Axiom Apartment Partners LLC		Charlotte, NC	30.0%	Nov. 2022	202	4,530,000
					1,471	$ 41,827,074

(1) Capital contributed is inclusive of acquisition-related costs.
(2) Partial interest acquired through UpREIT transaction where Operating Partnership units were issued for ownership interests in the contributed property. Capital contributed is representative of the contribution value of the Operating Partnership units issued, inclusive of transaction-related costs.
(3) Phoenix Dragon Real Assets Fund LLC owns a 120-unit apartment portfolio from two apartment communities.

During the year ended December 31, 2021 the Company acquired partial interests in nine real estate investments, comprising 1,936 units, and accounts for these investments using the equity method of accounting (see Note 5).

The following table provides further details of the investments acquired during the year ended December 31, 2021:

Investment		Location	Ownership Percentage	Date Acquired	Units	Capital Contributed (1)
Town324 Apartments		Charlotte, NC	5.5%	June 2021	24	$ 261,241
ST-GS Holding LLC	(2,3)	Winston-Salem, NC	5.0%	June 2021	490	1,411,562
Ginkgo Arbor Creek LLC	(2)	Raleigh, NC	14.5%	August 2021	347	4,886,918
Boundary Village JV LLC	(2)	Cary, NC	36.6%	September 2021	186	5,750,327
Yorkshire Apartments LLC	(4)	Rock Hill, SC	36.3%	September 2021	183	4,642,770
Ginkgo Towergate LLC	(2)	Winston-Salem, NC	37.5%	October 2021	259	5,722,849
WeyMar Holding LLC	(2)	Charlotte, NC	5.0%	Octoer 2021	200	1,883,461
Northwoods Townhomes Partners LLC		Cary, NC	15.0%	October 2021	137	1,932,353
Ginkgo Country Club LLC		Mooresville, NC	25.0%	December 2021	110	1,875,000
					1,936	$ 28,366,481

(1) Capital contributed is inclusive of acquisition-related costs.
(2) Partial interest acquired through UpREIT transaction where Operating Partnership units were issued for ownership interests in the contributed property. Capital contributed is representative of the contribution value of the Operating Partnership units issued, inclusive of transaction-related costs.

(3) ST-GS Holding LLC owns a 490-unit apartment portfolio from five apartment communities.

5. Investments in Unconsolidated Real Estate Ventures

The Company holds ownership interests in various limited partnerships and limited liability companies, which are accounted for using the equity method of accounting, and were formed for the primary purpose of investing in and managing a multifamily apartment community.

The following table presents a summary of changes to the Company's investments in unconsolidated real estate ventures for the years ended December 31:

	2022	2021
Balance at beginning of year	$ 34,988,075	$ 16,703,599
Contributions to investments	41,827,074	28,366,481
Distributions from investments	(3,603,527)	(8,370,601)
Earnings from investments	(847,448)	200,504
Contribution value adjustment to previous investment	(319,247)	-
Contributions to the Operating Partnership in consolidation	(4,961,303)	(2,699,525)
Gain on consolidation of real estate venture	3,039,885	787,617
Balance at end of year	$ 70,123,509	$ 34,988,075

The carrying values and ownership percentages of the Company's investments in unconsolidated real estate ventures are as follows as of December 31:

Investment		Ownership Percentage	December 31, 2022	December 31, 2021
Ginkgo Savannah LLC	(1)	25.4%	-	2,088,979
Forest at Chasewood Apartments LLC		14.6%	1,573,075	1,649,947
Ginkgo Kimmerly DE LLC		40.0%	5,095,087	5,555,690
Ginkgo Croasdaile LLC		22.6%	3,560,636	4,037,493
Ginkgo Cedars LLC		25.0%	(42,971)	339,400
Town324		5.5%	74,617	255,226
ST-GS Holding LLC		5.0%	1,288,878	1,323,536
Ginkgo Arbor Creek LLC		14.5%	3,476,153	3,615,200
Boundary Village JV LLC		36.6%	3,880,591	4,370,770
Yorkshire Apartments LLC		36.3%	2,863,015	3,031,404
Ginkgo Towergate LLC		25.0%	3,096,061	3,230,422
WeyMar Holding LLC		5.0%	1,339,377	1,668,142
Northwoods Townhomes Partners LLC		15.0%	1,744,768	1,942,263
Ginkgo Country Club LLC		25.0%	1,721,918	1,879,603
Ginkgo Fieldbrook LLC		25.0%	1,524,963	-
Parkwood JV LLC		26.5%	2,256,579	-
Phoenix Dragon Real Assets Fund LLC		17.7%	926,737	-
Ginkgo Biscayne II LLC		25.0%	1,046,679	-
Aurora JV LLC		38.1%	16,669,754	-
Central Pointe JV LLC		45.5%	13,298,041	-
The Arden & The Davy		4.8%	204,256	-
Axiom Apartment Partners LLC		30.0%	4,525,295	-
			$ 70,123,509	$ 34,988,075

(1) Savannah Place was consolidated on April 1, 2022 in the accompanying consolidated financial statements (see Note 4).

Combined summarized financial statement information as of December 31, 2022 and 2021, and for the years then ended for investments in unconsolidated real estate ventures, and as prorated for period under ownership, is as follows:

	2022	2021
Combined balance sheets:		
Assets		
Investments in real estate, net	$ 532,550,831	$ 274,635,784
Other assets	36,725,871	34,698,013
Total assets	$ 569,276,702	$ 309,333,797
Liabilities and Equity		
Long-term debt	$ 409,400,934	$ 255,856,593
Other liabilities	6,597,592	3,336,863
Equity	153,278,176	50,140,341
Total liabilities and equity	$ 569,276,702	$ 309,333,797
Combined statements of operations:		
Total revenues	$ 41,225,366	$ 18,444,209
Total operating expenses	17,493,630	8,112,461
Net operating income	23,731,736	10,331,748
Depreciation	10,214,968	4,686,654
Interest expense	11,504,333	3,947,221
Other expenses, net	1,944,529	486,180
Net income	$ 67,906	$ 1,211,693

6. Investments in Real Estate

The following is a summary of the Company's investment in real estate, at cost, less accumulated depreciation, as of December 31:

	2022	2021
Land	$ 24,667,493	$ 22,307,493
Land Improvements	16,832,499	13,963,463
Buildings and building improvements	181,896,705	155,027,310
Fixtures, furniture and equipment	11,791,025	8,613,045
	235,187,722	199,911,311
Less - accumulated depreciation	(19,729,052)	(11,476,808)
Investments in real estate, net	$ 215,458,670	$ 188,434,503

Depreciation expense was $8,252,244 and $6,086,968 for the years ended December 31, 2022 and 2021, respectively.

7. Debt Obligations

Mortgage Notes Payable

Mortgage notes payable ("Mortgage Note", and collectively, "Mortgage Notes") are collateralized by the real estate property and consist of the following as of December 31:

Operating Community	Maturity Date	Interest Rate	Commencement of Loan Amortization	Principal Balance Outstanding 2022	2021
Salem Ridge	January 2027	4.63%	March 2020	$ 4,396,987	$ 4,472,801
Salem Ridge	January 2027	5.87%	March 2020	977,316	990,590
Salem Ridge	January 2027	5.93%	July 2022	2,481,950	-
Glendare Park	March 2028	4.45%	April 2023	29,250,000	29,250,000
Glendare Park	March 2028	4.42%	April 2023	8,200,000	8,200,000
Bridges at Quail Hollow	March 2030	3.47%	March 2024	11,062,000	11,062,000
Brookford Place	September 2030	4.78%	October 2024	7,400,000	7,400,000
Savannah Place	October 2030	3.58%	October 2025	18,595,000	-
Gardens at Country Club	December 2030	3.03%	January 2026	11,085,000	11,085,000
501 Towns	October 2031	3.72%	November 2025	28,298,000	28,298,000
Pepperstone	May 2032	3.48%	December 2023	8,640,000	8,640,000
Woodcreek Farms	May 2032	3.54%	December 2022	13,978,121	14,000,000
				144,364,374	123,398,391
	Unamortized debt acquisition costs			(1,333,106)	(1,207,399)
	Mortgage notes payable, net			$ 143,031,268	$ 122,190,992

For each Mortgage Note interest payments are required monthly with principal payments commencing between March 2020 and January 2026. Balloon payments are due on the maturity date. The Mortgage Notes generally require monthly payments into escrow accounts for real estate taxes, insurance and replacement reserves. Interest expense related to the Mortgage Notes amounted to $5,531,538 and $5,118,477 for the years ended December 31, 2022 and 2021, respectively.

Debt acquisition costs incurred in obtaining the Mortgage Notes are capitalized and presented as a direct deduction from the carrying amount of the debt to which they relate. The debt acquisition costs are being amortized to interest expense using the straight-line method, which approximates the effective interest method over the terms of the related notes. Amortization of debt acquisition costs of $182,633 and $169,866 is included in interest expense in the accompanying Consolidated Statements of Operations for the years ended December 31, 2022 and 2021, respectively. Upon the early repayment of a Mortgage Note, any unamortized costs are expensed and included in loss of early debt extinguishment. During the years ended December 31, 2022 and 2021, the Company expensed unamortized debt acquisition costs of $220,879 and $44,768, respectively, which is included in loss of early debt extinguishment in the accompanying Consolidated Statements of Operations.

Certain Mortgage Note agreements are subject to prepayment premiums and may be terminated by the lender under certain events of default as defined under the related agreements. During the years ended December 31, 2022 and 2021, prepayment premiums of $161,300 and $423,120, respectively, were incurred and included in loss of early debt extinguishment in the accompanying Consolidated Statements of Operations. These costs were associated with a debt refinancing and extinguishment of the prior Mortgage Note.

Secured Revolving Credit Facility

On November 30, 2021, the Operating Partnership entered into a secured revolving credit facility (the "Revolving Credit Facility") with KeyBank National Association, as administrative agent and sole lender. The Revolving Credit Facility allows the Company to borrow, subject to compliance with borrowing base requirements and other conditions, up to $50,000,000 to finance the acquisition of multifamily rental communities and for working capital funding or other general corporate needs. The Revolving Credit Facility is guaranteed by the Company, the Operating Partnership and certain subsidiaries of the Operating Partnership. The Revolving Credit Facility matures November 2024, with a provision that allows for a one-year extension. The facility bears interest at a rate of one-month SOFR plus 2.40%. The interest rate in effect as of December 31, 2022 and 2021 was 6.71% and 2.46%, respectively. There is an unused facility fee of 0.25% per annum on the difference between the outstanding loan balance and maximum amount available under the Revolving Credit Facility.

The outstanding balance on the Revolving Credit Facility was $25,950,000 and $23,700,000 as of December 31, 2022 and 2021, respectively. Interest expense related to the Revolving Credit Facility amounted to $703,561 and $40,098 for the years ended December 31, 2022 and 2021, respectively.

Debt acquisition costs and unused facility fees incurred in connection with the Revolving Credit Facility are recorded in other assets on the Consolidated Balance Sheets. The debt acquisition costs are being amortized to interest expense using the straight-line method. Amortization of debt acquisition costs of $197,653 and $15,317 is included in interest expense in the accompanying Consolidated Statements of Operations for the years ended December 31, 2022 and 2021.

The Company may repay the outstanding balances under the Revolving Credit Facility at any time, without penalty. The Company is subject to various financial and non-financial covenants under the Revolving Credit Facility. These covenants require the Company to maintain certain financial ratios, which may include leverage, debt yield, and debt service coverage, among others. As of December 31, 2022 and 2021, the Company was in compliance with all of its debt covenants.

<u>Other Indebtedness</u>
The Company and/or the Operating Partnership is a guarantor on various mortgage notes payable in connection with its interests in investments in unconsolidated real estate ventures. These loans are generally non-recourse to the real estate venture, subject to customary nonrecourse carve-outs and springing recourse events for the guarantor(s).

The following table details the aggregate scheduled maturities, including amortizing principal payments, of total debt due over the next five years and thereafter as of December 31, 2022:

Year	Mortgage Notes	Revolving Credit Facility	Total
2023	$ 1,030,554	$ -	$ 1,030,554
2024	1,715,156	25,950,000	27,665,156
2025	2,086,076	-	2,086,076
2026	2,701,035	-	2,701,035
2027	10,187,789	-	10,187,789
Thereafter	126,643,764	-	126,643,764
	$ 144,364,374	$ 25,950,000	$ 170,314,374

8. Other Assets and Other Liabilities

The following table summarizes the components of prepaid expenses and other assets as of December 31:

	2022	2021
Prepaid expenses	$ 768,526	$ 539,377
Acquisition deposits	180,596	157,096
Debt acquisition costs, net	402,484	545,140
Other	7,309	6,286
	$ 1,358,915	$ 1,247,899

The following table summarizes the components of accounts payable, accrued expenses and other liabilities as of December 31:

	2022	2021
Trade payables and accrued expenses	$ 7,963,865	$ 2,881,139
Advanced rental receipts	109,559	115,118
Accrued real estate taxes payable	-	105,350
Accrued interest payable	487,560	413,164
Tenant security deposits	271,947	268,731
Other	29,242	36,093
	$ 8,862,173	$ 3,819,595

9. Related Party Transactions

Each of the Company's multifamily rental communities executed a property management agreement with the Advisor. The Advisor is wholly owned by the Co-Chief Executive Officers of the Company. The current management agreements provide for a property management fee of 3.0% to 4.5% of monthly cash receipts, as defined in the respective management agreement. The amount of fees charged to operations for the years ended December 31, 2022 and 2021 was $1,124,725 and $855,331 respectively, and is included in property management fees in the accompanying Consolidated Statements of Operations.

The Company has an advisory agreement with the Advisor. Under the terms of the advisory agreement, the Advisor is responsible for managing, operating, directing and supervising the operations and administration of the Company and its assets. They are also responsible for providing suitable investment opportunities, determining acquisition and disposition strategies, managing financing activities and providing support to the Company's officers and directors to assist in their governance function and responsibilities.

In exchange for services provided under the advisory agreement, the Advisor is compensated as follows:

1. Annual asset management fee payable on quarterly basis in arrears equal to the sum of (i) 1.5% of the Company's NAV up to $50,000,000, (ii) 0% of the Company's NAV from $50,000,001 to $60,000,000, (iii) 1.25% of the Company's NAV from $60,000,001 to $500,000,000, (iv) 0% of the Company's NAV from $500,000,000.01 to $625,000,000, and (v) 1% of the Company's NAV in excess of $625,000,000. The amount of fees charged to operations for the years ended December 31, 2022 and 2021 was $1,573,912 and $916,294, respectively, and is included in asset management fees in the accompanying Consolidated Statements of Operations. The weighted average rate for the fees incurred during the years ended of December 31, 2022 and 2021 was 1.18% and 1.14%, respectively.

2. Acquisition fees equal to 1% of the gross purchase price paid for each multi-family property acquired, including any property contributed to the Operating Partnership in exchange for Operating Partnership units or ownership interests purchased in properties and/or other ventures for cash. Total fees incurred for the years ended December 31, 2022 and 2021 was $160,593 and $736,723, respectively, of which $160,593 and $236,500 were capitalized as part of the purchase price. Acquisition fees not capitalized as part of the purchase price relate to fees incurred on either (i) purchases of noncontrolling interests in consolidated joint ventures or (ii) contributed properties that is not consolidated in the accompanying consolidated financial statements and such interests are held using the equity method of accounting. These fees are included in the initial cost basis of the respective investment.

3. Disposition fee equal to 1% of the gross sales price for each multi-family property sold. No disposition fees were incurred for the years ended December 31, 2022 and 2021.

4. Guarantee fee equal to 0.5% of any principal amount guaranteed by the Advisor and/or the Advisor's principals (excluding customary non-recourse carveout guarantees). No guarantee fees were incurred for the years ended December 31, 2022 and 2021.

5. Performance fee allocation equal to 20% of the Company's total return when compared to an annually re-established hurdle rate as defined in the advisory agreement. The total return is defined as (i) the dividend percentage paid or accrued during the year plus (ii) the rate of return calculated by the percentage change in the Share NAV from the start of the year until the end of the period. The total performance fee allocation incurred for the years ended December 31, 2022 and 2021 was $5,989,119 and $1,448,245, respectively, and is included in performance fee allocation in the accompanying Consolidated Statements of Operations. The performance fee allocation will be paid in shares of common stock or cash, at the election of the Advisor. On April 1, 2022, the Company issued 11,055 shares of common stock to the Advisor as payment of the 2021 performance fee allocation. Such shares were issued at the respective Share NAV as of April 1, 2022.

10. Noncontrolling Interests in the Operating Partnership

Interests in the Operating Partnership that are not held by the Company are referred to as Operating Partnership units and are held by the Limited Partners. The Limited Partners are the Operating Partnership's noncontrolling interest.

Operating Partnership units include common Operating Partnership units ("Common OP Units") and convertible preferred Operating Partnership units ("Preferred OP Units") (see Note 11). The Limited Partners consist of (i) individuals and/or entities that contributed their properties or ownership interests in properties to the Operating Partnership in exchange for Common OP Units, (ii) investors who purchased Preferred OP Units and (iii) individuals and/or entities that contributed their properties or ownership interests in properties for Preferred OP Units. Holders of Preferred OP Units participate in the Operating Partnership's net income or loss only to the extent of their preferred distributions. Net income or loss of the Operating Partnership is allocated to the holders of Common OP Units based on ownership percentage, calculated by dividing units owned by the total number of outstanding units.

The Common OP Units can only be exchanged if certain future events occur with the most significant being that the Company's common stock is registered with the Securities and Exchange Commission and listed on a national securities exchange, or if the Company elects to purchase directly and acquire such Limited Partnership Units by paying to the unitholder either (i) cash or (ii) in exchange for shares of its common stock, as elected by the Company and in its sole discretion. For the years ended December 31, 2022 and 2021, the Company exchanged 1,724 and 0 units of Common OP Units for shares of its common stock, respectively, representing a total share value of $243,103 and $0, respectively.

The Limited Partners have the right to request repurchase of the Common OP Units, which the general partner may do in its sole discretion (see Note 13). The Operating Partnership has entered into tax indemnity agreements with the Limited Partners that requires the Operating Partnership to pay a penalty to the impacted Limited Partners to the extent the Operating Partnership violates such tax indemnity agreements.

11. Convertible Preferred Operating Partnership Units

The Operating Partnership has classified 250,000 of its Operating Partnership units as Preferred OP Units with a par value of $100. The Preferred OP Units have a priority over the other Operating Partnership units with respect to distributions and rights in the event of a liquidation of the Operating Partnership.

Distributions

The holders of Preferred OP Units are entitled to receive a preferred distribution equal to a 7% cumulative but not compounded annual return on the purchase price of each Preferred OP Unit (the "Preferred Distribution"). The Preferred Distribution accrues daily.

In addition to the Preferred Distribution, holders of Preferred OP Units may be entitled to receive an accrued distribution equal to a 2% cumulative but not compounded annual return on the purchase price of each Preferred OP Unit (the "2% Distribution"). The 2% Distribution will accrue daily beginning on the date the Preferred OP Units are issued and will become payable only in the event that the Operating Partnership (i) exercises its right to redeem any Preferred OP Units that have been held for at least 4 years or (ii) repurchases any Preferred OP Units upon the request of a Preferred OP Unit holder who has held its Preferred OP Units for at least 5 years. If a Preferred OP Unit holder elects to exercise its conversion right with respect to its Preferred OP Units, such holder will not receive the 2% Distribution for the Preferred OP Units which have been converted into shares of common stock of the Company.

Redemption
At any time beginning 4 years after a Limited Partner acquired its Preferred OP Units, the Operating Partnership may, at its sole discretion, redeem all or any portion of the Limited Partner's Preferred OP Units for a cash price per Preferred OP Unit equal to $100 plus an amount equal to all accrued and unpaid Preferred Distributions and the 2% Distribution.

Conversion Right
At any time beginning 2 years after a Limited Partner acquired its Preferred OP Units, the Limited Partner may request the conversion of its Preferred OP Units into shares of common stock of the Company. The number of shares of common stock to be issued upon conversion will be equal to the number of Preferred OP Units offered for conversion divided by the conversion ratio, determined by the underlying Share NAV per Unit at the time of subscription.

Repurchase Right
In the event that any Preferred OP Units have not been redeemed or converted into shares of common stock of the Company after 5 years from the date a Limited Partner acquired its Preferred OP Units, the Limited Partner will have the right to require the Operating Partnership to purchase all of its Preferred OP Units for a cash price per Preferred OP Unit equal to the purchase price plus an amount equal to all accrued and unpaid Preferred Distributions and the 2% Distribution.

12. Dividend Reinvestment Plan and Distribution Investment Plan

The Company has a Dividend Reinvestment Plan and the Operating Partnership has a Distribution Investment Plan (collectively, the "DRP") available to any holder of shares of common stock or Common OP Units, respectively. The DRP allows stockholders and unitholders to elect to have their cash dividends and distributions reinvested or invested into shares of common stock. The per share purchase price for shares purchased pursuant to the DRP will be equal to the Share NAV at the time the distribution is payable. As of December 31, 2022 and 2021, there were 26,975 and 14,957 shares of common stock, respectively, issued and outstanding under the DRP.

13. Share Repurchase Plan

The Company has a share repurchase plan whereby, subject to certain limitations, stockholders and unitholders may request that the Company repurchase all or a portion of their common stock or Common OP Units. The Company may choose to repurchase all, some or none of the shares that have been requested to be repurchased, in the Company's discretion, subject to any limitations in the share repurchase plan. Further, the Board may, in its sole discretion, reject any request for repurchase and may, upon notice to the stockholders and unitholders, amend, suspend or terminate the repurchase of shares at any time. The Company will limit the total shares repurchased in a calendar quarter to no more than 1.25% of the total number of shares outstanding as of the beginning of the calendar quarter. Shares are repurchased at a price equal to the Share NAV on the applicable repurchase date, subject to any early repurchase deduction. Shares that have not been outstanding for at least one year are not eligible for repurchase.

The shares held by stockholders and unitholders will be repurchased as follows:

(1) Beginning one year after the date a stockholder or unitholder acquired its shares (the "Share Acquisition Date") and continuing for one year thereafter, the purchase price for the repurchased shares will be equal to 95% of the Share NAV;
(2) Beginning two years after the Share Acquisition Date and continuing for one year thereafter, the purchase price for the repurchased shares will be equal to 96% of the Share NAV;

(3) Beginning three years after the Share Acquisition Date and continuing for one year thereafter, the purchase price for the repurchased shares will be equal to 97% of the Share NAV;
(4) Beginning four years after the Share Acquisition Date and continuing for one year thereafter, the purchase price for the repurchased shares will be equal to 98% of the Share NAV; and
(5) Beginning five years after the Share Acquisition Date and thereafter, the purchase price for the repurchase shares will be equal to 100% of the Share NAV.

For the years ended December 31, 2022 and 2021, the Company repurchased 3,271 and 2,275 shares of its common stock and Common OP Units, respectively, for a total cost of $446,244 and $253,338 , respectively. The Company had no unfulfilled repurchase requests during the years ended December 31, 2022 and 2021.

14. Subsequent Events

The Company has evaluated subsequent events through March 3, 2023, the date the accompanying consolidated financial statements were available to be issued. All subsequent events requiring recognition or disclosure have been incorporated into the accompanying consolidated financial statements.

During the period of January 1, 2023 through March 1, 2023, the Company raised $1,489,867 through monthly equity closings, inclusive of reinvestments through the Company's DRP.

On January 6, 2023, the Company entered into an interest rate swap agreement with KeyBank National Association to mitigate its exposure to interest rate movements. The interest rate swap the Company has entered into effectively converts a portion of the variable-rate debt under the Revolving Credit Facility to a fixed rate. The swap agreement has an initial notional amount of $20,000,000 and matures November 10, 2025. Under the agreement, the Company will receive a floating rate payment based on 30-day average SOFR and pay a fixed rate of 3.93%. Details of the interest rate swap agreement are summarized as follows:

Notional amount	$ 20,000,000
Counterparty	KeyBank National Association
Effective Date	January 6, 2023
Termination Date	November 30, 2025
Fixed Rate	3.93%

GINKGOREIT

6,293 UNITS – 39 COMMUNITIES – 4 CAROLINA REGIONS

WHO WE ARE

GinkgoREIT is a tax-efficient, income driven investment for investors seeking low volatility exposure to rental housing communities in growth markets catering to the workforce resident.

Our objective: To produce long-term, stable returns by creating a portfolio of multifamily communities in well-maintained, affordable workforce housing in the Carolinas.

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