GINKGO REIT

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2023 ANNUAL REPORT

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

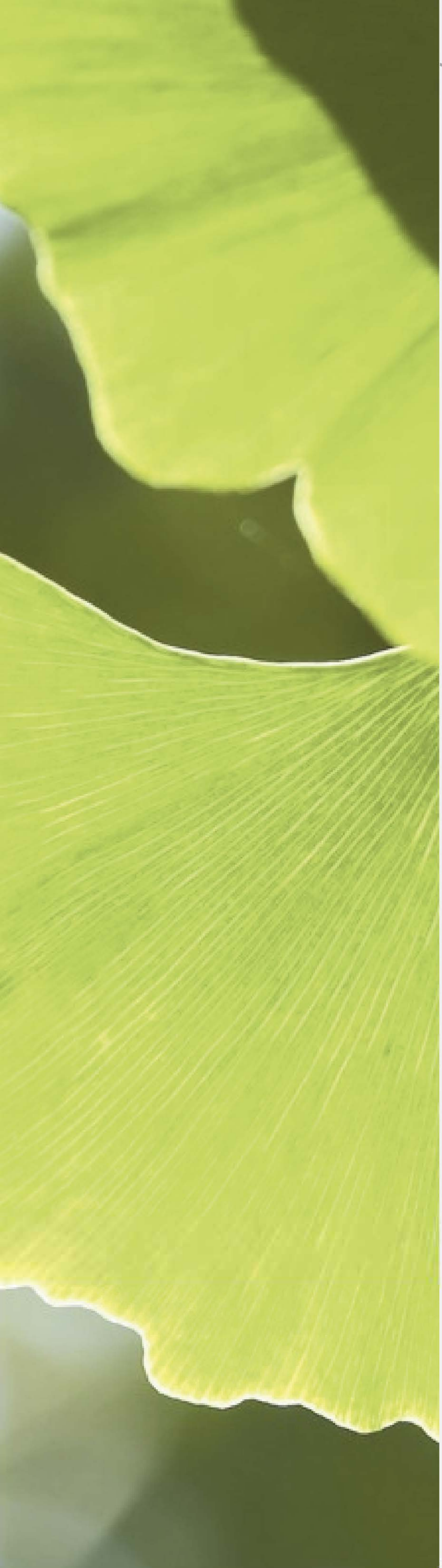
200 S College St, Suite 200
Charlotte NC, 28202
www.ginkgoreit.com

2023 YEAR IN REVIEW

8%	5.2%	100%
NOI GROWTH	TOTAL RETURN	OF DIVIDENDS TAX-DEFERRED

Ginkgo REIT is a private, non-traded, multifamily Real Estate Investment Trust (REIT) focused on acquiring, operating and upgrading established communities that are affordable to the working households of North and South Carolina.

Our hybrid investment model includes owning communities through both wholly owned and joint venture arrangements. Our joint ventures allow shareholders to participate in outsized returns through our General Partnership (GP) position when certain investment thresholds are achieved. This promoted interest is realized by shareholders via greater capital appreciation followed by future growth in cashflows.



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March 8, 2024

Dear Shareholders and Unitholders,

Our goal remains consistent: to provide our investors with an income-driven investment opportunity coupled with stable, long-term appreciation in a sector essential to supporting our communities. We are excited to share this 2023 Annual Report on Ginkgo REIT, highlighting our results and alignment with this mission over the past year.

We acknowledge the significant challenges over the last two years, characterized by historic interest rate increases and heightened market volatility. However, during this period, we have continued to deliver resilient performance and low volatility for our shareholders. Amidst an inflation-oriented, rising interest rate environment, Ginkgo REIT delivered a 5.2% total return(1) in 2023 and a 14.8% average annualized total return(1) since inception almost five years ago. Notably, our 3-year total return(1) has delivered a 20%+ of outperformance compared to our non-listed REIT peers and consistently exceeds publicly traded multifamily REITs. While cap rate expansions and credit spread widening have led to lower valuation multiples, our communities continue to generate strong year-over-year net operating income growth, helping mitigate higher cap rates. Our underlying community values have remained largely unchanged since year-end 2022, and the stock price has remained stable.

Since inception, all dividends have been treated as return of capital ("ROC")(2), qualifying for tax deferral until each individual shareholder elects to redeem. Ginkgo REIT's dividend continues to be entirely tax-efficient with 2023's tax treatment considered 100% return of capital. **Additionally, our 5.2% 2023 distribution rate equates to an 8.95% tax-equivalent yield(3).** This unique tax advantage provides our investors with a meaningful after-tax yield advantage compared to other taxable investments.

Corporate and Performance Highlights (as of and for the year ended December 31, 2023):

- $391M in total asset value(4), consisting of investments in 42 communities, comprising 6,635 units, located across 4 Carolina regions.
- 342 apartment homes acquired (four communities), through both UPREIT contributions and cash purchases.
- **5.2% total return(1) in 2023 and 85.9% total return(1) since inception (July 1, 2019).**

Looking ahead, we remain confident in our portfolio construct and sector positioning. Inflation has come down meaningfully from its recent peaks, which should be a long-term positive for multifamily values if interest rates follow. Demand for middle market, workforce housing is stronger than ever. As newer, more expensive rental options continue to outpace family income, the appeal of more affordable housing rental options continues to grow. The REIT's differentiated, value-add approach is centered on providing comfortable, safe and affordable housing by continually upgrading and maintaining the communities our residents are proud to call home.

Portfolio and Results Update

During 2023, Ginkgo REIT delivered strong operating earnings growth, even amidst significant industry-wide escalations in operating costs, property taxes, and insurance premiums. Notably, our Same-Property(5) communities achieved a year-over-year net operating income (NOI) growth of 8%. This performance not only demonstrates our ability in managing costs but also highlights our strategic focus on the workforce housing sector in the Carolina markets where rents continue to outperform national markets.

8%
NOI Growth
Year-over-Year

Our sector and markets are experiencing high single-digit rent growth, with population, job and wage growth marginally higher than the national averages. Additionally, our ongoing success in value-add programs has further contributed to our performance. In 2023, we completed renovations on 645 units across our Combined Portfolio(5) (10% of all units), significantly enhancing the value of our communities while improving resident quality of life and achieving meaningful returns on invested capital (average monthly rent premiums were $287 per unit). For the Combined Portfolio(5), average occupancy(6) for 2023 was 92.9%, with 3.4% of the REIT's vacancy attributed to units being taken offline to complete interior renovations.

Despite our robust operating growth, Adjusted Funds from Operations (AFFO) per unit/share declined $2.50 in 2023 compared to the prior year. This decline was almost entirely attributed to challenges in the capital markets environment, particularly the impact of rising interest rates and inflation. While nearly all of our floating rate debt was hedged with interest rate derivatives, higher interest rates required lender escrows for rate cap replacements, which were significantly higher than we forecasted. Consequently, operating distributions from the joint venture investments to the REIT decreased by $1.4 million in 2023, or 46%, compared to 2022, even though NOI increased 8% year-over-year. Despite employing interest rate hedges to mitigate risks associated with interest rate volatility on our debt obligations, our interest expense and loan amortization increased by 50% from the prior year.

The addition of approximately 266,000 shares/units to the weighted-average outstanding share balance in 2023, representing $39 million in equity, was primarily allocated toward funding new joint venture investments and capital improvements across our communities. This capital was allocated to facilitate new acquisitions and upgrading our existing communities. The impact on cashflows is subject to the completion of these initiatives, which is still materializing. The completion of our prior value-add programs has continued to contribute to the REIT's strong performance, via capital appreciation and robust rental growth.

As the economic landscape evolves, expected rate declines and inflation normalizing, we remain optimistic that our sector and market positioning will prove beneficial in containing costs despite these market shifts.

Balance Sheet Management

Ginkgo REIT continues to maintain a strong balance sheet, with leverage of 60% LTV and less than 5% of our debt maturing in 2024. In 2020 and 2021, we anticipated a rising rate environment and proactively locked in low rates on almost all our consolidated assets, protecting the portfolio from rising debt costs and generating balance sheet gains as rates have risen materially.

60%
LTV on Combined Portfolio[5]

For the consolidated assets, our total mortgage-backed financing is 100% fixed-rate with a 5.7-year weighted average remaining maturity and a weighted average interest rate[7] of 4.4%. The REIT's variable-rate secured line-of-credit has $50 million in borrowing capacity to fund acquisitions, working capital or other corporate needs. In anticipation of further rate hikes, we proactively swapped $20 million of the line-of-credit in January 2023, which was approximately equal to the outstanding balance at year-end. This interest rate swap effectively converts a portion of the variable-rate credit facility debt to fixed rate. This swap provided the REIT with $215,000 in interest expense savings in 2023, equating to $0.20/share in AFFO.

While we have historically elected to finance the unconsolidated joint venture communities primarily through variable-rate mortgages, we evaluated our existing debt portfolio in 2023 to identify opportunities for refinancing at more favorable terms. Refinancing existing variable-rate loans into fixed-rate loans can further shield us from interest rate volatility and free up additional capital for reinvestment. During 2023, we refinanced $87 million of the unconsolidated floating-rate debt (18%) to fixed rate to eliminate high interest rates when no cap was in place or the maturity of the rate cap was approaching. Average interest rates on this newly refinanced debt decreased from 7.5%+ to 5.65%. For the unconsolidated assets, 73% of the debt is variable-rate, down from 98% at year-end 2022. For the majority of the variable-rate debt, rate cap or swap agreements are in place, with strike rates ranging from 0.75%-4.55% per annum. 70% of our rate caps will expire over the next 12 months. We are evaluating our options for replacements or refinancings but are well positioned on escrows to purchase extended rate caps.

Valuation Overview

During 2023, our management team and Board of Directors undertook a comprehensive review of our valuation policies and procedures to ensure consistency and transparency in determining the REIT's Net Asset Value (NAV). This examination involved review of our existing and other various methodologies employed within the industry, as well as a comparative analysis of other non-traded REITs to compare and benchmark against our own practices.

Our primary objective was to refine the policies and procedures of our valuation framework to provide the Company and ultimately our shareholders with a better understanding of our portfolio's value and share price. By leveraging insights from industry peers and incorporating best practices, we aimed to establish and maintain a consistent, reproducible and transparent framework of procedures to our valuation process. While our NAV determination continues to be reliant on applying market capitalization rates to the properties annual cashflows (i.e. the direct capitalization method of the income approach), we have implemented refinements to our valuation methodologies that we believe will yield more consistent results and eliminate more of the volatility commonly found in public markets. Moving ahead, we remain dedicated to continuously refining our valuation practices to ensure they remain reflective of the true intrinsic value of our assets and liabilities in today's dynamic market environment.

Considering the changing investment environment, our management team has conducted thorough property valuations by utilizing independent appraisers to value our assets and adjusting cap rates to align with the higher interest rate environment. The appraisers increased our cap rates by more than 50-60 bps points since 2022, resulting in a lowered valuation multiple for our communities. Those increases tended to correlate very highly with our net operating income growth.

The Board completed its fourth-quarter valuation of the NAV in January 2024 and concluded based on (i) current appraised values, (ii) 2023 results and 2024 projections and (iii) higher 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 cashflows but lower valuation multiples (due to higher cap rates) were neutral to the share price in 2023. [Refer to the 'Net Asset Value' section within the Supplementary Financial Information section of this report for more information on our NAV calculation and share price determination].

Capital Allocation and Acquisitions Update

In response to the prevailing market conditions, we purposefully pulled back from the market in 2023 as buying opportunities rarely met our underwriting criteria. However, we remained committed to prudent capital management and strategic deployment of new equity. We continue to reinvest new equity into our existing communities, driving value creation through our value-add capital programs.

Despite the challenges in this constrained market environment, we successfully acquired four communities through recapitalizations and third-party sellers, adding 342 units to our portfolio in 2023. These new assets contribute to a balanced portfolio strategy: three of the communities necessitate minimal capital investment for maintaining their current performance, while the third is slated for a large value-add initiative with a strategic joint venture partner. This balanced approach enables us to diversify our holdings while maximizing opportunities for growth and enhancing shareholder value.

Looking ahead to the first half of 2024, we anticipate minimal acquisition activity stemming from the current market landscape, where there is only a limited number deals available on the market that align with our investment approach and cost criteria. However, as we transition into the second half of the year, we foresee select buying opportunities emerging. Looming debt maturities near the end of 2024 will present opportunities for us to potentially acquire properties from sellers forced to exit assets to fulfill debt obligations. As we anticipate loan extensions from lenders to diminish during this period, borrowers may face increased pressure to sell assets, creating favorable conditions for us to identify and pursue strategic acquisitions. Furthermore, distressed deals arising from operator errors that may impact their ability to meet debt service requirements, could further contribute to the availability of attractive investment opportunities.

We will continue to remain diligent in monitoring the market for suitable opportunities. In the event that we do not identify acquisition opportunities aligning with our investment objectives in the short-term, we will utilize our capital raise to (i) support our ongoing value-add programs or (ii) pay down outstanding debt. Our proactive approach ensures that we remain active in navigating market dynamics while prioritizing value creation for our shareholders.

Joint Ventures (Unconsolidated Communities)

We continue to operate through a **unique hybrid investment model**. Our joint ventures represent a key component of our investment strategy, allowing us to leverage our capital resources while mitigating risk and maximizing returns. In these strategic partnerships, the REIT's equity is structured in the general partner (GP) or manager position, enabling us to access opportunities for outsized investment gains while deploying less capital but still maintaining significant influence over investment decisions. **Currently, approximately 37% of the REIT's NAV is invested in such joint ventures.**

One of the primary advantages of these partnerships is the potential for outsized participation returns through our "promote" interest (i.e., our disproportionate share of the income and/or cashflows above our predetermined equity interest). By aligning our interests with those of our partners, we create an incentive structure that rewards performance. This means that if the joint venture achieves certain investment hurdles or exceeds targeted returns, the REIT stands to benefit from additional profits beyond its initial equity contribution. This structure not only incentivizes strong performance but also aligns our interests with those of our partners, fostering a collective approach to value creation.

Furthermore, strategic joint ventures allow us to maximize the efficiency of our capital deployment. Given the current highly competitive environment where new acquisitions often require significant upfront equity, these partnerships allow us to acquire new communities with less equity required from the REIT, thereby conserving capital. This approach not only enhances the REIT's ability to pursue attractive, value-add investment opportunities but also provides portfolio diversification by spreading risk across a broader range of communities within the same asset class.

Overall, we believe our joint venture partnerships play a crucial role in our investment strategy, providing access to a larger pool of assets, mitigating risk and enhancing returns for our shareholders.

Looking Ahead

We are cautiously optimistic about our prospects while remaining mindful of the potential adverse impacts of the current inflationary and high interest rate environment may have on our results. In a world where cash is producing historically attractive yields, we believe Ginkgo REIT remains uniquely positioned to create long-term wealth for our investors. Our position as a privately held, non-traded REIT offers a differentiated investment opportunity compared to the public market. Beyond our 5.2% annualized distribution rate, our value proposition includes tax-efficiency, a potential hedge against inflation through investment in multifamily and continued capital appreciation potential via our joint venture investments.

Looking forward in 2024, we hope to see a more normalized return to the market that leads to healthy demand from both renters and investors. Ginkgo and its predecessors have long believed that communities that have been thoughtfully renovated and maintained will continue to attract residents, through all market conditions. While cash may be prioritized currently, we remain confident that our assets offer greater growth potential than compared to bank deposits or other fixed-income products.

We look forward to the opportunities and challenges that may lie ahead and remain committed to delivering on our goal of providing an income-driven investment that focuses on long-term wealth creation through capital appreciation. We extend our gratitude to all of our shareholders for your continued support and trust in Ginkgo REIT. Please reach out to us at any time should you have questions, comments or feedback.

Sincerely,

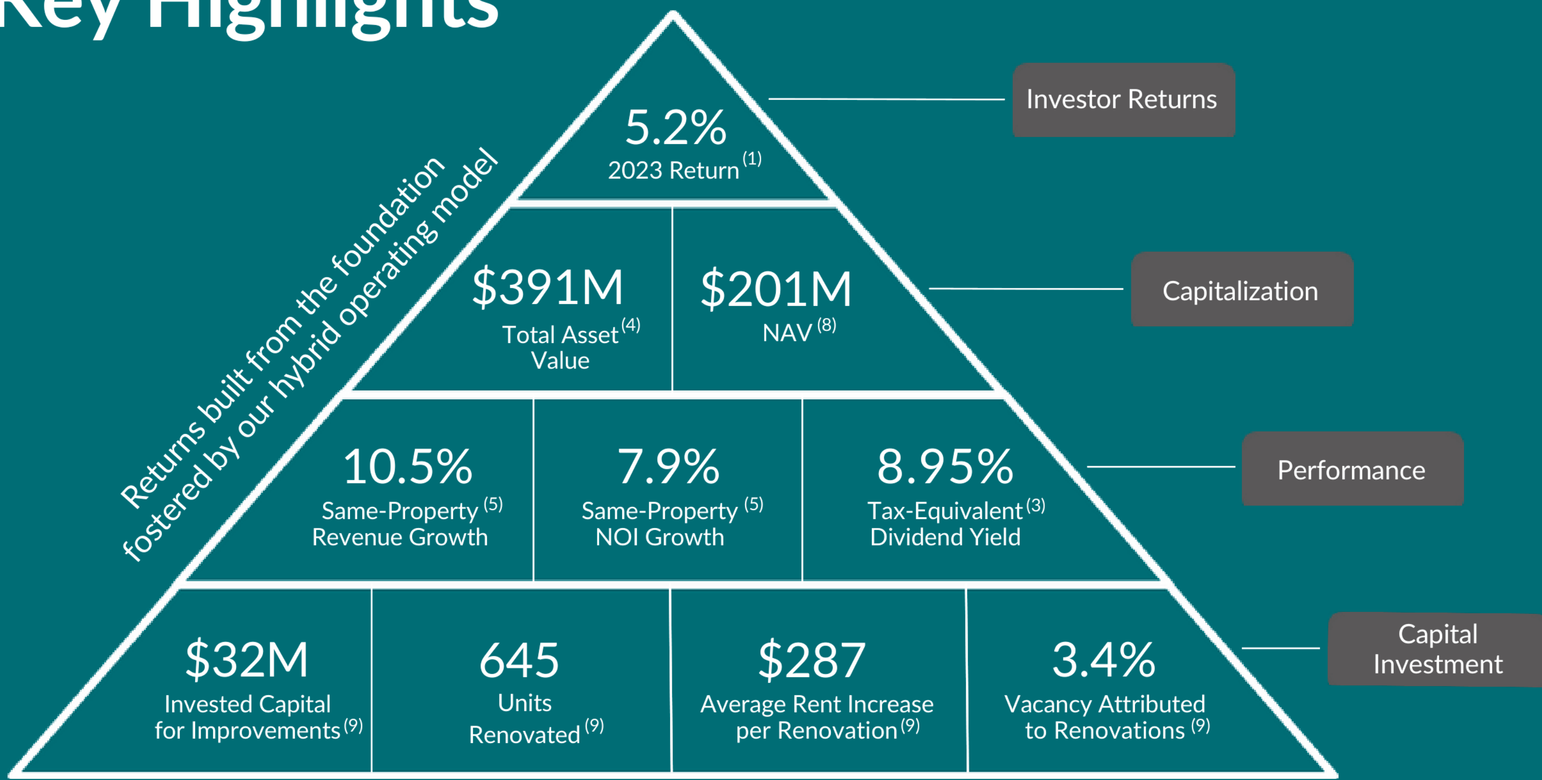
William C. Green
Co-Chief Executive Officer

Eric S. Rohm
Co-Chief Executive Officer and Secretary

PORTFOLIO STATISTICS & RESULTS OF OPERATIONS

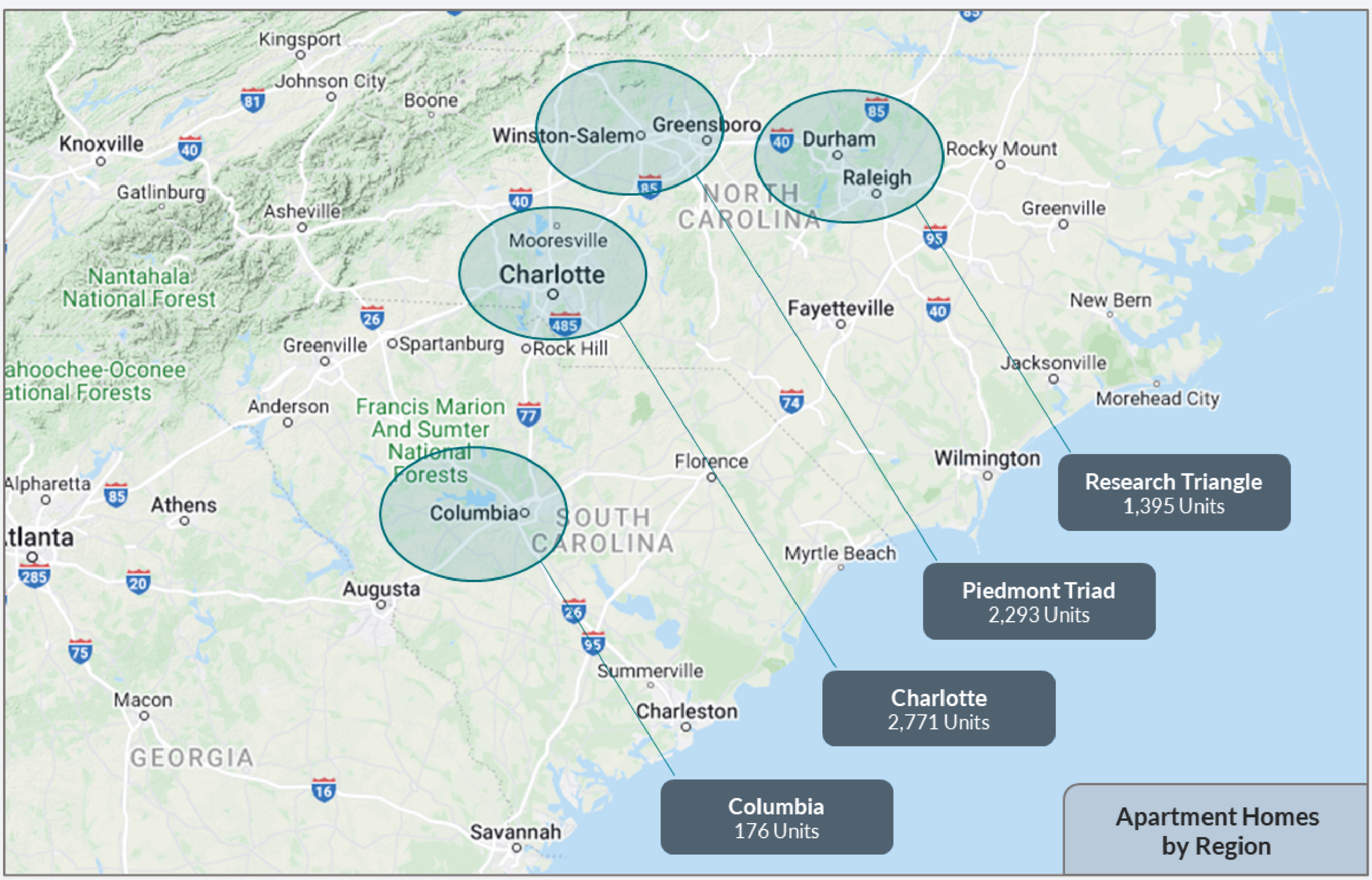
As of and for the year ended December 31,	2023	2022	Percent Change
Apartment units owned:			
Consolidated properties	2,099	2,094	0.2%
Unconsolidated joint venture properties	4,536	4,199	8.0%
Total	6,635	6,293	5.4%
Total assets (at estimated fair market values):			
Consolidated investments	$ 300,674,000	$ 296,289,000	1.5%
Unconsolidated joint venture investments	81,835,000	79,806,000	2.5%
Cash and other assets	8,943,546	7,962,071	12.3%
Total assets	$ 391,452,546	$ 384,057,071	1.9%
Capital Improvements to Real Estate:			
Consolidated properties	$ 5,838,772	$ 6,503,512	-10.2%
Unconsolidated joint venture properties	26,432,548	22,107,883	19.6%
Total portfolio	$ 32,271,320	$ 28,611,395	12.8%
Consolidated Properties - Result of operations:			
Total revenue	$ 29,472,425	$ 26,326,770	11.9%
Total NOI	$ 15,158,626	$ 14,040,617	8.0%
Gross profit %	51%	53%	-1.9%
Combined Portfolio(4) - Result of operations:			
Total revenue	$ 89,815,640	$ 67,552,136	33.0%
Total NOI	$ 48,540,218	$ 37,772,353	28.5%
Gross profit %	54%	56%	-1.9%
Per Share Data:			
FFO	$ 4.56	$ 7.20	-36.8%
AFFO	$ 5.63	$ 8.09	-30.4%
Cash dividends paid	$ 5.27	$ 5.35	-1.5%
Dividends reinvested	2.29	2.01	13.9%
Total dividends paid	$ 7.56	$ 7.36	2.7%
Operating Metrics:			
Combined Portfolio(4) occupancy(5)	92.9%	93.8%	-0.9%
Combined Portfolio(4) rent per occupied unit	$ 1,166	$ 1,036	12.5%

Key Highlights



Portfolio Overview by Region

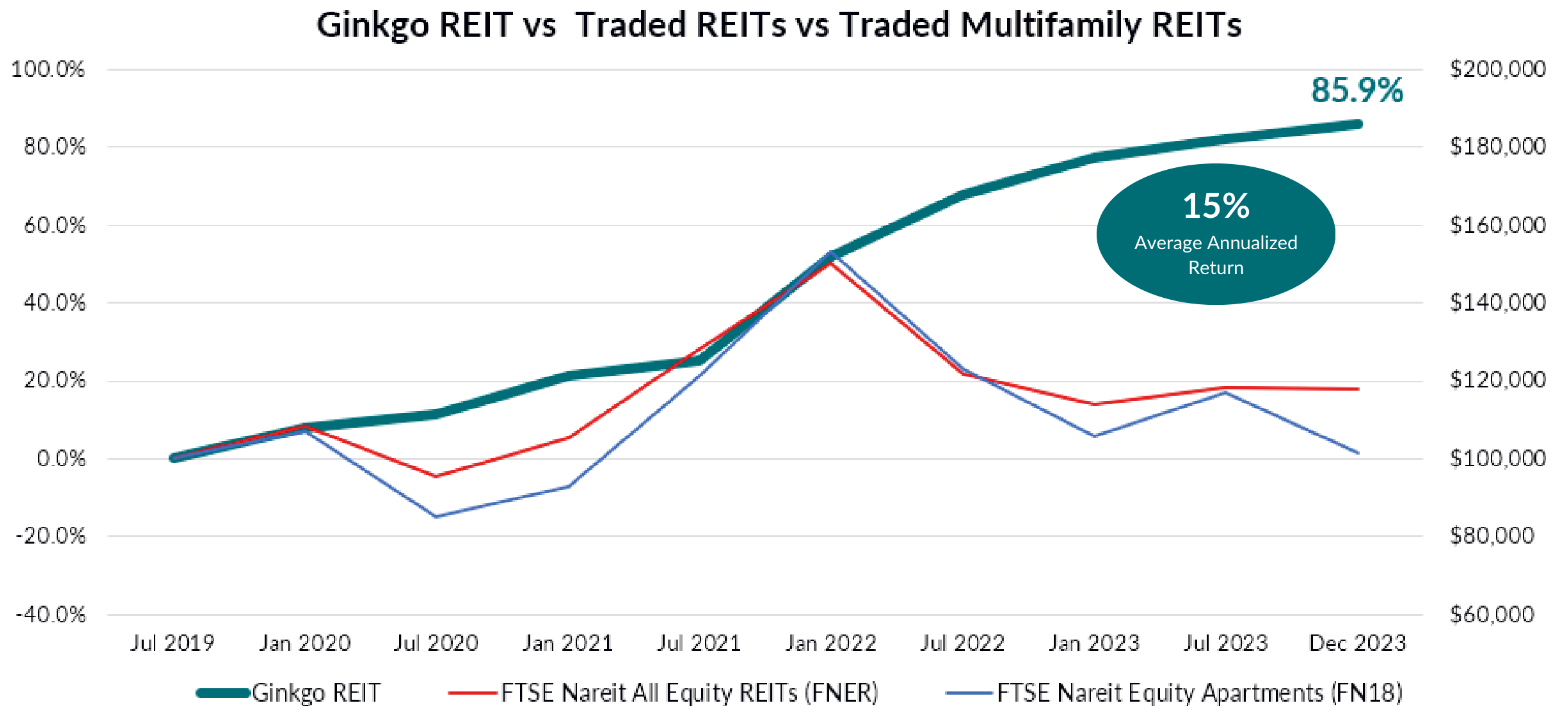
6,635 UNITS – 42 COMMUNITIES – 4 CAROLINA REGIONS

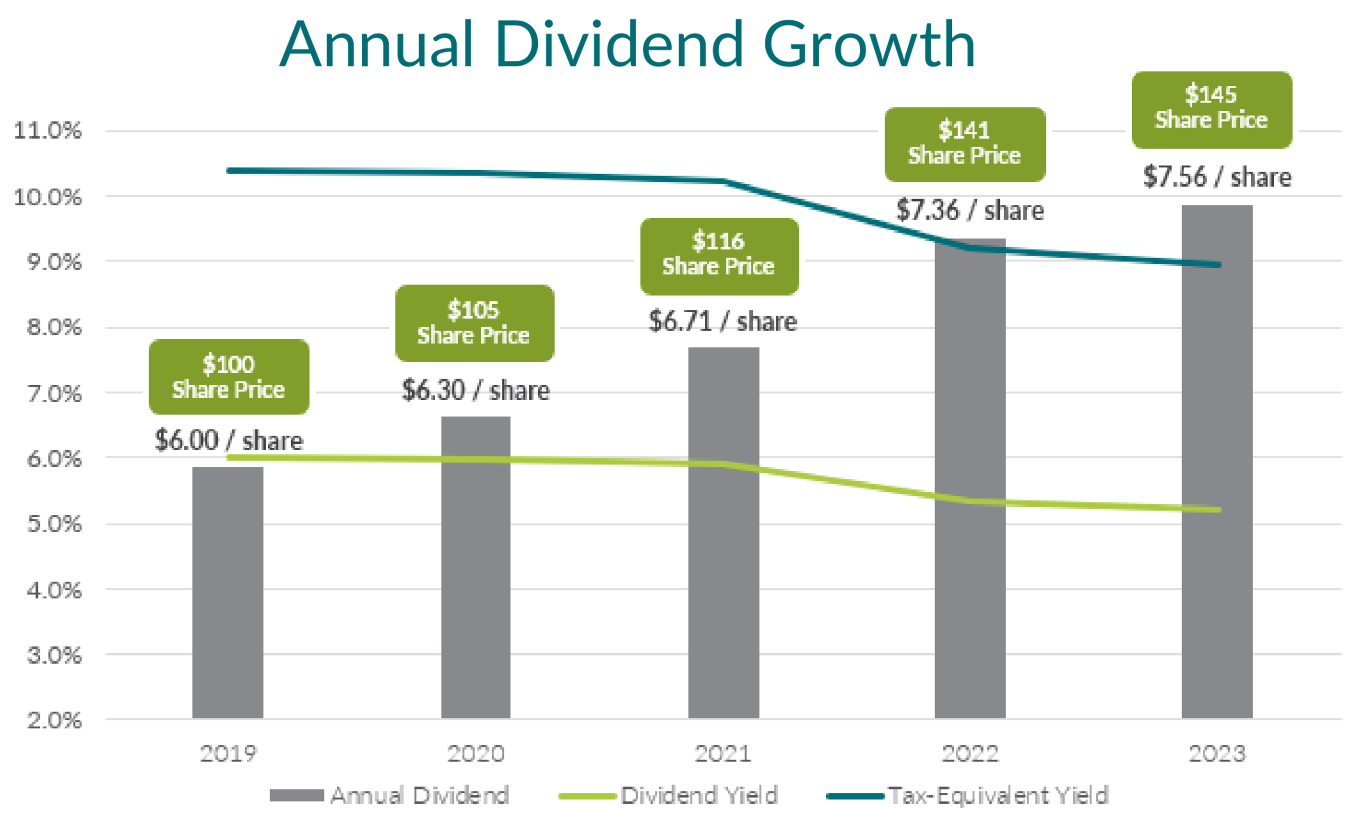


Performance Summary

Ginkgo REIT seeks to provide superior long-term total shareholder returns, by maximizing capital appreciation and dividend growth. Our monthly, tax-advantaged dividend, has been 100% return of capital (tax deferred) since inception in July 2019.

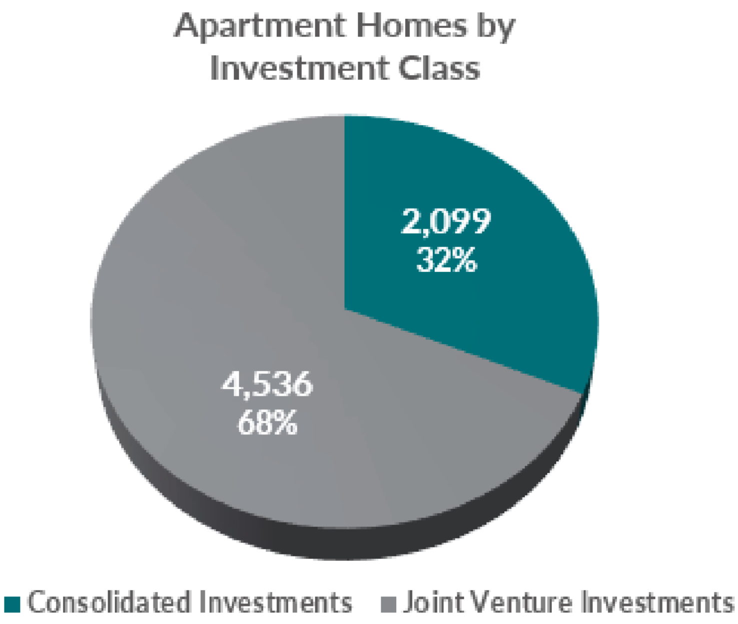
Inception Date	1-Year	2-Year	3-Year	Since Inception	Current Annual Dividend Yield
July 1, 2019	**5.3%**	**22.9%**	**53.8%**	85.9%	5.2%

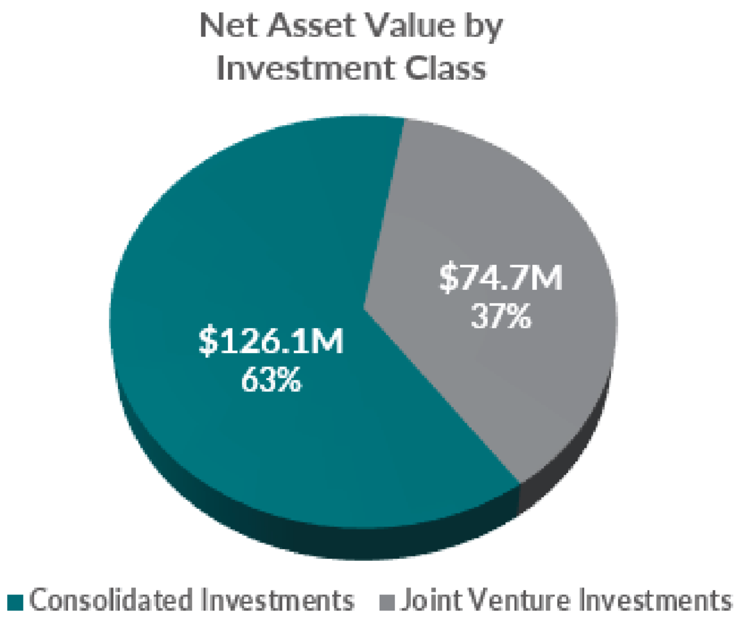




Investment Strategy & Allocation

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





Our Acquisition and Investment Approach

We target the portfolio to own 60%-70% of our physical apartment homes in joint venture arrangements, but only representing 40% or less of our net asset value (equity).

Consolidated Properties:

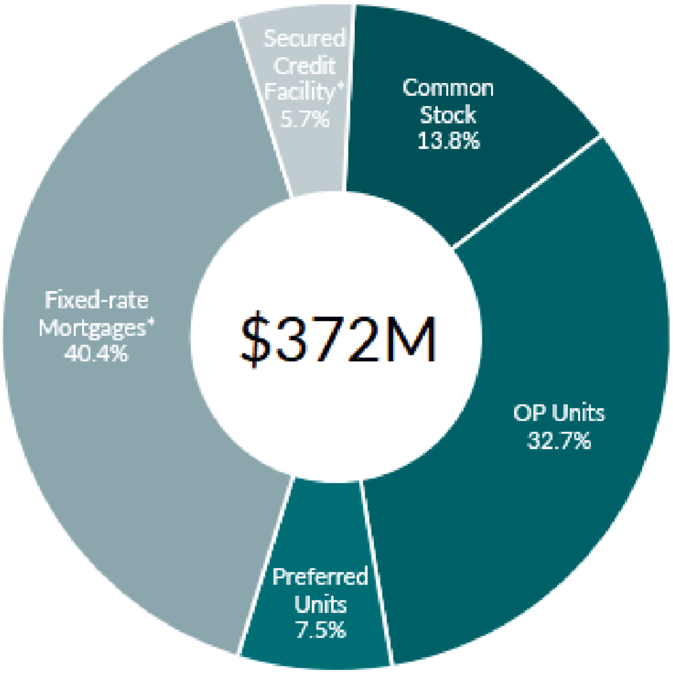
- Concentrated in smaller-size transactions with lower scope capital programs. Communities are generally stabilized and do not require significant rehabilitation or renovation.
- Wholly owned or financial control over the community is held.
- Stability and predictability of cashflows (primary source of dividend).
- Target long-term hold periods to achieve asset appreciation.

Unconsolidated Joint Venture Properties:

- Exposure to larger-size transactions with more significant capital restoration requirements.
- Owned jointly with strategic joint venture partners and 5% - 45% of the equity is invested by the REIT.
- Opportunity to participate in outsized performance gains from the REIT's GP position via promote interest. The REIT can receive an additional 10-25% of the income, or cashflows, and capital appreciation.
- We expect to recapitalize many of these investments to wholly owned after completion of the capital program (typically 24-48 months), using the appreciation and additional outperformance participation.
    - We anticipate that acquiring these properties directly will allow the possibility for greater returns on our initial investment and allow for the balance sheet accounts and result of operations to be presented directly in our consolidated financial statements.

Capitalization Summary

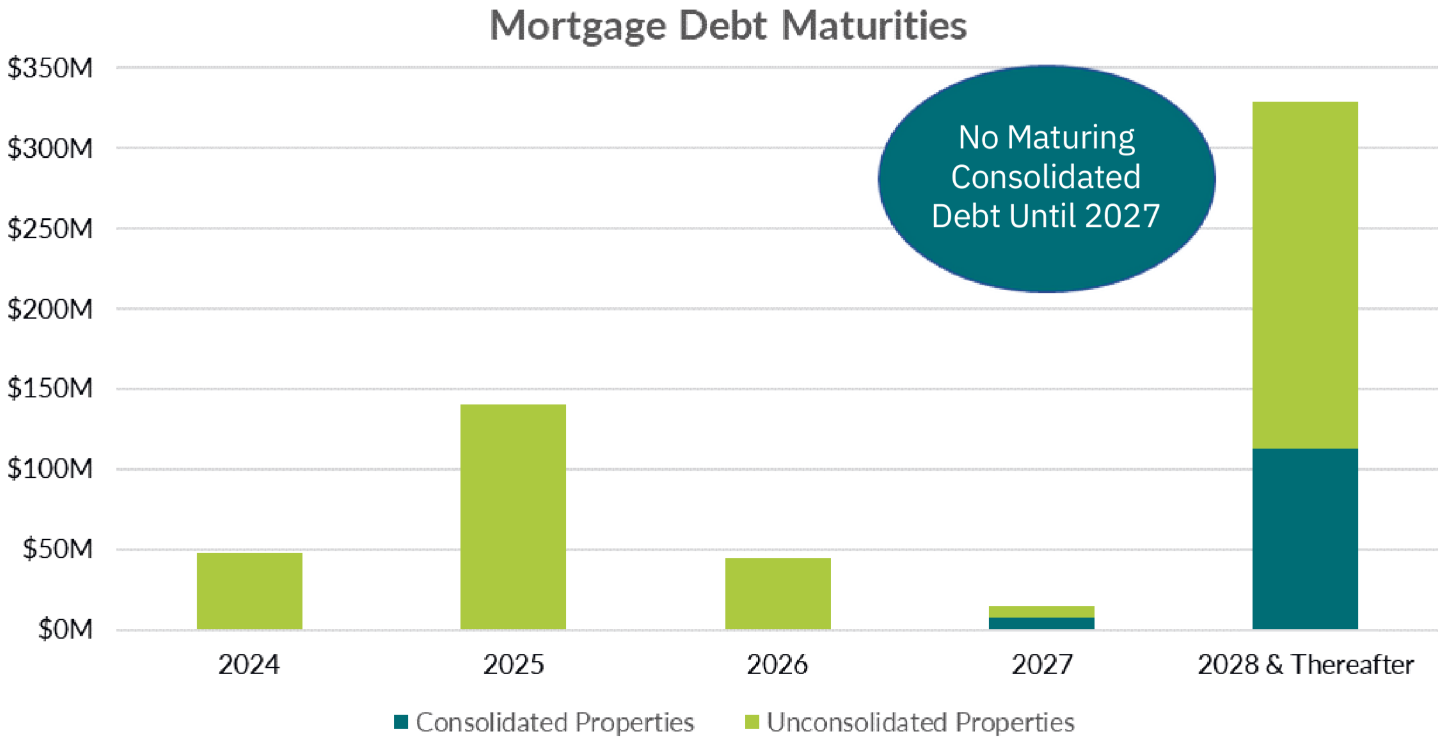
Our strong balance sheet is designed to support continued growth. We proactively manage our debt structuring, focused on a fixed-rate balance sheet to mitigate interest rate risk. We target to leverage our portfolio between 50-70% and stagger our debt maturities, minimizing exposure to liquidity risk.



* This represents only consolidated debt, not the JVs which carry higher leverage.

EQUITY		
Common Stock		355,092
OP Units		838,391
Preferred OP Units (fully diluted)		191,313
Total Outstanding Shares / Units		1,384,796
NAV per Share / Unit at December 31, 2023	$	145.00
TOTAL EQUITY CAPITALIZATION / NAV	**$**	**200,796,152**
% of Total Capitalization		53.9%
DEBT		
Fixed-Rate Mortgages*	$	151,954,477
Secured Revolving Credit Facility*		21,218,300
Mark-to-Market Debt Adjustment		(1,700,000)
TOTAL DEBT	**$**	**171,472,777**
% of Total Capitalization		46.1%
% of Fixed-Rate Debt		99.3%
% of Variable-Rate Debt		0.7%
TOTAL CAPITLIZATION	**$**	**372,268,929**

We proactively manage our debt maturities and strategically target the portfolio with long-dated maturities, mitigating near-term liquidity challenges.



Board of Directors

Our Board of Directors have relevant yet diverse backgrounds and expertise to best serve the interests of our management, the Company and our shareholders. Our Board helps guide our long-term investment strategy along with our policies on valuations, risk management and governance.

PHILIP S. PAYNE

CHAIRMAN OF THE BOARD, INDEPENDENT DIRECTOR

- 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.
- Retired principal from Ginkgo Residential LLC.
- 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 the Chief Operating Officer of Rialto Capital Group Holdings LLC, an integrated commercial real estate investment and asset management firm, and is engaged in the investment management business and other strategic roles with a focus on overseeing Rialto's process of sourcing, underwriting, executing and managing investments.
- 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-CHIEF EXECUTIVE 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 Securities.

ROBERT J. SULLIVAN

INDEPENDENT DIRECTOR

- Counsel to Movement Mortgage, a fast-growing mortgage bank with over 775 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-CHIEF EXECUTIVE 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, 2023, 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. 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.

2. 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 to understand any applicable tax treatment and consequences of an investment.

3. 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 4.75%, and (iii) the impact of taxes that would be payable upon redemption are excluded. This information is not tax advice and a hypothetical tax estimate.

4. 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 interest 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.

5. Combined Portfolio and Same-Property are defined as both the consolidated properties and the unconsolidated properties owned for the entirety of the periods being presented or compared. The Combined Portfolio and Same-Property represent 4,810 apartment units for the year ended December 31, 2023 and 2022.

6. 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 year ended December 31, 2023. Unless otherwise noted, Occupancy is inclusive of both consolidated and unconsolidated communities.

7. Weighted Average Interest Rate is weighted by 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 3.93% per annum against the respective floating-rate index). The term "S" refers to the relevant floating benchmark rate, which includes 30-day SOFR and 1- month BSBY.

8. 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.

9. Invested Capital for Improvements, Units Renovated, Average Rent Increase per Renovation and Vacancy Attributed to Renovation are 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.

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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 properties, 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 unconsolidated joint venture properties 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 properties 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 August 2024 and June 2027. The escrow reserves for the replacement of these hedge instruments poses a significant burden to the cash flows of the unconsolidated investments. The ability for the unconsolidated properties to pay distributions to the Company may be limited or curtailed during periods of higher interest rates and inverted yield curve. The distributions from the properties owned by these ventures, $2.1 million in 2023, are a meaningful source of our liquidity and cash flow.

While we have paid consecutive monthly distributions to our shareholders and unitholders since inception, funded primarily 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 interim financial statements. We encourage you to read the consolidated interim financial statements and the notes accompanying the consolidated interim financial statements included within this Interim Report in conjunction with this supplementary information. This information is not intended to be a replacement for the Company's consolidated interim 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 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, (iv) unrealized (gains) losses from changes in fair value of derivative instruments, and (v) 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, 2023 and 2022:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Net loss including noncontrolling interests	$ (8,964,537)	$ (7,389,361)
Adjustments to arrive at Funds from Operations (FFO):		
Depreciation	9,582,966	8,252,244
Our share of depreciation in unconsolidated properties	6,076,603	3,461,029
Adjustment for noncontrolling interests in consolidated joint venture	63,266	73,997
Non-cash performance fee allocation	-	5,989,119
Loss on early debt extinguishment	-	382,179
Gain on consolidation of real estate joint venture	-	(3,039,885)
Gain on sale of rental property	(33,218)	-
Casualty loss on rental property	135,077	-
Preferred distributions	(1,745,625)	(1,557,976)
FFO	**5,114,532**	**6,171,346**
Adjustments to arrive at Adjusted Funds from Operations (AFFO):		
Non-cash stock compensation to Board of Directors	140,625	106,875
Amortization of debt acquisition costs	477,318	380,286
Unrealized change in fair value of derivative instrument	(49,334)	-
Our share of amounts above in unconsolidated properties	633,290	267,477
AFFO	**$ 6,316,431**	**$ 6,925,984**
Weighted Average Shares Outstanding	**1,122,798**	**856,556**
FFO Per Unit	4.56	7.20
AFFO per Unit	5.63	8.09
Distribution Per Share	7.56	7.36
Distribution as a Percentage of FFO	166.0%	102.2%
Distribution as a Percentage of AFFO	134.4%	91.0%

Unconsolidated Joint Ventures

The Company has entered into various joint venture agreements whereby it owns partial ownership interests in multifamily communities. These joint ventures represent a significant portion of our real estate portfolio, accounting for approximately 37% of our net asset value and 68% of the units. The Company serves as the sponsor or general partner in these joint ventures, establishing a minority equity ownership but providing for potential profit participation rights paid to us if certain investment returns are achieved for the joint venture. The allocation and distribution of cash and profits to us after these investment return achievements is generally more than that implied by our ownership interest in the joint venture as a result of the distribution provisions pursuant to the joint venture operating agreements.

Our joint venture investments are accounted for under the equity method of accounting in accordance with Generally Accepted Accounting Principles ("GAAP"). Under the equity method, the Company's equity and proportionate share of the joint venture investments net income or loss is presented as a single financial statement line item in the accompanying Consolidated Balance Sheets and Consolidated Statement of Operations. The Company's ownership percentage in each unconsolidated joint venture ranges from 5% - 45% and is disclosed in the accompanying consolidated financial statements.

Results of Operations

We believe presenting the results of operations for our joint ventures provides important information about how the operating results of our joint venture investments contributes to the overall financial performance of the Company, which may not be as apparent in the single financial statement line item as presented in the current GAAP reporting.

The following table provides a reconciliation of the joint venture communities' results of operations to the single financial statement line item presented in the GAAP Consolidated Statements of Operations for the year ended December 31, 2023:

	Year Ended December 31, 2023	
	Total Combined	**Proportionate Share**
Revenues		
Rental income	$ 53,512,566	$ 18,328,488
Other tenant income	6,830,649	2,339,553
Total revenues	60,343,215	20,668,041
Property Expenses		
Property operating expenses	24,584,740	8,420,473
Property management fees	2,376,883	814,102
Total property expenses	26,961,623	9,234,575
Property NOI	**$ 33,381,592**	**$ 11,433,466**
Other expenses		
Depreciation and amortization	19,590,464	6,709,893
Interest expense	20,241,715	6,932,952
Other expenses	3,517,060	1,204,621
Total other expenses	43,349,239	14,847,466
Net loss from unconsolidated properties	**$ (9,967,647)**	**$ (3,414,000)**
Addback: Proportionate share of depreciation		6,076,603
Addback: Proportionate share of amortization of debt acquisition costs		633,290
AFFO from unconsolidated real estate ventures		**$ 3,295,893**

Fair Value of Assets and Liabilities

The Company's equity interests in its joint ventures are initially recorded at cost in accordance with GAAP using a cost accumulation model, in which such investments are recognized based on the cost to the Company and subsequently adjusted for equity in earnings and cash contributions and distributions. We believe presenting the fair values of our joint venture investments provides important information about the current value of our investments, inclusive of the fair value of our promote interest. The fair value of our unconsolidated properties assets and liabilities is measured using the same fair value methodologies as our consolidated properties, and as detailed within FASB ASC 820, *Fair Value Measurement*.

The following table provides a reconciliation of the fair value of the Company's investments in unconsolidated real estate ventures to the single line item presented in the Net Asset Value section of this report for year ended December 31, 2023:

	December 31, 2023	
	Total Combined	**Proportionate Share**
Assets		
Real estate assets, at fair value	$ 728,865,126	$ 199,709,045
Cash and cash equivalents	23,201,379	6,357,178
Restricted cash	6,887,480	1,887,170
Accounts receivable, prepaid expenses and other assets	2,484,624	680,787
Interest rate caps, at fair value	8,162,874	2,236,627
Total assets	**$ 769,601,483**	**$ 210,870,806**
Liabilities		
Mortgage notes payable, at fair value	$ 471,190,856	$ 129,106,295
Other liabilities	9,037,331	2,476,229
Total liabilities	**$ 480,228,187**	**$ 131,582,523**
Net Asset Value	**$ 289,373,296**	**$ 79,288,283**
Fair Value of Unrealized Promote Income		2,546,717
Total Fair Value of Investments in unconsolidated real estate ventures		**$ 81,835,000**
T-12 Implied Cap Rate	4.6%	
T-3 Implied Cap Rate	5.0%	
Forecasted 2024 Cap Rate	5.3%	

Common Stock and Operating Partnership Units

Common Stock

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, 2023, we had 361 shareholders with shares of common stock.

During 2023, the Company offered for sale shares of common stock, par value $0.01 per share, with warrants attached to purchase shares of common stock upon the terms and conditions set forth in Private Placement Offering Memorandum. The common stock offering comprised of one share of common stock and one warrant exercisable for 1/10 of a share of common stock, subject to certain limitations. The warrants will be exercisable during the 3-month period beginning on the third anniversary of issuance at an exercise price of $0.01 per warrant. Holders of the warrants will not receive dividends on the warrants issued. As of December 31, 2023, we have 29 shareholders with warrants exercisable into 3,338 shares of common stock.

Operating Partnership Units

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, 2023, we have 110 unitholders with Common OP Units.

NAV per Share/Unit

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**	**Monthly 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, 2023, we have 29 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, 2023 [as of December 31, 2023, 2,500 Preferred OP Units have been converted into 2,083 shares of common stock.]:

	Preferred OP Units	Common Stock Price at Issuance	Conversion Ratio	Common Stock Issuable at Conversion	Earliest Open Conversion Date
	40,750	$ 111.00	0.833	33,958	6/30/2023
	156,520	$ 116.00	0.784	122,665	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	**247,500**		**0.773**	**191,313**	**11/3/2023**

Net Asset Value

We calculate NAV per share in accordance with GAAP ASC 820, *Fair Value Measurement*, guidelines, which values are approved by our Board. The Company's NAV must be determined at least annually, but the Board's practice is to review the NAV quarterly to review and identify if any significant changes in the property portfolio warrant a change to the NAV per share. Since inception, the Board's current valuation process has involved utilizing external property appraisals, rather than relying solely on management's in-house estimates. Management augments the third-party valuations by performing its own calculation of the properties fair market values by using the direct capitalization method (of the income approach), which includes using the property's net operating income and an applicable cap rate based on the market, age and other characteristics of the property. Management also includes all non-real estate assets, liabilities and contingent liabilities of the balance sheet of the Company in its calculation. Management's valuation calculation and comparison to the external appraised values are provided to the Board for their consideration. Differences in assumptions are evaluated and valuations are reconciled where necessary, as determined by the Board. At any time, the Board may, in its sole discretion, also engage other consultants, appraisers or real estate investment professionals to assist in the valuations and determinations of the Company's NAV.

Our total NAV per share/unit presented in the following tables includes the NAV of our common stock, Common OP Units and Preferred OP Units (diluted).

The following table provides a breakdown of the major components of our NAV as of December 31, 2023:

Components of NAV	**December 31, 2023**	**Per Share**
Investments in real estate	$ 300,674,000	$ 217.13
Investments in unconsolidated real estate ventures	81,835,000	59.10
Cash and cash equivalents	5,292,827	3.82
Restricted cash	1,551,697	1.12
Other assets	2,099,022	1.52
Debt obligations	(171,472,777)	(123.83)
Other liabilities	(5,215,837)	(3.77)
Tax indemnification liability	(10,753,100)	(7.77)
Noncontrolling interests in consolidated joint venture	(3,214,680)	(2.32)
Net Asset Value	**$ 200,796,152**	**$ 145.00**
Number of outstanding shares/units, diluted[(1)]	1,384,796	
NAV per Share/Unit	**$ 145.00**	

(1) Assumes conversion of all outstanding Preferred OP Units (247,500) into shares of common stock at the respective conversion ratios (191,313).

The following table reconciles total equity per our consolidated balance sheet to our NAV as of December 31, 2023:

Reconciliation of Total Equity to NAV	**December 31, 2023**	**Per Share**
Total equity under GAAP	$ 118,077,311	$ 85.27
Adjustments:		
Unrealized real estate appreciation from investments in real estate	58,672,367	42.37
Accumulated depreciation	29,265,576	21.13
Unrealized fair value changes from unconsolidated real estate ventures	8,322,138	6.01
Unamortized debt acquisition costs	(1,273,460)	(0.92)
Debt obligations marked to fair value	1,700,000	1.23
Tax indemnification liability	(10,753,100)	(7.77)
Noncontrolling interests in consolidated joint venture	(3,214,680)	(2.32)
Net Asset Value	**$ 200,796,152**	**$ 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.

- 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 property contributed by such Common OP holder(s). 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 details the Company's assets and liabilities measured at fair value in accordance with ASC 820, *Fair Value Measurement*, on a recurring basis for the purposes of calculating our NAV as of December 31, 2023:

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Investments in real estate	$ -	$ -	$ 300,674,000	$ 300,674,000
Investments in unconsolidated real estate ventures	-	-	81,835,000	81,835,000
Interest rate derivatives	-	49,334	-	49,334
Current assets	8,894,212	-	-	8,894,212
Total assets	$ 8,894,212	$ 49,334	$ 382,509,000	$ 391,452,546
Liabilities:				
Mortgage notes and secured revolving credit facilities	$ -	$ -	$ 171,472,777	$ 171,472,777
Tax Indemnification Liability	-	-	10,753,100	10,753,100
Current liabilities	5,215,837	-	-	5,215,837
Total liabilities	$ 5,215,837	$ -	$ 182,225,877	$ 187,441,714
Noncontrolling interests attributable to third party joint ventures	$ 13,527	$ -	$ 3,201,153	$ 3,214,680
Total Noncontrolling interests	$ 13,527	$ -	$ 3,201,153	$ 3,214,680
Net Asset Value attributable to Ginkgo REIT Inc.	**$ 3,664,848**	**$ 49,334**	**$ 197,081,970**	**$ 200,796,152**
Number of outstanding shares/units, diluted				**1,384,796**

The following table provides the condensed statement of our NAV as of December 31, 2023 and 2022:

	December 31, 2023	**December 31, 2022**
Assets		
Investments in real estate	$ 300,674,000	$ 296,289,000
Investments in unconsolidated real estate ventures	81,835,000	79,806,000
Cash and other assets	8,943,546	7,962,071
Total assets	**391,452,546**	**384,057,071**
Liabilities		
Debt obligations	(171,472,777)	(173,878,374)
Other liabilities	(5,215,837)	(8,862,173)
Tax indemnification liability	(10,753,100)	(20,422,754)
Total liabilities	**(187,441,714)**	**(203,163,301)**
Noncontrolling interests in consolidated joint venture	(3,214,680)	(1,704,800)
Net Asset Value	**$ 200,796,152**	**$ 179,188,970**
Stockholders' equity	$ 51,488,050	$ 39,131,377
Operating Partnership unitholders	$ 149,308,102	$ 140,057,593

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 $7.56 and $7.36 per share for the year ended December 31, 2023 and 2022, 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 year ended December 31, 2023 and 2022:

Declaration Month	2023	2022
January	$ 0.63	$ 0.60
February	0.63	0.60
March	0.63	0.60
April	0.63	0.60
May	0.63	0.60
June	0.63	0.60
July	0.63	0.62
August	0.63	0.62
September	0.63	0.63
October	0.63	0.63
November	0.63	0.63
December	0.63	0.63
	$ 7.56	**$ 7.36**

The following table summarizes our distributions paid during the year ended December 31, 2023 and 2022:

	2023		2022	
Dividends and Distributions	**Amount**	**Percentage**	**Amount**	**Percentage**
Payable in cash	$ 5,869,836	70%	$ 4,421,910	73%
Reinvested into common shares	2,528,132	30%	1,650,996	27%
Total dividends and distributions	**$ 8,397,968**	**100%**	**$ 6,072,906**	**100%**
Sources of Dividends and Distributions				
Cash flows from operating activities	$ 5,265,093	90%	$ 4,421,910	100%
Cash flow from investing/financing activities	604,743	10%	-	0%
Total sources of dividends and distributions	**$ 5,869,836**	**100%**	**$ 4,421,910**	**100%**

		Dividend Coverage			Dividend Coverage	
	Amount	**Total**	**Cash**	**Amount**	**Total**	**Cash**
Cash flows from operating activities – GAAP	$ 5,265,093	0.63x	0.90x	$ 8,624,523	1.42x	1.95x
Funds from Operations – non-GAAP	$ 5,114,532	0.61x	0.87x	$ 6,171,346	1.02x	1.40x
Adjusted Funds from Operations – non-GAAP	$ 6,316,431	0.75x	1.08x	$ 6,925,984	1.14x	1.57x

Real Estate Portfolio

Generally, our multifamily communities are garden apartment, mid-rise or townhome style communities that provide residents with amenities, such as a clubhouse, swimming pool, fitness center and laundry facilities. Residential leases are typically for a one-year term and may require security deposits upon lease signing. Substantially all of the units at our communities are leased at market rates.

We generally acquire and own properties with (i) strong and stable cashflows in Carolina markets where we believe there exists opportunity for rental growth and further value creation, (ii) properties that offer significant potential for capital appreciation through repositioning or rehabilitating the asset to drive rental growth, or (iii) properties available at opportunistic prices providing an opportunity for a significant appreciation in value. We often acquire properties with a joint venture partner to access opportunities for a profits interest and to contribute a significantly lessor percent of the equity than if we acquired the property directly (i.e., wholly owned and without joint venture partners).

Set forth below is selected information regarding the multifamily communities in which we own or hold ownership interests in as of December 31, 2023.

Community	Location	Acquisition Date	Ownership Interest[(1)]	Number of Units	Occupancy Rate[(2)]
Consolidated real estate[(3)]:					
Brookford Place	Winston Salem, NC	Aug. 2019	100%	108	86.9%
Glendare Park	Winston Salem, NC	Aug. 2019	100%	600	92.8%
Salem Ridge	Winston Salem, NC	Sep. 2019	100%	120	99.8%
501 Towns	Durham, NC	Oct. 2019	100%	236	89.7%
Bridges at Quail Hollow	Charlotte, NC	Feb. 2020	100%	90	97.2%
Matthews Lofts	Charlotte, NC	Mar. 2020	100%	81	91.6%
Pepperstone	Greensboro, NC	April 2020	100%	108	95.1%
Woodcreek Farms	Columbia, SC	April 2020	68%	176	95.1%
Lexington Street	Durham, NC	June 2020	100%	16	93.1%
Savannah Place	Winston Salem, NC	Sep. 2020	100%	172	93.0%
Gardens at Country Club	Winston Salem, NC	Nov. 2020	100%	137	90.7%
East Park	Charlotte, NC	Nov. 2021	100%	71	92.7%
Spencer Crossing	Greensboro, NC	Dec. 2021	100%	63	88.9%
Swathmore Court	High Point, NC	Dec. 2021	100%	104	100.0%
Cedar Oaks	Charlotte, NC	Apr. 2023	100%	17	94.4%
Total consolidated real estate[(3)]				2,099	93.1%
Unconsolidated real estate[(4)]:					
Forest at Chasewood	Charlotte, NC	Oct. 2020	17%	220	90.8%
Kimmerly Glen	Charlotte, NC	Oct. 2020	40%	260	92.4%
Croasdaile Farms	Durham, NC	Nov. 2020	30%	272	93.1%
The Cedars	Charlotte, NC	Nov. 2020	25%	40	85.9%
Town 324	Charlotte, NC	June 2021	6%	24	95.9%
The Cove	Winston Salem, NC	June 2021	5%	213	91.2%
The Station on Pineview	Winston Salem, NC	June 2021	5%	177	95.4%
Cedar Ridge	Winston Salem, NC	June 2021	5%	112	84.7%
Arbor Creek	Durham, NC	Aug. 2021	15%	347	93.5%
Boundary Village	Durham, NC	Sep. 2021	37%	186	94.6%
Yorkshire	Rock Hill, SC	Sep. 2021	36%	183	89.6%

The Flats at Salem	Winston Salem, NC	Oct. 2021	38%	259	93.8%
Weyland	Charlotte, NC	Oct. 2021	6%	200	91.3%
The Preserve	Durham, NC	Oct. 2021	15%	137	95.5%
Country Club	Charlotte, NC	Dec. 2021	25%	110	91.6%
Fieldbrook	Charlotte, NC	Mar. 2022	25%	110	85.5%
Parkwood East	Charlotte, NC	Apr. 2022	27%	128	95.4%
Bridgewood & Ridgecrest Manor	Winston Salem, NC	Apr. 2022	18%	72	92.2%
Olde North Village	Winston Salem, NC	Apr. 2022	18%	48	97.8%
Biscayne	Charlotte, NC	June 2022	25%	54	95.9%
Aurora	Charlotte, NC	Aug. 2022	38%	486	91.3%
Central Pointe	Charlotte, NC	Aug. 2022	46%	336	93.1%
The Arden & The Davy	Charlotte, NC	Nov. 2022	5%	35	82.9%
Hickory Woods	Charlotte, NC	Nov. 2022	30%	202	91.4%
North Main Village	Charlotte, NC	Mar. 2023	11%	72	87.7%
Willowdaile	Durham, NC	Aug. 2023	34%	201	92.2%
Lakeside	Charlotte, NC	Sep. 2023	14%	52	85.4%
Total unconsolidated real estate[4]				4,536	92.0%
Total Investments in Real Estate				**6,635**	**92.4%**

(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, 2023.
(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.

Market Concentration

The following table provides certain operating information, presented by our primary market segments, related to our portfolio of real estate communities as of December 31, 2023:

Market Segment	**Number of Units**	**Monthly Rent per Occupied Unit[1]**	**Occupancy Rate**
Charlotte Region	2,771	$ 1,168	91.3%
Peiodmont Triad	2,293	979	92.9%
Research Triangle	1,395	1,349	93.1%
Columbia Region	176	1,215	97.1%
Total Portfolio	**6,635**	**$ 1,142**	**92.4%**

(1) Monthly Rent per Occupied Unit is the weighted average of the leased rents in place as of December 31, 2023, divided by the number of units occupied as of December 31, 2023.

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, 2023:

	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	1,362	2,186	238	1,948	2,186
2022	587	884	1,471	0	1,471	1,471
2023	141	201	342	17	325	342
Total Portfolio	**2,243**	**4,392**	**6,635**	**2,099**	**4,536**	**6,635**
% of Portfolio	34%	66%	100%	32%	68%	100%

(1) Purchased Units refer to communities acquired from third-party sellers for cash consideration.
(2) Contributed Units refer to communities acquired from individuals and/or entities who 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 are exchanged for purchase.

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Consolidated Financial Statements and Report of Independent Certified Public Accountants

Ginkgo REIT Inc. and Subsidiaries

December 31, 2023 and 2022

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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. (a Maryland corporation) and subsidiaries (collectively, the “Company”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 8, 2024

Gingko REIT Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2023	December 31, 2022
Assets		
Investments in real estate, net	$ 212,736,057	$ 215,458,670
Investments in unconsolidated real estate ventures	73,512,862	70,123,509
Cash and cash equivalents	5,292,827	5,108,810
Restricted cash	1,551,697	917,882
Rental accounts receivable, net of allowance	727,484	576,464
Prepaid expenses and other assets	1,371,538	1,358,915
Total assets	**$ 295,192,465**	**$ 293,544,250**
Liabilities and Equity		
Liabilities		
Mortgage notes payable, net	$ 150,681,017	$ 143,031,268
Secured revolving credit facility	21,218,300	25,950,000
Accounts payable, accrued expenses and other liabilities	5,215,837	8,862,173
Total liabilities	177,115,154	177,843,441
Equity		
Stockholders' equity		
Common stock, $0.01 par value; 900,000,000 shares authorized, 355,092 and 269,874 issued and outstanding as of December 31, 2023 and 2022, respectively	3,551	2,699
Additional paid-in capital	42,540,312	30,231,427
Accumulated deficit and cumulative distributions	(11,265,414)	(6,776,578)
Total stockholders' equity	31,278,449	23,457,548
Noncontrolling interests	86,798,862	92,243,261
Total equity	118,077,311	115,700,809
Total liabilities and equity	**$ 295,192,465**	**$ 293,544,250**

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

Gingko REIT Inc. and Subsidiaries
Consolidated Statements of Operations
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Rental income	$ 26,085,739	$ 23,241,103
Other tenant income	3,386,686	3,085,667
Total revenues	29,472,425	26,326,770
Property Expenses		
Property operating expenses	13,040,222	11,161,428
Property management fees	1,273,577	1,124,725
Total property expenses	14,313,799	12,286,153
Other operating expenses (income)		
Depreciation	9,582,966	8,252,244
Director and professional fees	1,018,791	672,502
Asset management fees	2,053,047	1,573,912
Performance fee allocation	-	5,989,119
Gain on consolidation of real estate venture	-	(3,039,885)
Total other operating expenses	12,654,804	13,447,892
Operating income	2,503,822	592,725
Other expenses (income)		
Interest:		
Interest expense	7,453,790	6,235,099
Amortization of debt acquisition costs	477,318	380,286
Unrealized change in fair value of derivative instrument	(49,334)	-
Loss from unconsolidated real estate ventures	3,414,000	847,448
Loss on early debt extinguishment	-	382,179
Gain on sale of real estate	(33,218)	-
Casualty loss on real estate	135,077	-
Interest and other income	(57,974)	(328)
Other expenses, net	128,700	137,402
Total other expenses	11,468,359	7,982,086
Net loss	(8,964,537)	(7,389,361)
Net loss attributable to noncontrolling interests	(6,814,796)	(5,820,285)
Net loss attributable to Ginkgo REIT Inc.	**$ (2,149,741)**	**$ (1,569,076)**

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

Gingko REIT Inc. and Subsidiaries
Consolidated Statements of Changes in Equity

	Common Stock, par value	Additional Paid-in Capital	Accumulated Deficit and Cumulative Distributions	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
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 common 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**
Issuance of common stock	835	12,114,980	-	12,115,815	-	12,115,815
Issuance of Operating Partnership units for contributed properties	-	-	-	-	9,651,895	9,651,895
Common stock/units repurchased	(11)	(156,067)	-	(156,078)	-	(156,078)
Exchange of Operating Partnership units for common stock	7	99,993	-	100,000	(100,000)	-
Conversion of preferred Operating Partnership units for common stock	21	249,979	-	250,000	(250,000)	-
Dividends and distributions	-	-	(2,339,095)	(2,339,095)	(7,804,498)	(10,143,593)
Purchase of noncontrolling interests in consolidated joint venture	-	-	-	-	(127,000)	(127,000)
Net loss	-	-	(2,149,741)	(2,149,741)	(6,814,796)	(8,964,537)
Balance, December 31, 2023	**$ 3,551**	**$ 42,540,312**	**$ (11,265,414)**	**$ 31,278,449**	**$ 86,798,862**	**$ 118,077,311**

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

Gingko REIT Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net loss	$ (8,964,537)	$ (7,389,361)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	9,582,966	8,252,244
Director fees	140,625	106,875
Preformance fee allocation	-	5,989,119
Gain on consolidation of real estate venture	-	(3,039,885)
Amortization of debt acquisition costs	477,318	380,286
Unrealized change in fair value of derivative instrument	(49,334)	-
Operating distributions from unconsolidated real estate ventures	1,573,366	2,931,904
Loss from unconsolidated real estate ventures	3,414,000	847,448
Loss on early debt extinguishment	-	382,179
Gain on sale of real estate	(33,218)	-
Casualty loss on real estate	135,077	-
Changes in operating assets and liabilities:		
Rental accounts receivable, net of allowance	(151,020)	(15,607)
Prepaid expenses and other assets	(188,233)	(188,607)
Accounts payable, accrued expenses and other liabilities	(671,917)	367,928
Net cash provided by operating activities	5,265,093	8,624,523
Cash flows from investing activities:		
Acquisitions of real estate, net	-	(6,340,684)
Acquisition fees paid	(37,900)	(160,593)
Proceeds from sale of real estate	1,469,774	-
Insurance proceeds received from casualty loss	733,682	-
Capital improvements to real estate	(5,838,772)	(6,503,512)
Contributions to investments in unconsolidated real estate ventures	(2,647,298)	(8,216,622)
Non-operating distributions from unconsolidated real estate ventures	505,474	671,623
Deposits on real estate acquisitions	130,596	(23,500)
Net cash used in investing activities	(5,684,444)	(20,573,288)
Cash flows from financing activities:		
Proceeds from issuance of common stock	6,447,058	7,083,849
Proceeds from issuance of convertible preferred Operating Partnership units	-	5,975,839
Dividends and distributions paid	(5,869,836)	(4,421,910)
Preferred distributions paid	(1,745,625)	(1,557,976)
Repurchase of common stock/units	(156,078)	(446,244)
Proceeds from mortgage notes payable	8,373,000	21,091,000
Repayments of mortgage notes payable	(782,897)	(16,225,017)
Borrowings from secured revolving credit facility	10,100,000	9,250,000
Repayments of secured revolving credit facility	(14,831,700)	(7,000,000)
Payments for early debt extinguishment	-	(161,300)
Debt acquisition costs paid	(296,739)	(363,337)
Distributions to noncontrolling interests in consolidated joint venture	-	(71,946)
Net cash provided by financing activities	1,237,183	13,152,958
Net increase in cash and cash equivalents and restricted cash	817,832	1,204,193
Cash and cash equivalents and restricted cash, beginning of year	6,026,692	4,822,499
Cash and cash equivalents and restricted cash, end of year	**$ 6,844,524**	**$ 6,026,692**

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 Advisor 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, 2023, the Operating Partnership owned or held ownership interests in 42 multifamily rental communities, comprising 6,635 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:

Community Name	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	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	Columbia, SC	April 2020	176	67.9%
Lexington Street	Durham, NC	June 2020	16	100.0%
Savannah Place (1)	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%
Cedar Oaks	Charlotte, NC	April 2023	17	100.0%

(1) 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 structure of the Operating Partnership to hold substantially all of the Company's assets is referred to as an Umbrella Partnership Real Estate Investment Trust ("UPREIT"). By using an UPREIT structure, individuals and/or entities who desire to defer taxable gains on the disposition of their properties may contribute their properties, or ownership interests in properties, to the Operating Partnership in exchange for Operating Partnership units and defer taxation until the limited partnership interests are disposed of in a taxable transaction. The Company is the sole general partner of the Operating Partnership and owns a minority interest. As of December 31, 2023 and 2022, the Company owned 26% and 21%, 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 11). Limited Partners will generally be able to redeem their units for cash (see Note 14). 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, 2023 and 2022, the Limited Partners owned 74% and 79%, 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 venture 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 has the ability to direct the Operating Partnership's most significant activities of the entities such as purchases, dispositions, financings, budgets and overall operating plans. Such rights, along with the obligation to absorb losses and receive benefits, requires the Company to consolidate the Operating Partnership. 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 is 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.

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 $230,492 and $235,515 as of December 31, 2023 and December 31, 2022, 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. When properties are sold, their costs and related accumulated depreciation are removed from the accounts with the resulting gains or losses reflected in net income or loss for the period.

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, 2023 and 2022.

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, 2023 and 2022.

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 67.9% ownership interest in a joint venture owning Woodcreek Farms, a 176-unit apartment community in Columbia, South Carolina. 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 2020-2023 tax years remain open to examination by respective tax jurisdictions to which the Company and its subsidiaries are subject.

Interest Rate Swap

On January 6, 2023, the Company entered into an interest rate swap agreement with KeyBank National Association to manage its interest rate risks. The Company's objective in using derivatives is to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks. The Company assesses the effectiveness of the interest rate swap agreement in achieving its risk management objectives on a quarterly basis.

The interest rate swap agreement is accounted for at fair value in accordance with ASC 820, *Fair Value Measurement*. The FASB guidance for fair value measurement and disclosure states that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Authoritative guidance establishes a three-tier fair value hierarchy, which prioritizes observable inputs used in measuring fair value as follows:

- *Level 1*—quoted prices (unadjusted) in active markets as of the measurement date for identical assets or liabilities.

- *Level 2*—Observable inputs, other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, as of the measurement date. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

- *Level 3*—Unobservable inputs for the asset or liability. Unobservable inputs are those that include instances where there is minimal, if any, market activity for the investment and market participants would use the best available information to price the asset. These inputs require significant judgment or estimation by management or third parties when determining fair value and generally represent anything that does not meet the criteria of Levels 1 and 2.

The fair value of the Company's interest rate swap agreement is based on contractual cash flows and observable inputs comprising yield curves and credit spreads (Level 2 inputs).

We record the interest rate swap on the accompanying Consolidated Balance Sheets at fair value in prepaid expenses and other assets or accounts payable and other accrued expenses. Changes in the fair value of the interest rate swap are recorded in interest expense in the accompanying Consolidated Statements of Operations as we have not designated the interest rate swap as a hedge as defined within ASC 815, *Derivatives and Hedging*.

The fair value of the interest rate swap represents an asset of $49,334 as of December 31, 2023.

The following table provides further details of the interest rate swap related to managing the Company's interest rate risk as of December 31, 2023:

Counterparty	**Notional Amount**	**Maturity Date**	**Strike Rate**
KeyBank National Association	$ 20,000,000	January 2027	3.93%

Share Value Determination

Shares of common stock and common Operating Partnership units (see Note 11) 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 reviewed at least quarterly, 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, 2023 and 2022, the Share NAV was $145.00.

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, 2023 and 2022 were $140,625 and $106,875, 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, net of cash received from interest rate swap payments, was $7,395,839 and $6,160,703 for the years ended December 31, 2023 and 2022, respectively.

Ginkgo REIT Inc. and Subsidiaries

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:

	2023	2022
Cash and cash equivalents	$ 5,292,827	$ 5,108,810
Restricted cash	1,551,697	917,882
Total cash and cash equivalents and restricted cash	$ 6,844,524	$ 6,026,692

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

	2023	2022
Investments in real estate	$ -	$ (28,612,306)
Current assets acquired	-	(67,812)
Current liabilities assumed	-	133,776
Mortgage notes payable, net assumed	-	15,879,121
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 real estate, net	$ -	$ (6,340,684)

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:

	2023	2022
Issuance of Operating Partnership units as consideration for acquisitions of real estate	$ 3,290,000	$ -
Assumption of other assets in acquisitions of real estate	$ 26,585	$ -
Assumption of other liabilities in acquisitions of real estate	$ 25,581	$ -
Issuance of Operating Partnership units as consideration for purchase of noncontrolling interests in consolidated joint venture	$ 127,000	$ -
Issuance of Operating Partnership units for ownership interests in investments in unconsolidated real estate ventures	$ 6,234,895	$ 32,578,024
Issuance of convertible preferred Operating Partnership units for ownership interests in investments in unconsolidated real estate ventures	$ -	$ 713,181
Common stock issued under Company's dividend reinvestment plan	$ 2,528,132	$ 1,650,996
Common stock issued as settlement of performance fee allocation	$ 3,000,000	$ 1,448,245
Exchange of Operating Partnership units for common stock	$ 100,000	$ 243,103
Conversion of preferred Operating Partnership units for common stock	$ 250,000	$ -

4. Acquisitions of Real Estate

Investments in Real Estate

During the year ended December 31, 2023, the Company acquired a controlling financial interest in one apartment community, comprising 17 units.

The following table provides further details of the apartment community acquired during the year ended December 31, 2023:

Community Name	Location	Ownership Percentage	Date Acquired	Units	Purchase Price [1]
Cedar Oaks [2]	Charlotte, NC	100.0%	April 2023	17	$ 3,326,896
				17	$ 3,326,896

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

(2) Apartment community acquired in a UPREIT transaction where Operating Partnership units were issued for the contributed property. The purchase price is representative of the contribution value in the UPREIT transaction.

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 year 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 12), 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.

Investments in Unconsolidated Real Estate Ventures

During the year ended December 31, 2023, the Company acquired partial interests in three real estate investments, comprising 325 units, and accounts for these investments using the equity method of accounting (see Note 7).

The following table provides further details of the investments acquired during the year ended December 31, 2023:

Investment	Location	Percentage	Acquired	Units	Contributed [1]
Ginkgo North Main LLC	Charlotte, NC	11.5%	March 2023	72	$ 965,000
WDLJV Manager LLC [2]	Durham, NC	33.7%	Aug. 2023	201	5,099,365
Ginkgo Lakeside II LLC	Davidson, NC	14.4%	Sep. 2023	52	1,134,298
				325	$ 7,198,663

(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.

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 7).

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

Investment	Location	Ownership Percentage	Date Acquired	Units	Capital Contributed [1]
Ginkgo Fieldbrook LLC	Charlotte, NC	5.5%	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.

5. Dispositions of Real Estate

In June 2023, the Company sold STP Annex, a 12-unit apartment community located in Winston Salem, North Carolina, for a total contract price of $1,475,000. The apartment community was sold to ST-GS Holding LLC, a related party of the Company as it holds a 5% ownership interest in the entity and accounts for its investment using the equity method of accounting (see Note 7). The Company received net cash proceeds of $1,469,774, after consideration for certain closing costs, prorations and adjustments typical in such real estate transactions, and recognized a gain on sale of $33,218.

The following table provides further details of the apartment community sold during the years ended December 31, 2023:

Community Name	Location	Date Sold	Sales Price	Net Cash Proceeds [1]	Gain on Sale
STP Annex (fka Pinnix Apartments)	Charlotte, NC	June 2023	$ 1,475,000	$ 1,469,774	$ 33,218
			$ 1,475,000	$ 1,469,774	$ 33,218

(1) Net cash proceeds represents the sales price, net of closing costs and other prorations and/or adjustments.

There were no dispositions during the years ended December 31, 2022.

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:

	2023	2022
Land	$ 25,567,493	$ 24,667,493
Land Improvements	17,264,657	16,832,499
Buildings and building improvements	184,594,373	181,896,705
Fixtures, furniture and equipment	14,575,110	11,791,025
	242,001,633	235,187,722
Less - accumulated depreciation	(29,265,576)	(19,729,052)
Investments in real estate, net	$ 212,736,057	$ 215,458,670

Depreciation expense was $9,582,966 and $8,252,244 for the years ended December 31, 2023 and 2022, respectively.

Casualty Loss

In October 2022, as a result of a fire, the Savannah Place community experienced damage to one building, impacting 8 units. In relation to this casualty, the Company wrote-off real estate assets, net of accumulated depreciation, of $868,759 at Savannah Place during the year ended December 31, 2023. During the year ended December 31, 2023, the Company received insurance proceeds in the amount of $733,682 related to this claim. The insurance proceeds and casualty loss result in a net casualty loss in the accompanying Consolidated Statements of Operations of $135,077 during the year ended December 31, 2023. Also, the Company filed a business interruption insurance claim and received $16,324 for the lost rent, which is included in other income (expenses) in the accompanying Consolidated Statements of Operations for the year ended December 31, 2023.

7. 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 details the changes in the Company's investments in unconsolidated real estate ventures for the years ended December 31:

	2023	2022
Balance, beginning of year	$ 70,123,509	$ 34,988,075
Contributions to investments	8,882,193	41,827,074
Distributions from investments	(2,078,840)	(3,603,527)
Loss from unconsolidated real estate ventures	(3,414,000)	(847,448)
Contribution value adjustment to previous investment	-	(319,247)
Contributions to the Operating Partnership from consolidation	-	(4,961,303)
Gain on consolidation of real estate venture	-	3,039,885
Balance, end of year	$ 73,512,862	$ 70,123,509

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	2023	2022
Forest at Chasewood Apartments LLC	16.8%	1,548,186	1,573,075
Ginkgo Kimmerly DE LLC	40.0%	4,824,978	5,095,087
CROJV Manager LLC	30.3%	4,444,591	3,560,636
Ginkgo Cedars LLC	25.0%	(123,856)	(42,971)
Town324	5.5%	67,458	74,617
ST-GS Holding LLC	5.0%	1,166,931	1,288,878
Ginkgo Arbor Creek LLC	15.1%	3,737,699	3,476,153
Boundary Village JV LLC	36.6%	3,274,931	3,880,591
Yorkshire Apartments LLC	36.3%	2,776,447	2,863,015
Ginkgo Towergate LLC	25.0%	3,228,067	3,096,061
WeyMar Holding LLC	5.0%	1,427,372	1,339,377
Northwoods Townhomes Partners LLC	15.0%	1,565,045	1,744,768
Ginkgo Country Club LLC	25.0%	1,579,083	1,721,918
Ginkgo Fieldbrook LLC	25.0%	1,399,502	1,524,963
Parkwood JV LLC	26.5%	2,007,377	2,256,579
Phoenix Dragon Real Assets Fund LLC	17.7%	863,752	926,737
Ginkgo Biscayne II LLC	25.0%	946,735	1,046,679
Aurora JV LLC	38.1%	15,264,843	16,669,754
Central Pointe JV LLC	45.5%	12,001,556	13,298,041
The Arden & The Davy	4.8%	192,709	204,256
Axiom Apartment Partners LLC	30.0%	4,274,584	4,525,295
Ginkgo North Main LLC	11.5%	956,900	-
WDLJV Manager LLC	33.7%	4,946,518	-
Ginkgo Lakeside II LLC	14.4%	1,141,454	-
		$ 73,512,862	$ 70,123,509

Ginkgo REIT Inc. and Subsidiaries

Combined summarized financial statement information as of December 31, 2023 and 2022, and for the years ended December 31, 2023 and 2022 for the Company's investments in unconsolidated real estate ventures is as follows:

	2023	2022
Combined balance sheets:		
Assets		
Investments in real estate, net	$ 625,311,943	$ 532,550,831
Other assets	49,245,500	36,725,871
Total assets	$ 674,557,443	$ 569,276,702
Liabilities and Equity		
Long-term debt	$ 471,547,441	$ 409,400,934
Other liabilities	9,180,695	6,597,592
Equity	193,829,307	153,278,176
Total liabilities and equity	$ 674,557,443	$ 569,276,702
Combined statements of operations:		
Total revenues	$ 60,343,215	$ 41,225,366
Total operating expenses	26,961,623	17,493,630
Net operating income	33,381,592	23,731,736
Depreciation	19,711,731	10,214,968
Interest expense	20,241,715	11,504,333
Other expenses, net	3,395,793	1,944,529
Net (loss) income	$ (9,967,647)	$ 67,906

8. Debt Obligations

Mortgage Notes Payable

Mortgage notes payable ("Mortgage Note", and collectively, "Mortgage Notes") are collateralized by the respective real estate community and consist of the following:

Community Name	Maturity Date	Interest Rate	Principal Balance Outstanding December 31, 2023	Principal Balance Outstanding December 31, 2022
Salem Ridge	January 2027	4.63%	$ 4,317,537	$ 4,396,987
Salem Ridge	January 2027	5.87%	963,230	977,316
Salem Ridge	January 2027	5.93%	2,452,122	2,481,950
Glendare Park	March 2028	4.45%	28,949,568	29,250,000
Glendare Park	March 2028	4.42%	8,115,275	8,200,000
Glendare Park	March 2028	8.61%	8,373,000	-
Bridges at Quail Hollow	March 2030	3.47%	11,062,000	11,062,000
Brookford Place	September 2030	4.78%	7,400,000	7,400,000
Savannah Place	October 2030	3.58%	18,595,000	13,978,121
Gardens at Country Club	December 2030	3.03%	11,085,000	18,595,000
501 Towns	October 2031	3.72%	28,298,000	11,085,000
Pepperstone	May 2032	3.48%	8,626,355	28,298,000
Woodcreek Farms	May 2032	3.54%	13,717,390	8,640,000
			151,954,477	144,364,374
Unamortized debt acquisition costs			(1,273,460)	(1,333,106)
Mortgage notes payable, net			$ 150,681,017	$ 143,031,268

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 $5,620,759 and $5,531,538 for the years ended December 31, 2023 and 2022, 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 $199,814 and $182,633 is included in interest expense in the accompanying Consolidated Statements of Operations for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, the Company expensed unamortized debt acquisition costs of $0 and $220,879, 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, 2023 and 2022, prepayment premiums of $0 and $161,300, 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, 2023 and 2022 was 7.72% and 6.71%, 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 $21,218,300 and $25,950,000 as of December 31, 2023 and 2022, respectively. Interest expense related to the Revolving Credit Facility amounted to $1,833,031 and $703,561 for the years ended December 31, 2023 and 2022, 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 $277,504 and $197,653 is included in interest expense in the accompanying Consolidated Statements of Operations for the years ended December 31, 2023 and 2022.

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, 2023 and 2022, the Company believes it was in compliance with all of its debt covenants.

Other Indebtedness

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, 2023:

Year	**Mortgage Notes**	**Revolving Credit Facility**	**Total**
2024	$ 1,398,035	$ 21,218,300	$ 22,616,335
2025	1,782,670	-	1,782,670
2026	2,409,094	-	2,409,094
2027	9,907,883	-	9,907,883
2028	44,619,851	-	44,619,851
Thereafter	91,836,944	-	91,836,944
	$ 151,954,477	$ 21,218,300	$ 173,172,777

9. Other Assets and Other Liabilities

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

	2023	2022
Prepaid expenses	$ 990,653	$ 768,526
Acquisition deposits	50,000	180,596
Debt acquisition costs, net	281,551	402,484
Interest rate swap, at fair value	49,334	-
Other	-	7,309
	$ 1,371,538	$ 1,358,915

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

	2023	2022
Trade payables and accrued expenses	$ 4,288,277	$ 7,963,865
Advanced rental receipts	92,343	109,559
Accrued interest payable	545,511	487,560
Tenant security deposits	267,317	271,947
Other	22,389	29,242
	$ 5,215,837	$ 8,862,173

10. 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, 2023 and 2022 was $1,273,577 and $1,124,725, respectively, and is included in property management fees in the accompanying Consolidated Statements of Operations. The Company has an outstanding payable of $159,944 and $157,000 related to the property management fees as of December 31, 2023 and 2022, respectively, and is included in accounts payable, accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

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 to the Company, the Advisor is compensated as provided by the advisory agreement and as summarized in the sections below.

Asset Management Fee

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, 2023 and 2022 was $2,053,047 and $1,573,912, 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, 2023 and 2022 was 1.21% and 1.18%, respectively. The Company has an outstanding payable of $519,738 and $441,826 related to the asset management fees as of December 31, 2023 and 2022, respectively, and is included in accounts payable, accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

Acquisition Fee
Acquisition fee equal to 1% of the gross purchase price paid for each multi-family community 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, 2023 and 2022 were $37,900 and $160,593, respectively, and were capitalized as part of the purchase price. No amounts were outstanding related to the acquisition fees as of December 31, 2023 and 2022.

Disposition Fee
Disposition fee equal to 1% of the gross sales price for each multi-family community sold. No disposition fees were incurred for the years ended December 31, 2023 and 2022. No fee was realized on the sale of the STP Annex community in June 2023, as the Advisor, in its discretion, waived its right to compensation for its disposition services due to the nature of the transaction as the property was sold to a related party of the Company (see Note 5).

Guarantee Fee
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, 2023 and 2022.

Performance Fee Allocation
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, 2023 and 2022 was $0 and $5,989,119, 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 March 1, 2023, the Company issued 20,690 shares of common stock, representing a total share value of $3,000,000, to the Advisor and its affiliates as partial payment of the 2022 performance fee allocation. Such shares were issued at the respective Share NAV as of March 1, 2023. The Company has an outstanding payable of $2,989,119 related to the 2022 performance fee allocation as of December 31, 2023 and is included in accounts payable, accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets. On April 1, 2022, the Company issued 11,055 shares of common stock to the Advisor as full payment of the 2021 performance fee allocation. Such shares were issued at the respective Share NAV as of April 1, 2022.

11. 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 12). 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, 2023 and 2022, the Company exchanged 690 and 1,724 units of Common OP Units, respectively, for shares of common stock, representing a total share value of $100,000 and $243,103, 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 14). 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.

12. 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 and is payable monthly.

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. Since issuance of the Preferred OP Units, no Preferred OP Units have been redeemed by Operating Partnership.

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 multiplied by the conversion ratio, determined by the underlying Share NAV per Unit at the time of subscription. For the years ended December 31, 2023 and 2022, 2,500 and 0 units of Preferred OP Units, respectively, were converted into 2,083 and 0 shares of common stock, respectively, representing a total share value of $302,035 and 0, respectively.

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. Since issuance of the Preferred OP Units, no Limited Partner has requested the Operating Partnership to repurchase its Preferred OP Units.

13. 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 holders of shares of common stock and Common OP Units, subject to certain limitations. The DRP allows stockholders and unitholders to elect to have their 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 made payable. As of December 31, 2023 and December 31, 2022, there were 44,686 and 26,975 shares of common stock, respectively, issued and outstanding under the DRP.

14. Share and Unit Repurchase Plans

The Company and the Operating Partnership each have a share and unit repurchase plan whereby, subject to certain limitations, stockholders and unitholders may request that the Company or Operating Partnership repurchase all or a portion of their common stock or Common OP Units, respectively. The Company or Operating Partnership may choose to repurchase all, some or none of the shares/units that have been requested to be repurchased, in the Company's discretion, subject to any limitations in the respective 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/units at any time. The Company will limit the total shares/units repurchased in a calendar quarter to no more than 1.25% of the total number of shares/units outstanding as of the beginning of the calendar quarter. This limitation is separate between the Company's outstanding common stock and Operating Partnership's outstanding Common OP Units. Shares/units are repurchased at a price equal to the Share NAV on the applicable repurchase date, subject to any early repurchase deduction. Shares/units that have not been outstanding for at least one year are not eligible for repurchase.

Shares and units 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 year ended December 31, 2023, the Company repurchased 1,112 shares of common stock for a total of $156,078. No Common OP Units were repurchased by the Operating Partnership for the year ended December 31, 2023. For the year ended December 31, 2022, the Company repurchased 1,967 shares of common stock and the Operating Partnership repurchased 1,304 Common OP Units for a total of $446,244. Neither the Company nor the Operating Partnership had any unfulfilled repurchase requests during the years ended December 31, 2023 and 2022.

15. Subsequent Events

The Company has evaluated subsequent events through March 8, 2024, 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, 2024 through March 1, 2024, the Company raised $727,765 through monthly equity closings, inclusive of reinvestments through the Company's DRP.

In January 2024, the Company acquired the remaining 32.1% minority interest in Woodcreek Farms, a consolidated joint venture in the Company's accompanying consolidated financial statements. The remaining interest was acquired through a combination of (i) issuance of 12,065 Common OP Units to individuals who contributed their ownership interests in the property, representing a contribution value of $1,749,425 and (ii) cash consideration of $1,112,588. As the Company's previously held ownership interest in the joint venture resulted in consolidation (see Note 2), no additional gain was recognized.

In February 2024, the Company acquired a $2,023,000 supplemental loan at Woodcreek Farms. The supplemental loan bears interest at a fixed rate of 8.07% and matures in connection with the senior debt in May 2032.

In February 2024, the Company refinanced two communities that were secured by the Revolving Credit Facility onto Mortgage Notes. As of the date of the loan closings, the two communities were immediately released as collateral from the Revolving Credit Facility and $10,000,000 of the outstanding balance on the Revolving Credit Facility was paid down to remain compliant with the maximum borrowing base availability. The Mortgage Notes are collateralized by the respective real estate community and the following table provides further details of the Mortgage Notes acquired in connection with the refinances:

Community Name	Maturity Date	Interest Rate	Loan Amount
Matthews Loft	February 2029	5.70%	$ 11,306,000
Swathmore Court	February 2029	5.70%	$ 8,322,000


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