GINKGOREIT

2024 Annual Report

GINKGO REIT INC.

PRIVATE, NON-TRADED PERPETUAL LIFE OFFERING

200 S College St, Suite 200
Charlotte NC, 28202

www.ginkgovest.com

GINKGO REIT

Ginkgo REIT is a private, non-traded multifamily Real Estate Investment Trust ("REIT") focused on acquiring, operating, and enhancing established communities that remain affordable for working households in North and South Carolina.

We seek to provide investors with stable, tax-advantaged income and the potential for long-term capital appreciation. Additionally, the REIT offers a hedge against inflation with minimal correlation to public market volatility.

With exposure to a resilient asset class in some of the fastest-growing MSAs in the U.S., Ginkgo REIT is well-positioned for strong long-term performance.

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This report showcases Ginkgo REIT's key achievements in 2024. For investment opportunities, whitepapers, webinars, and corporate updates, scan the QR code to explore GinkgoVest.

Letter to Our Shareholders and Unit Holders

As Charles Dickens wrote in A Tale of Two Cities, “It was the best of times, it was the worst of times.” This quote aptly captures Ginkgo REIT’s performance in 2024, as we experienced notable successes and significant challenges. Operationally, our communities continued to perform well, achieving strong rental income growth and improved cost efficiencies. However, capital markets presented headwinds that impacted the REIT’s overall performance, creating a contrasting set of challenges.

While inflation largely subsided in 2024, the lingering effect of higher interest rates and the sharp rise in long-term rates outpaced shorter-term rate reductions.

Strong operational performance:

+6.6%
Revenue Growth

+4.9%
Net Operating Income

+7.8%
Net Cash Flow After Recurring CapEx

5.16%
Avg Portfolio Interest Rate

$4.35
AFFO per Share

Capital market disruptions:

+12.9% Interest Expense (Net of Hedges)

+44bps Interest Rate Change (2023 vs 2024):

-6.9% Net Cash Flow After Debt Service

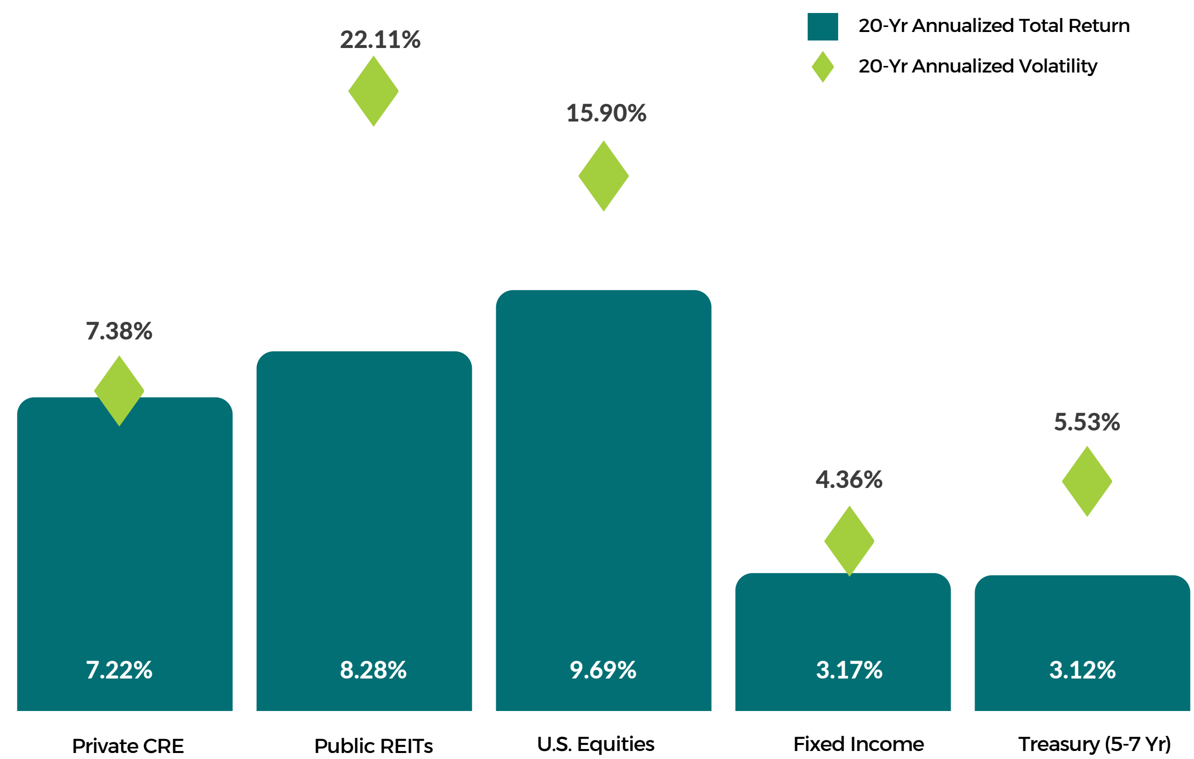
+15bps Valuation Cap Rate Change (2023 vs 2024):

Disclosure: All metrics in this shareholder letter reflect the Company’s combined property investments (wholly owned and unconsolidated joint ventures) and have not been adjusted for proportional ownership (unless noted) or the effects of noncontrolling interests in our joint venture investments in accordance with GAAP. As of year-end 2024, we have a 28% ownership interest in 4,447 units held by joint ventures.

Capital markets tended to overshadow operational performance, leading to valuation declines across several properties and a $9 reduction (6.2%) in share price in 2024. Despite these challenges, Ginkgo REIT maintained its disciplined investment approach, positioning itself for future opportunities.

Five years ago, we designed Ginkgo REIT as a semi-liquid investment vehicle built to perform across market cycles and generate long-term wealth. Since inception, Ginkgo REIT has delivered an average annualized total return of 11.8%, significantly outperforming the NAREIT Public Equity Index (+3.29%) and the NCREIF ODCE Private Index (+2.87%).*

Ginkgo REIT continues to provide lower volatility alongside strong returns, with a daily standard deviation of 7.69% since inception—a compelling risk-return premium compared to alternative investments. This volatility level is more aligned with fixed income and bonds (5%-6% average volatility) rather than the significantly higher fluctuations seen in public REITs and equities (15%-16% average volatility).



Despite the historic rise in interest rates in 2H24, Ginkgo REIT remained resilient, posting a slightly negative total return of -1.0% in 2024. This decline was primarily driven by two underperforming wholly owned assets, Glendare & Gardens at Country Club. Since October 2024 and through the issuance of this report, both have shown improved operating margins, offsetting this decline with strong rental income growth of 6.6% year-over-year. While supply headwinds and rising insurance premiums have pressured Multifamily fundamentals, we remain committed to delivering attractive, tax-efficient dividends and long-term capital appreciation for our investors.

Ginkgo REIT repurchased 24,052 shares in 2024, representing 2.0% of the shares outstanding as of December 31, 2024. Since inception, redemptions have remained minimal, primarily limited to former employees.

**NAREIT REIT Industry Fact Sheet*, NCREIF Data

Portfolio and Investment Strategy

In 2024, Ginkgo REIT evaluated nearly 200 potential acquisitions but remained selective. Our first new purchase in nearly two years, Preserve at Pine Valley (Wilmington, NC), was acquired in an all-cash transaction in partnership with JPMorgan Asset Management in February 2025. The asset was purchased at 77% of the seller's total basis from their 2022 purchase. We anticipate that more distressed opportunities—primarily due to over-leveraged ownership—will emerge in 2025.

While new investment opportunities remain a focus, we continue to prioritize reinvestments that enhance resident experience and drive long-term value. In 2024:

- Interior Renovations Completed: 547 (-15.8% YoY)
- Charlotte Region Led Renovations: Avg. premium per unit: $190

Supply challenges in Charlotte and Raleigh, two of our core markets, have begun to wane, with 2024 construction starts reverting to five-year lows. This trend should support stronger fundamentals heading into 2025 - 2027.

Joint Ventures and Balance Sheet Management

Our hybrid investment model leverages joint ventures, which account for 32% of Net Asset Value. These partnerships enable capital efficiency, risk diversification, and opportunistic acquisitions.

We ended 2024 with a 63% loan-to-value (LTV), reflecting a 2% YoY increase. Our weighted, hedged interest rate rose in our joint ventures from 4.68% to 5.16% due to higher debt costs, but we expect minimal further increases. Rate caps purchased in 2024 should reduce interest expense and replacement escrow burdens moving forward.

Ginkgo Notes, our high-yield, short-term investment vehicle launched in 2024, quickly became a preferred cash management tool, providing significantly higher yields than savings accounts or CDs, but kept our borrowing costs lower than our prior line of credit. Additionally, despite a historically weak commercial real estate capital-raising environment, Ginkgo REIT successfully raised ~$26M across common shares, OP units, dividend reinvestments, and Notes.

Valuation and Shareholder Returns

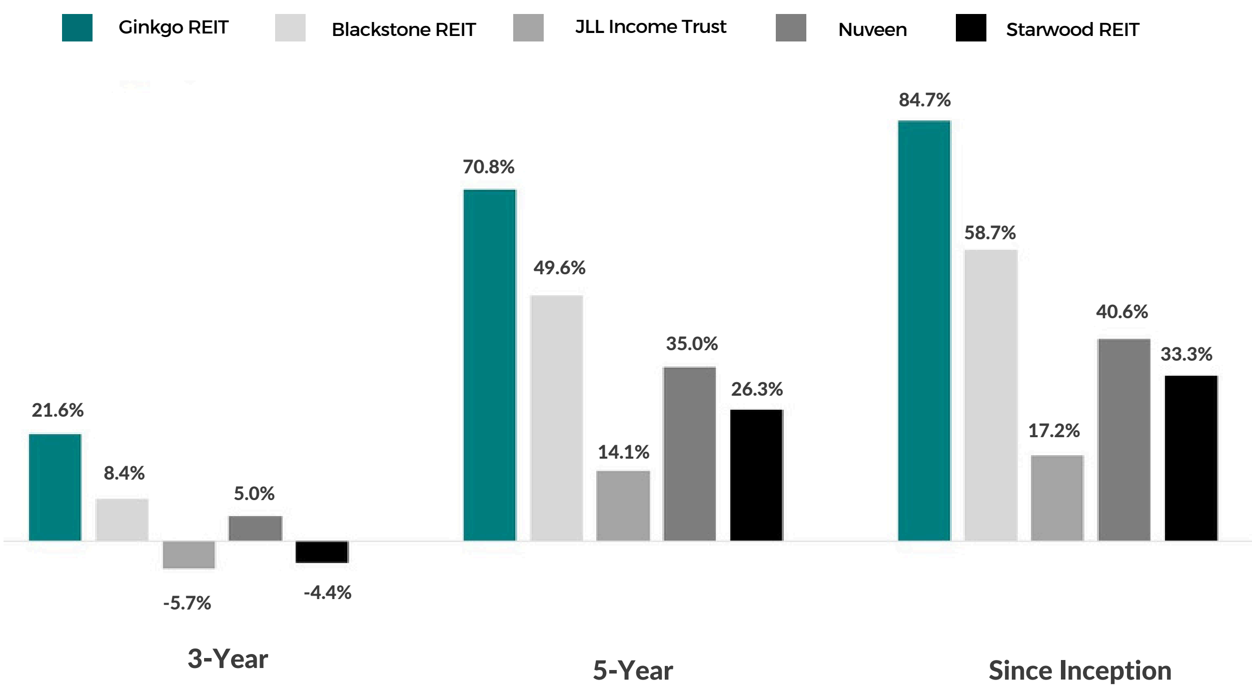
The Board of Directors considers multiple factors in determining Net Asset Value (NAV), including projected cash flows, capitalization rates, and market conditions. NAV was adjusted twice in 2024:

- **January 1st**: $145
- **May 22nd:** $145 → $141 per share
- **November 26th**: $141 → $136 per share

This decline was primarily driven by capitalization rate expansion as treasury yields increased and cap rate spreads tightened. Notably, 2025 cash flows are already exceeding our Q1 2025 forecasts, continuing to help offset cap rate pressures. The annual dividend remains unchanged at $7.56 per share (5.56% yield at $136 share price) and has been completely tax-sheltered since inception (100% return of capital).

Ginkgo REIT has consistently benchmarked itself against 17 publicly traded and 6 non-traded, public-filing REITs. Since inception in 2019, we have outperformed all but one of these platforms, with substantial returns over most interval periods. Despite short-term headwinds, we remain confident in our ability to generate superior, risk-adjusted returns.

Competitive Set Performance: Private, Non-Traded



Competitive Set Performance: Public

**Public multifamily comparables include: AMH, AVB, BRT, BHM, CPT, ELME, EQR, ESS, INVH, IRT, MAA, NXRT, SUI, UDR, UMH, VRE & VTR*

Looking Ahead: Positioning for 2025 and Beyond

While capital markets created headwinds in 2024, we see significant reasons for optimism:

- Undercapitalized owners are facing mandatory debt retirements, leading to potential distressed asset acquisitions.
- Portfolio loan interest rates are nearing market levels, reducing further rate-driven cash flow deterioration.
- Political focus on government waste may yield long-term deflationary trends, benefiting consumer spending.
- Charlotte and Raleigh supply pressures are easing, setting the stage for improved rent growth in 2025.

Our recent acquisition signals a shift in market dynamics, as cost-of-capital and pricing align for opportunistic purchases. We expect an increased pace of acquisitions in 2025, focusing on distressed yet fundamentally strong multifamily assets.

Conclusion

2024 marks another milestone in our journey. While short-term market fluctuations presented challenges, Ginkgo REIT remains well-positioned for long-term success. With disciplined capital allocation, prudent asset management, and a commitment to delivering value, we remain steadfast in our mission to generate sustainable, tax-efficient income and long-term capital appreciation for our investors.

Thank you for your continued trust and partnership.

Sincerely,

William C. Green
Co-Chief Executive Officer and President

Eric S. Rohm
Co-Chief Executive Officer and Secretary

At a Glance

2024 Portfolio Statistics

Commencement: July 2019

Total Asset Value: $550.1M

Net Asset Value: $202.1M

Wtd-avg Interest Rate: 5.16%

Occupancy: 92.4%

Average Rent per Unit: $1,234

Leverage Ratio: 63%

Capital Improvements: $23.3M

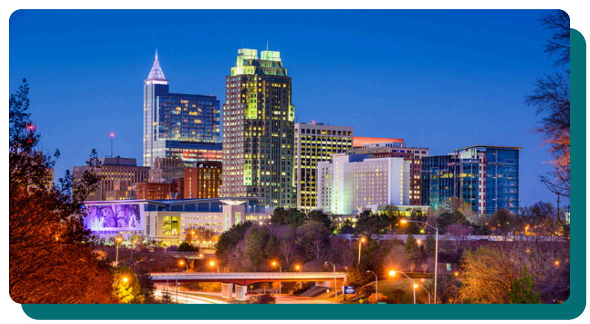
6,644
Units

43
Communities

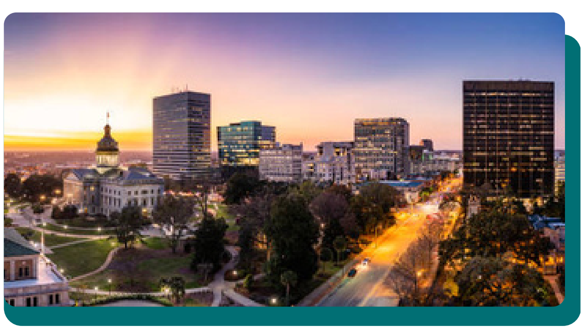
4
Carolina Regions

Charlotte, NC (2,780 Units)

Research Triangle, NC (1,395 Units)



Columbia, SC (176 Units)



Piedmont Triad, NC (2,293 Units)

Portfolio

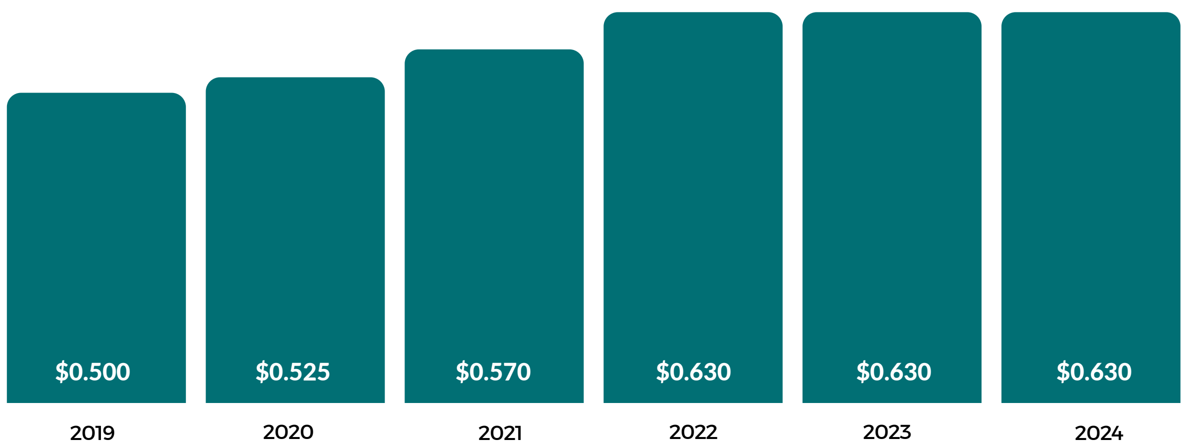
Top 5 Investments as % of NAV

Investment	Metropolitan Area	Units	Ownership Type	% of NAV
Glendare	Piedmont Triad	600	Consolidated	16.2%
501 Towns	Research Triangle	236	Consolidated	10.2%
Kimmerly Glen	Charlotte	260	Unconsolidated	4.9%
Yorkshire	Charlotte	183	Unconsolidated	4.5%
Matthews Lofts	Charlotte	81	Consolidated	4.4%

High-Yielding, Tax-Deferred Dividend

Since inception, 100% of dividends have been tax-sheltered and classified as non-dividend distributions (return of capital) on IRS Form 1099-DIV. For investors in the highest marginal tax bracket, the 2024 Tax-Equivalent Yield is 9.80%. This represents the yield an investor would need to earn on a fully taxable investment to be equivalent to the 5.56% yield that Ginkgo REIT paid in 2024.

26% Dividend Growth Since Inception



Dividend stated per share as of December 31st.

Notable Benefits of Our Tax-Deferred Dividend Structure:

- Enhanced After-Tax Returns – Since 100% of our dividends have been tax-sheltered as return of capital, investors benefit from higher after-tax income compared to fully taxable dividends.
- Tax Deferral Advantage – Taxes on distributed income are deferred until shares are sold, allowing investors to manage their tax liabilities more efficiently.
- Capital Preservation & Compounding – By reducing immediate tax burdens, more capital remains invested (or is reinvested under the DRP program), supporting long-term wealth accumulation.
- Favorable Tax Treatment – Return of capital distributions lowers an investor’s cost basis for their investment, effectively converting ordinary income into long-term capital gains at the time of each investor’s individually selected redemption.
- Consistent & Reliable Income – Our structured approach provides stable distributions, aligning with our commitment to delivering predictable, income-driven returns.

Strategic Partnerships

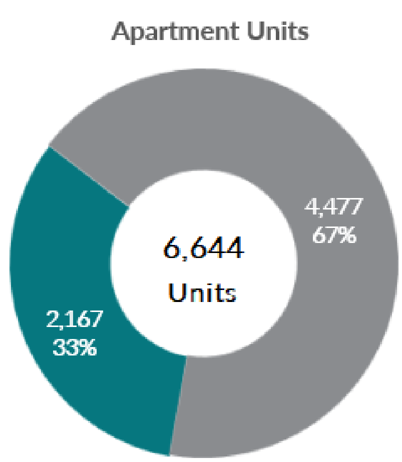
Our investment strategy utilizes a hybrid model, combining wholly or majority-owned (consolidated) multifamily communities with joint venture (unconsolidated) arrangements, which together represent our combined property reporting.

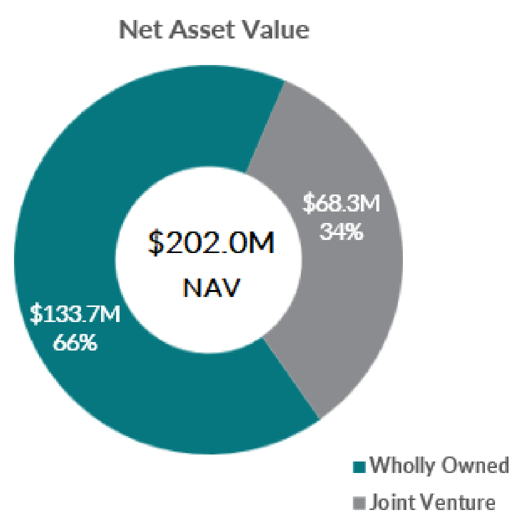
We continue to acquire properties with joint venture partnerships, leveraging our existing operating portfolio and strategic relationships to expand our footprint. These joint ventures often include promoted interest structures, allowing us to participate in outsized returns when performance thresholds are met. This approach enhances our ability to generate strong risk-adjusted returns while maintaining flexibility in capital deployment.

33	$721MM	4,447
Communities Owned Through Joint Ventures	Total Joint Venture Gross Asset Value	Units Owned Through Joint Ventures

Our diversification plans focus on consolidating our asset base and reducing concentration risk by acquiring assets owned by joint ventures. As our joint venture (unconsolidated) investments hold periods mature, we will focus on targeted buyouts of our partner interests, transitioning properties into majority or controlled ownership under GAAP standards. This strategic progression will enable greater operational control and amplifies the revenue impact from assets that previously only contributed to a fraction of our earnings. By consolidating these assets, our earnings will be able to reflect the full value of the properties rather than our partial ownership share of these units (28% of 4,447 units as of December 31, 2024). Additionally, this approach enhances transparency, simplifying our portfolio and providing shareholders with a clearer view of our true earnings and operations.

Ownership Structure:

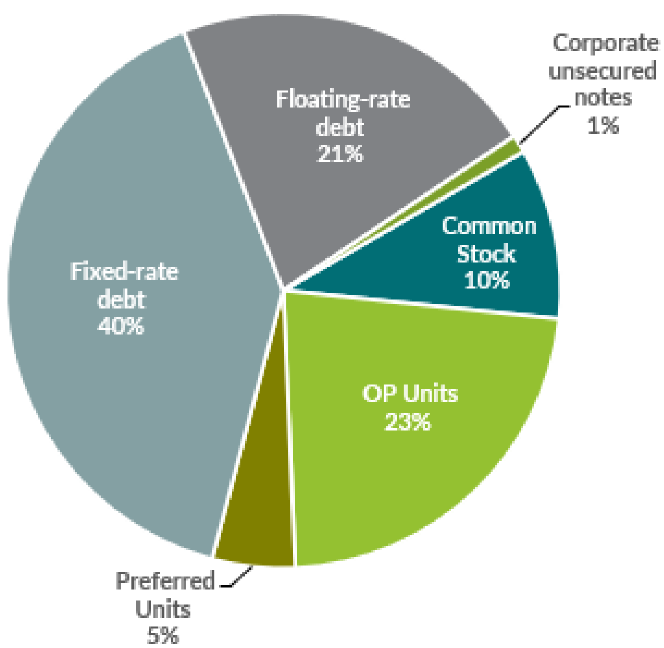




Capitalization Summary

Our strong balance sheet is designed to support continued growth while maintaining financial flexibility. We proactively manage our debt structuring, emphasizing fixed-rate financing to mitigate interest rate risk, which now represents approximately 64% of our total outstanding debt (proportional ownership). The floating-rate debt (34%) is 95% hedged and effectively results in the portfolio being in 95% fixed-rate debt. Additionally, we target a conservative leverage profile between 60-70% and strategically stagger our debt maturities to minimize refinancing risk and enhance long-term liquidity.

	Proportional Ownership*		
	December 2024	December 2023	% Change
Debt			
Fixed-rate mortgages	215,640,047	177,881,128	21.2%
Floating-rate mortgages	115,894,950	133,496,368	-13.2%
Unsecured notes	5,536,000	-	100.0%
Total Debt	337,070,997	311,377,496	8.3%
Equity			
Common stock	53,723,669	51,489,072	4.3%
Operating Partnership (OP) units	122,307,555	121,566,695	0.6%
Convertible preferred OP units	26,018,568	27,740,385	-6.2%
Net Asset Value	202,049,792	200,796,152	0.6%
Total Capitalization	539,120,789	512,173,648	5.3%



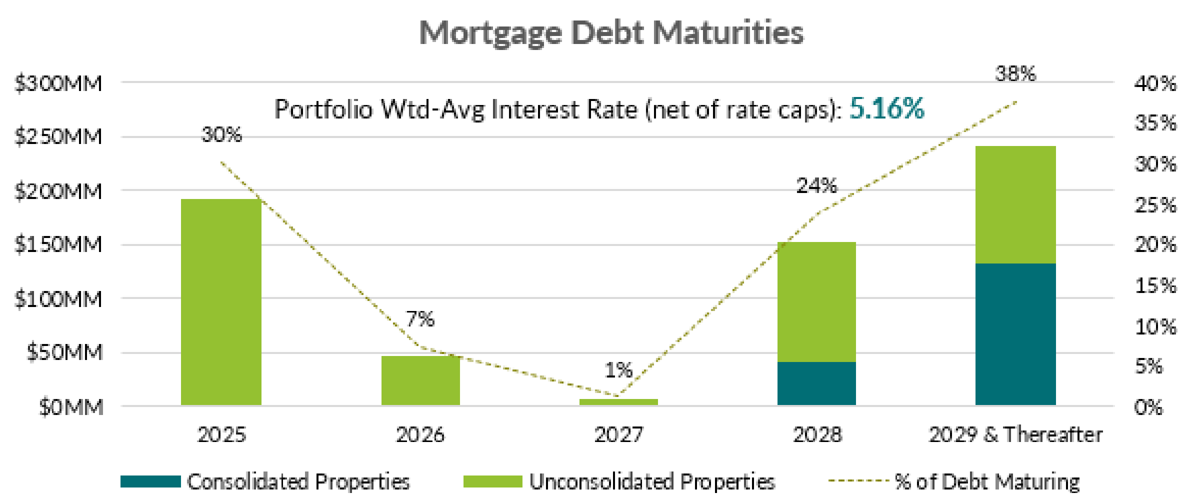
Proportional ownership includes 100% of the 2,167 wholly owned units and its 28% share of the 4,447 joint venture-owned units at year-end 2024. 100% of 2,099 units and 26% of 4,536 units at year-end 2023.

Capitalization Summary (Continued)

Well-Laddered Debt Maturities

Weighted-average debt maturity of 5.0 years as of December 31, 2024

The following is a summary of our debt maturities by ownership structure (wholly owned vs joint venture properties) for the next five years and thereafter:



Our proactive debt management strategy focuses on laddering maturities to mitigate refinancing risk while maintaining access to attractively priced capital. With a weighted-average debt maturity of 5.0 years and a portfolio-wide interest rate of 5.16%, we continue to optimize our capital structure to support long-term growth.

- Staggered Maturities – Spreading debt maturities over time reduces refinancing concentration risk.
- Diversified Ownership Structure – A mix of wholly owned and joint venture properties enhances capital efficiency.
- Competitive Interest Rate – The portfolio-wide 5.16% interest rate reflects disciplined financial management.
- Long-Term Planning – 38% of debt maturing in 2029 and beyond provides stability.

Financial Summary

Operating Information	2024	2023	Percent Change
Apartment units owned:			
Consolidated properties	2,167	2,099	3.2%
Unconsolidated joint venture properties	4,477	4,536	-1.3%
Total	6,644	6,635	0.1%
Result of Operations (Combined Property):			
Rental and other tenant income	$ 96,710,270	$ 90,725,640	6.6%
Operating expenses	46,162,889	42,547,550	8.5%
Net Operating Income	$ 50,547,381	$ 48,178,090	4.9%
Gross profit %	52%	53%	-0.8%
Recurring capital expenditures	1,905,195	3,052,498	-37.6%
Interest expense	31,812,532	28,176,438	12.9%
Loan amortization	1,951,567	974,703	100.2%
Net Recurring Cash Flow	$ 14,878,087	$ 15,974,451	-6.9%
Operating Metrics:			
Occupancy (Combined property)	92.4%	92.9%	-0.5%
Rent per occupied unit (Combined property)	$ 1,234	$ 1,166	5.8%
Vacancy Due to Renovations	1.1%	1.7%	-0.7%

Balance Sheet and Market Capitalization			
Total Asset Value (based on fair value):			
Wholly owned properties	$ 318,173,523	$ 295,478,000	7.7%
Joint venture properties	721,832,132	749,102,657	-3.6%
Cash and other assets	39,984,508	50,691,598	-21.1%
Total Assets Under Management	$1,079,990,163	$1,095,272,255	-1.4%
Less: Noncontrolling interests in joint ventures	(529,905,640)	(566,216,584)	-6.4%
Total Asset Value (proportional ownership)	$ 550,084,523	$ 529,055,671	4.0%
Market Capitalization:			
Debt	$ 337,070,997	$ 311,377,496	8.3%
Equity	202,049,792	$ 200,796,152	0.6%
Total Capitalization	$ 539,120,789	$ 512,173,648	5.3%
Debt-to-Capitalization Ratio	62.5%	60.8%	1.7%

Per Share Data			
Weighted-Average Shares Outstanding (diluted)	1,485,705	1,384,796	7.3%
FFO per Share	$ 3.38	$ 4.56	-25.9%
AFFO per Share	$ 4.35	$ 5.63	-22.6%
Cash dividends per Share	$ 5.48	$ 5.27	4.1%
Dividends Reinvested per Share	2.08	2.29	-9.4%
Total Dividends per Share	$ 7.56	$ 7.56	0.0%

Board and Goverance

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.

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 have historically been primarily financed with variable-rate debt due to the nature of the transactions; however, over the past year, we have been actively working to refinance these loans with fixed-rate debt to better manage our exposure to interest rate fluctuations. As of December 31, 2024, 26% of our joint venture debt is fixed rate compared to 2% as of December 31, 2023. Our joint ventures 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. The distributions from the properties owned by these ventures, $1.2 million for the year ended December 31, 2024, 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 financial statements. We encourage you to read the consolidated financial statements and the notes accompanying the consolidated financial statements included within this Annual Report in conjunction with this supplementary information. This information is not intended to be a replacement for the Company's consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

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.

SECTION 1: COMMON EQUITY AND ISSUANCES OF EQUITY SECURITIES

Offering of 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, 2024, we had 421 shareholders with shares of common stock.

During 2023 and 2024, 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, 2024, we have 42 shareholders with warrants exercisable into 4,433 shares of common stock. The warrant offering expired on December 31, 2024.

The following details the warrants outstanding and exercisable years as of December 31, 2024:

Year Exercisable	Number of Warrants Outstanding(1)	Common Stock Value at Current Price
2026	26,458	$ 359,835
2027	17,873	243,068
	44,331	**$ 602,903**

(1) Each outstanding warrant is exercisable for 1/10 of a share of common stock (4,443 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, 2024, we have 131 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
May 22, 2024	141.00	0.63
November 19, 2024	136.00	0.63

Offering of Convertible Preferred Equity

On July 1, 2021, the Operating Partnership entered into an offering of $25,000,000 Convertible Preferred Operating Partnership Units ("Preferred OP Units"), under which the Operating Partnership may offer and sell or exchange 250,000 Preferred OP Units, with a par value of $100. Each Preferred OP Unit will be convertible at the option of the Limited Partner who has owned its Preferred OP Units for at least 2 years into shares of common stock. The offering ended on September 1, 2022, when the Operating Partnership completed the sale of the 250,000 Preferred OP Units.

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, 2024, we have 69 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, 2024:

	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**

As of December 31, 2024, 2,500 Preferred OP Units have been converted into 2,083 shares of common stock.

Net Asset Value and NAV per Share Calculation

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, 2024:

Components of NAV	**December 31, 2024**	**Per Share**
Investments in real estate	$ 318,173,523	$ 214.16
Investments in unconsolidated real estate ventures	82,172,000	55.31
Cash and cash equivalents	7,422,769	5.00
Restricted cash	1,603,549	1.08
Other assets	2,182,113	1.47
Debt obligations	(192,314,369)	(129.45)
Other liabilities	(3,355,239)	(2.26)
Tax indemnification liability	(13,834,554)	(9.31)
Net Asset Value	**$ 202,049,792**	**$ 136.00**
Number of outstanding shares/units, diluted(1)	1,485,705	
NAV per Share/Unit	**$ 136.00**	

(1) Assumes conversion of (i) all outstanding Preferred OP Units (247,500) into shares of common stock at the respective conversion ratios (191,313) and (ii) the exercise of all outstanding warrants, in connection with the warrant offering, into shares of common stock (4,433).

The following table reconciles total equity per our consolidated balance sheet to our NAV as of December 31, 2024:

Reconciliation of Total Equity to NAV	**December 31, 2024**	**Per Share**
Total equity under GAAP	$ 96,880,252	$ 65.21
Adjustments:		
Unrealized real estate appreciation from investments in real estate	59,687,849	40.17
Accumulated depreciation	39,088,778	26.31
Unrealized fair value changes from unconsolidated real estate ventures	19,589,225	13.19
Unamortized debt acquisition costs	(2,505,758)	(1.69)
Debt obligations marked to fair value	3,144,000	2.12
Tax indemnification liability	(13,834,554)	(9.31)
Net Asset Value	**$ 202,049,792**	**$ 136.00**

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.

The following table provides a reconciliation of the fair value of the Company's investments in unconsolidated real estate to the amount reported on our NAV as of December 31, 2024:

	December 31, 2024	
	Total Combined	**Proportionate Share**
Assets		
Real estate assets, at fair value	$ 721,832,132	$ 212,265,756
Cash and cash equivalents	15,681,473	4,554,942
Restricted cash	7,975,038	2,316,481
Accounts receivable, prepaid expenses and other assets	1,893,280	549,934
Interest rate caps, at fair value	3,226,286	1,015,456
Total assets	**$ 750,608,209**	**$ 220,702,569**
Liabilities		
Mortgage notes payable, at fair value	$ 475,555,699	$ 141,675,755
Other liabilities	4,635,762	1,346,533
Total liabilities	**$ 480,191,461**	**$ 143,022,288**
Net Asset Value	**$ 270,416,748**	**$ 77,680,281**
Fair Value of Unrealized Promote Income		4,491,719
Investments in unconsolidated real estate ventures		**$ 82,172,000**

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 for the years ended December 31, 2024 and 2023. It should be noted that declared dividends are paid one month in arrears, making cash receipts lag by a month when comparing to dividends declared.

The following table details the distributions declared for the years ended December 31, 2024 and 2023:

Declaration Month	**2024**	**2023**
January	$ 0.63	$ 0.63
February	0.63	0.63
March	0.63	0.63
April	0.63	0.63
May	0.63	0.63
June	0.63	0.63
July	0.63	0.63
August	0.63	0.63
September	0.63	0.63
October	0.63	0.63
November	0.63	0.63
December	0.63	0.63
	$ 7.56	**$ 7.56**

The following table summarizes our distributions paid during the years ended December 31, 2024 and 2023:

	2024		**2023**	
Dividends and Distributions	**Amount**	**Percentage**	**Amount**	**Percentage**
Payable in cash	$ 6,665,202	72%	$ 5,869,836	70%
Reinvested into common shares	2,577,308	28%	2,528,132	30%
Total dividends and distributions	**$ 9,242,510**	**100%**	**$ 8,397,968**	**100%**
Sources of Dividends and Distributions				
Cash flows from operating activities	$ 5,739,424	86%	$ 5,265,093	90%
Cash flow from investing/financing activities	925,778	14%	604,743	10%
Total sources of dividends and distributions	**$ 6,665,202**	**100%**	**$ 5,869,836**	**100%**

		Dividend Coverage			**Dividend Coverage**	
	Amount	**Total**	**Cash**	**Amount**	**Total**	**Cash**
Cash flows from operating activities – GAAP	$ 5,739,424	0.62x	0.86x	$ 5,265,093	0.63x	0.90x
Funds from Operations – non-GAAP	$ 4,154,586	0.45x	0.62x	$ 5,114,532	0.61x	0.87x
Adjusted Funds from Operations – non-GAAP	$ 5,354,797	0.58x	0.80x	$ 6,316,431	0.75x	1.08x

SECTION 2: RESULTS OF OPERATIONS AND NON-GAAP FINANCIAL MEASURES

Results of Operations

As of December 31, 2024, our portfolio consisted of 43 multifamily properties, all located in North and South Carolina, comprising 6,644 apartment homes that was 92.6% leased with a weighted average monthly effective rent per occupied apartment unit of $1,234. See Section 3 of this Supplemental Financial Information for a listing of our real estate investments.

The following financial information reflects the property-level results of our portfolio and is presented to highlight the operational performance of our properties. This is a supplemental, non-GAAP measure of our property operating results that we believe is meaningful because it enables management to evaluate the impact of occupancy, rents, leasing activity, and other controllable property operating results at our real estate. All corporate-level expenses, including general and administrative costs, asset management fees, and other overhead items are eliminated as they do not reflect the continuing operating costs of the property owner.

Combined Property Results

The following table reflects the revenues, operating expenses, NOI, and property-level net earnings for our properties in which we have an ownership interest as of December 31, 2024 and 2023. While the properties in which we have a less than 100% ownership interest are unconsolidated joint ventures, each line item in the chart below is presented as if these properties are consolidated by us and have not been adjusted for the effects of noncontrolling interests in accordance with GAAP.

	December 31,			
	2024	**2023**	**$ Change**	**% Change**
Revenues				
Rental income	$ 86,626,717	$ 81,264,347	$ 5,362,370	6.6%
Other tenant income	10,083,553	9,461,293	622,260	6.6%
Total Revenue	**96,710,270**	**90,725,640**	**5,984,630**	**6.6%**
Operating expenses				
Property operating expenses	32,180,694	29,416,278	2,764,416	9.4%
Real estate taxes and insurance	10,505,903	9,952,337	553,566	5.6%
Property management fees	3,476,292	3,178,935	297,357	9.4%
Total Operating Expenses	**46,162,889**	**42,547,550**	**3,615,339**	**8.5%**
Net Operating Income	**50,547,381**	**48,178,090**	**2,369,291**	**4.9%**
Other expenses (income)				
Depreciation and amortization	35,970,571	33,785,588	2,184,983	6.5%
Interest expense	31,812,532	28,176,438	3,636,094	12.9%
Other expenses	1,260,918	1,947,388	(686,470)	-35.3%
Interest income	(1,202,044)	(430,554)	(771,490)	179.2%
Total Other Expenses	**67,841,977**	**63,478,860**	**4,363,117**	**6.9%**
Property-Level Net Loss	**$ (17,294,596)**	**$ (15,300,770)**	**$ (1,993,826)**	**13.0%**

Same-Property Results

We evaluate our results of operations on a same-property basis, which allows us to analyze our property operating results excluding acquisitions and dispositions during the periods under comparison. Properties in our portfolio are considered same property if they were owned for the full periods presented, otherwise they are considered non-same property. Same-Property operating results assists in eliminating disparities in net income due to the acquisition and disposition of properties during the periods presented, and therefore we believe it provides a meaningful performance measure for the comparison of the operating performance of our properties.

There are 6,293 apartment homes in our 2023-2024 Same-Property portfolio.

The following table reflects the revenues, property operating expenses, NOI and property-level net income for the years ended December 31, 2024 and 2023 for our 2023-2024 Same-Properties. While the properties in our Same-Property portfolio in which we have a less than 100% ownership interest are unconsolidated joint ventures, each line item in the chart below is presented as if these Same-Properties are wholly owned and consolidated by us and have not been adjusted for the effects of noncontrolling interests in accordance with GAAP.

	December 31,			
	2024	2023	$ Change	% Change
Revenues				
Rental income	$ 81,894,573	$ 77,497,087	$ 4,397,486	5.7%
Other tenant income	9,519,830	9,057,183	462,647	5.1%
Total Revenue	**91,414,403**	**86,554,270**	**4,860,133**	**5.6%**
Operating expenses				
Property operating expenses	30,291,105	27,941,503	2,349,602	8.4%
Real estate taxes and insurance	9,984,056	9,535,891	448,165	4.7%
Property management fees	3,305,069	3,049,057	256,012	8.4%
Total Operating Expenses	**43,580,230**	**40,526,451**	**3,053,779**	**7.5%**
Net Operating Income	**47,834,173**	**46,027,819**	**1,806,354**	**3.9%**
Other expenses (income)				
Depreciation and amortization	34,145,776	32,686,359	1,459,417	4.5%
Interest expense	30,106,459	27,026,895	3,079,564	11.4%
Other expenses	1,196,633	1,727,669	(531,036)	-30.7%
Interest income	(989,010)	(353,141)	(635,869)	180.1%
Total Other Expenses	**64,459,858**	**61,087,782**	**3,372,076**	**5.5%**
Property-Level Net Loss	**$ (16,625,685)**	**$ (15,059,963)**	**$ (1,565,722)**	**10.4%**

Unconsolidated Joint Ventures Results

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 34% of our net asset value and 67% of our apartment homes. The Company generally serves as the managing partner in these joint ventures, establishing a minority equity ownership but allowing 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 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% - 46% and is disclosed in the accompanying consolidated financial statements.

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 the condensed income statements of our unconsolidated properties included in Note 7 of our consolidated financial statements. Each of the line items in the chart below is presented as if these properties are consolidated by us, although our equity interests in these properties range from 5% to 46%.

	December 31, 2024	December 31, 2023	$ Change	% Change
Revenues				
Rental income	$ 59,699,147	$ 53,512,566	$ 6,186,581	11.6%
Other tenant income	6,734,702	6,448,946	285,756	4.4%
Total Revenue	**66,433,849**	**59,961,512**	**6,472,337**	**10.8%**
Operating expenses				
Property operating expenses	21,081,578	18,694,138	2,387,440	12.8%
Real estate taxes and insurance	6,882,303	6,410,721	471,582	7.4%
Property management fees	2,124,753	1,856,764	267,989	14.4%
Total Operating Expenses	**30,088,634**	**26,961,623**	**3,127,011**	**11.6%**
Net Operating Income	**36,345,215**	**32,999,889**	**3,345,326**	**10.1%**
Other expenses (income)				
Depreciation and amortization	25,807,141	20,897,856	4,909,285	23.5%
Interest expense	23,464,287	20,241,715	3,222,572	15.9%
Other expenses	2,224,966	2,209,668	15,298	0.7%
Interest income	(1,057,328)	(381,703)	(675,625)	177.0%
Total Other Expenses	**50,439,066**	**42,967,536**	**7,471,530**	**17.4%**
Property-Level Net Loss	**$ (14,093,851)**	**$ (9,967,647)**	**$ (4,126,204)**	**41.4%**

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 or investments in unconsolidated real estate ventures, (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) income to FFO and AFFO for the years ended December 31, 2024 and 2023:

	December 31,	
	2024	2023
Net loss including noncontrolling interests	$ (20,852,584)	$ (8,964,537)
Adjustments to arrive at Funds from Operations (FFO):		
Depreciation	9,823,202	9,582,966
Our share of depreciation in unconsolidated properties	7,554,562	6,076,603
Adjustment for noncontrolling interests in consolidated joint venture	-	63,266
Impairment of unconsolidated real estate ventures	9,093,916	-
Non-cash performance fee allocation	-	-
Loss on early debt extinguishment	499,735	-
Gain on consolidation of real estate joint venture	(75,865)	-
Gain on sale of rental property	-	(33,218)
Casualty (gain) loss on rental property	(155,880)	135,077
Preferred distributions	(1,732,500)	(1,745,625)
FFO	**4,154,586**	**5,114,532**
Adjustments to arrive at Adjusted Funds from Operations (AFFO):		
Non-cash stock compensation to Board of Directors	150,000	140,625
Amortization of debt acquisition costs	483,433	477,318
Realized gain on sale of derivative instrument	(140,597)	-
Unrealized change in fair value of derivative instrument	-	(49,334)
Our share of amounts above in unconsolidated properties	707,375	633,290
AFFO	**$ 5,354,797**	**$ 6,316,431**
Weighted Average Shares Outstanding	**1,230,348**	**1,122,798**
FFO Per Unit	3.38	4.56
AFFO per Unit	4.35	5.63
Distribution Per Share	7.56	7.56
Distribution Per Share after Dividend Reinvestment	5.48	5.27
Distribution as a Percentage of FFO	223.9%	166.0%
Distribution as a Percentage of AFFO	173.7%	134.4%
Cash Distribution as a Percentage of FFO	162.3%	115.6%
Cash Distribution as a Percentage of AFFO	125.9%	93.6%

SECTION 3: REAL ESTATE PROPERTIES

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). As of December 31, 2024, our portfolio consisted of 43 communities representing 6,644 units in North Carolina and South Carolina.

The following table provides a summary of the communities in our portfolio as of December 31, 2024:

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	95.1%
Glendare Park	Winston Salem, NC	Aug. 2019	100%	600	90.8%
Salem Ridge	Winston Salem, NC	Sep. 2019	100%	120	95.1%
501 Towns	Durham, NC	Oct. 2019	100%	236	88.9%
Bridges at Quail Hollow	Charlotte, NC	Feb. 2020	100%	90	91.9%
Matthews Lofts	Charlotte, NC	Mar. 2020	100%	81	96.5%
Pepperstone	Greensboro, NC	April 2020	100%	108	97.8%
Woodcreek Farms	Columbia, SC	April 2020	100%	176	96.9%
Lexington Street	Durham, NC	June 2020	100%	16	79.4%
Savannah Place	Winston Salem, NC	Sep. 2020	100%	172	95.3%
Gardens at Country Club	Winston Salem, NC	Nov. 2020	100%	137	90.5%
Town324 Apartments	Charlotte, NC	June 2021	100%	24	100.0%
East Park	Charlotte, NC	Nov. 2021	100%	71	97.4%
Spencer Crossing	Greensboro, NC	Dec. 2021	100%	63	97.9%
Swathmore Court	High Point, NC	Dec. 2021	100%	104	97.5%
The Arden & The Davy	Charlotte, NC	Nov. 2022	100%	35	82.8%
Cedar Oaks	Charlotte, NC	Apr. 2023	100%	17	91.0%
Sharon Lakes	Charlotte, NC	Dec. 2024	100%	9	100.0%
Total consolidated real estate[3]				2,167	93.2%
Unconsolidated real estate[4]:					
Forest at Chasewood	Charlotte, NC	Oct. 2020	19%	220	88.0%
Kimmerly Glen	Charlotte, NC	Oct. 2020	40%	260	93.8%
Croasdaile Farms	Durham, NC	Nov. 2020	30%	272	89.6%
The Cedars	Charlotte, NC	Nov. 2020	25%	40	96.0%
The Cove	Winston Salem, NC	June 2021	5%	213	91.7%
The Station on Pineview	Winston Salem, NC	June 2021	5%	177	94.0%

Cedar Ridge	Winston Salem, NC	June 2021	5%	112	94.8%
Arbor Creek	Durham, NC	Aug. 2021	28%	347	90.3%
Boundary Village	Durham, NC	Sep. 2021	37%	186	92.6%
Yorkshire	Rock Hill, SC	Sep. 2021	36%	183	98.1%
The Flats at Salem	Winston Salem, NC	Oct. 2021	38%	259	91.3%
Weyland	Charlotte, NC	Oct. 2021	13%	200	95.3%
The Preserve	Durham, NC	Oct. 2021	15%	137	92.7%
Country Club	Charlotte, NC	Dec. 2021	25%	110	94.3%
Fieldbrook	Charlotte, NC	Mar. 2022	25%	110	89.6%
Parkwood East	Charlotte, NC	Apr. 2022	27%	128	90.1%
Bridgewood & Ridgecrest Manor	Winston Salem, NC	Apr. 2022	18%	72	89.9%
Olde North Village	Winston Salem, NC	Apr. 2022	18%	48	93.8%
Biscayne	Charlotte, NC	June 2022	25%	54	96.7%
Aurora	Charlotte, NC	Aug. 2022	38%	486	93.0%
Central Pointe	Charlotte, NC	Aug. 2022	46%	336	93.9%
Hickory Woods	Charlotte, NC	Nov. 2022	30%	202	91.8%
North Main Village	Charlotte, NC	Mar. 2023	12%	72	86.5%
Willowdaile	Durham, NC	Aug. 2023	34%	201	91.0%
Lakeside	Charlotte, NC	Sep. 2023	14%	52	95.0%
Total unconsolidated real estate[4]				4,477	92.3%
Total Investments in Real Estate				**6,644**	**92.6%**

(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, 2024.
(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, 2024:

Market Segment	Number of Units	Monthly Rent per Occupied Unit[1]	Occupancy Rate
Charlotte Region	2,780	$ 1,307	93.1%
Piedmont Triad	2,293	1,042	93.0%
Research Triangle	1,395	1,399	90.4%
Columbia Region	176	1,287	96.9%
Total Portfolio	**6,644**	**$ 1,234**	**92.6%**

(1) Monthly Rent per Occupied Unit is the weighted average of the leased rents in place as of December 31, 2024, divided by the number of units occupied as of December 31, 2024.

Portfolio Ownership and Purchase Structure

The following table provides summary information regarding the date of ownership, purchase structure and investment class of units acquired for our portfolio of real estate communities as of December 31, 2024:

	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	262	1,924	2,186
2022	587	884	1,471	35	1,436	1,471
2023	141	201	342	17	325	342
2024	0	9	9	9	0	9
Total Portfolio	**2,243**	**4,401**	**6,644**	**2,167**	**4,477**	**6,644**
% of Portfolio	34%	66%	100%	33%	67%	100%

(1) Purchased Units refer to communities acquired from third-party sellers for cash consideration.
(2) Contributed Units refer to communities acquired from 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.

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

Ginkgo REIT Inc. and Subsidiaries

December 31, 2024 and 2023

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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, 2024 and 2023, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated 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, 2024 and 2023, 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 consolidated 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 consolidated 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 13, 2025

Gingko REIT Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2024	December 31, 2023
Assets		
Investments in real estate, net	$ 219,396,896	$ 212,736,057
Investments in unconsolidated real estate ventures	62,582,775	73,512,862
Cash and cash equivalents	7,422,769	5,292,827
Restricted cash	1,603,549	1,551,697
Rental accounts receivable, net of allowance	457,540	727,484
Prepaid expenses and other assets	1,221,257	1,371,538
Notes receivable	503,316	-
Total assets	**$ 293,188,102**	**$ 295,192,465**
Liabilities and Equity		
Liabilities		
Mortgage notes payable, net	$ 187,416,611	$ 150,681,017
Secured revolving credit facility	-	21,218,300
Unsecured notes payable	5,536,000	-
Financing obligation	865,657	-
Accounts payable, accrued expenses and other liabilities	2,489,582	5,215,837
Total liabilities	196,307,850	177,115,154
Equity		
Stockholders' equity		
Common stock, $0.01 par value; 900,000,000 shares authorized, 390,641 and 355,092 issued and outstanding as of December 31, 2024 and 2023, respectively	3,906	3,551
Additional paid-in capital	47,656,372	42,540,312
Accumulated deficit and cumulative distributions	(19,689,565)	(11,265,414)
Total stockholders' equity	27,970,713	31,278,449
Noncontrolling interests	68,909,539	86,798,862
Total equity	96,880,252	118,077,311
Total liabilities and equity	**$ 293,188,102**	**$ 295,192,465**

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, 2024 and 2023

	2024	2023
Property Revenues		
Rental income	$ 26,401,823	$ 26,085,739
Other tenant income	3,539,973	3,386,686
Total property revenues	29,941,796	29,472,425
Property Expenses		
Property operating expenses	9,933,384	9,610,805
Real estate taxes and insurance	3,623,613	3,429,417
Property management fees	1,351,539	1,273,577
Total property expenses	14,908,536	14,313,799
Other operating expenses (income)		
Depreciation	9,823,202	9,582,966
Director and professional fees	1,048,597	1,018,791
Asset management fees	2,172,392	2,053,047
Gain on consolidation of real estate venture	(75,865)	-
Impairment of unconsolidated real estate ventures	9,093,916	-
Total other operating expenses	22,062,242	12,654,804
Operating (loss) income	(7,028,982)	2,503,822
Other expenses (income)		
Interest expense, net:		
Interest expense	8,399,010	7,453,790
Amortization of debt acquisition costs	483,433	477,318
Unrealized change in fair value of derivative instrument	-	(49,334)
Realized gain on sale of derivative instrument	(140,597)	-
Loss from unconsolidated real estate ventures	4,889,911	3,414,000
Loss on early debt extinguishment	499,735	-
Gain on sale of real estate	-	(33,218)
Casualty (gain) loss on real estate	(155,880)	135,077
Interest and other income	(296,062)	(57,974)
Other expenses, net	144,052	128,700
Total other expenses	13,823,602	11,468,359
Net loss	(20,852,584)	(8,964,537)
Net loss attributable to noncontrolling interests	(15,254,606)	(6,814,796)
Net loss attributable to Ginkgo REIT Inc.	**$ (5,597,978)**	**$ (2,149,741)**

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, 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**
Issuance of common stock	589	8,340,924	-	8,341,513	-	8,341,513
Issuance of Operating Partnership units for contributed properties	-	-	-	-	8,508,331	8,508,331
Common stock/units repurchased	(241)	(3,324,857)	-	(3,325,098)	-	(3,325,098)
Exchange of Operating Partnership units for common stock	7	99,993	-	100,000	(100,000)	-
Dividends and distributions	-	-	(2,826,173)	(2,826,173)	(8,148,837)	(10,975,010)
Purchase of noncontrolling interests in consolidated joint venture	-	-	-	-	(2,894,211)	(2,894,211)
Net loss	-	-	(5,597,978)	(5,597,978)	(15,254,606)	(20,852,584)
Balance, December 31, 2024	**$ 3,906**	**$ 47,656,372**	**$ (19,689,565)**	**$ 27,970,713**	**$ 68,909,539**	**$ 96,880,252**

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, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Net loss	$ (20,852,584)	$ (8,964,537)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	9,823,202	9,582,966
Director fees	150,000	140,625
Gain on consolidation of real estate venture	(75,865)	-
Impairment of unconsolidated real estate ventures	9,093,916	-
Amortization of debt acquisition costs	483,433	477,318
Unrealized change in fair value of derivative instrument	-	(49,334)
Realized gain on sale of derivative instrument	(140,597)	-
Loss from unconsolidated real estate ventures	4,889,911	3,414,000
Loss on early debt extinguishment	499,735	-
Gain on sale of real estate	-	(33,218)
Casualty (gain) loss on real estate	(155,880)	135,077
Operating distributions from unconsolidated real estate ventures	1,222,868	1,573,366
Changes in operating assets and liabilities:		
Rental accounts receivable, net of allowance	277,658	(151,020)
Prepaid expenses and other assets	375,014	(188,233)
Accounts payable, accrued expenses and other liabilities	148,613	(671,917)
Net cash provided by operating activities	5,739,424	5,265,093
Cash flows from investing activities:		
Acquisitions of real estate, net	(1,882,751)	-
Acquisition fees paid	(198,260)	(37,900)
Capital improvements to real estate	(2,912,972)	(5,838,772)
Proceeds from sale of real estate	-	1,469,774
Insurance proceeds received from casualty loss	155,880	733,682
Proceeds received from settlement of derivative instrument	189,931	-
Contributions to investments in unconsolidated real estate ventures	(2,337,244)	(2,647,298)
Non-operating distributions from unconsolidated real estate ventures	-	505,474
Issuance of notes receivable	(665,897)	-
Collection on notes receivable	162,581	-
Deposits on real estate acquisitions	(514,643)	130,596
Net cash used in investing activities	(8,003,375)	(5,684,444)
Cash flows from financing activities:		
Proceeds from issuance of common stock	2,625,085	6,447,058
Dividends and distributions paid	(6,665,202)	(5,869,836)
Preferred distributions paid	(1,732,500)	(1,745,625)
Repurchase of common stock/units	(3,325,098)	(156,078)
Borrowings from mortgage notes payable	43,797,000	8,373,000
Repayments of mortgage notes payable–scheduled	(1,408,735)	(782,897)
Repayments of mortgage notes payable–payoff	(10,989,426)	-
Borrowings from secured revolving credit facility	-	10,100,000
Repayments of secured revolving credit facility	(21,218,300)	(14,831,700)
Borrowings from unsecured notes payable	9,286,000	-
Repayments of unsecured notes payable	(3,750,000)	-
Proceeds from financing obligation	873,240	-
Repayments of financing obligation	(7,583)	-
Payments for early debt extinguishment	(237,420)	-
Debt acquisition costs paid	(1,656,484)	(296,739)
Purchase of noncontrolling interests in consolidated joint venture	(1,144,832)	-
Net cash provided by financing activities	4,445,745	1,237,183
Net increase in cash and cash equivalents and restricted cash	2,181,794	817,832
Cash and cash equivalents and restricted cash, beginning of year	6,844,524	6,026,692
Cash and cash equivalents and restricted cash, end of year	**$ 9,026,318**	**$ 6,844,524**

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, 2024, the Operating Partnership owned or held ownership interests in 43 multifamily rental communities, comprising 6,644 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 by the Operating Partnership and consolidated in the accompanying consolidated financial statements as of December 31, 2024:

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	100.0%
Lexington Street	Durham, NC	June 2020	16	100.0%
Savannah Place	Winston-Salem, NC	September 2020	172	100.0%
Gardens at Country Club	Winston Salem, NC	November 2020	137	100.0%
Town324 (1)	Charlotte, NC	June 2021	24	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%
The Arden and The Davy (2)	Charlotte, NC	November 2022	35	100.0%
Cedar Oaks	Charlotte, NC	April 2023	17	100.0%
Sharon Lakes	Charlotte, NC	December 2024	9	100.0%
			2,167	100.0%

(1) This property was consolidated on November 1, 2024, when the Operating Partnership acquired 100% of the ownership interests.
(2) This property was consolidated on December 1, 2024, when the Operating Partnership acquired 100% of the ownership interests.

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, 2024 and 2023, the Company owned 25% and 26%, 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, 2024 and 2023, the Limited Partners owned 75% and 74%, 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 and the Company's subsidiaries, including the Operating Partnership and its subsidiaries. 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, exceeds 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 expected credit losses was \$300,571 and \$230,492 as of December 31, 2024 and December 31, 2023, respectively.

Notes Receivable
The Company during the year ended December 31, 2024, issued related party notes receivable to its various investments in unconsolidated real estate ventures to partially fund working capital needs and interest rate cap replacements. These notes receivable represent unpaid principal balances on promissory notes, with payment terms extending over a 12-month period. The notes are presented net of an allowance, if any, for expected credit losses.

The notes receivable bear interest at a rate of 6%, which is recognized as interest income over the life of the note. The notes receivable may be prepaid in full or part at any time without penalty. The principal and all accrued but unpaid interest are due and payable in full on August 31, 2025. As of December 31, 2024, no allowance for expected credit losses has been recorded against the outstanding notes receivable balances.

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, 2024 and 2023.

Investments in Unconsolidated Real Estate Ventures

Investments in unconsolidated real estate 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. During the year ended December 31, 2024, the Company recorded an other-than-temporary impairment charge totaling $9,093,916 on two of its unconsolidated investments, Aurora JV LLC and Central Pointe JV LLC. The impairment charge reflects the Company's determination that the fair value of these investments declined below the carrying value, resulting in a write down that reduced the unconsolidated investments carrying value to its fair value. No impairment was recorded for the year ended December 31, 2023.

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. 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 previously held a 67.9% ownership interest in a joint venture that owned Woodcreek Farms, a 176-unit apartment community in Columbia, South Carolina ("Woodcreek"). This joint venture has been consolidated by the Operating Partnership in the accompanying consolidated financial statements as the joint venture was a VIE and the Operating Partnership was the primary beneficiary.

On January 1, 2024, the Operating Partnership acquired the remaining 32.1% interests in the joint venture for total consideration of $2,894,211. The remaining interest was acquired through a combination of (i) issuance of 12,065 Operating Partnership units to individuals who contributed their ownership interests in the property, representing a contribution value of $1,749,379, (ii) cash consideration of $1,112,589 and (iii) $32,243 in transaction-related costs. As a result of this interest acquisition, Woodcreek is now a wholly owned subsidiary of the Operating Partnership.

Income Taxes
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 Company's tax years subject to examination by the IRS generally remain open for three years from the date of filing.

Interest Rate Swap

On January 6, 2023, the Company entered into an interest rate swap agreement with KeyBank National Association ("KeyBank") to manage its interest rate risks. The Company's objective in using derivatives was to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks.

The interest rate swap agreement was 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 was determined using contractual cash flows and observable inputs such as yield curves and credit spreads (Level 2 inputs).

On March 5, 2024, the Company and KeyBank terminated the interest rate swap for proceeds of $189,931, resulting in a realized gain of $140,597 on the settlement of the derivative and is recorded in interest expense, net on the accompanying Consolidated Statements of Operations. Following the sale, the Company no longer holds any interest rate derivatives as all of the Company's long-term debt obligations are fixed rate upon retirement of the secured revolving credit facility with KeyBank (See Note 8).

Prior to the sale, the interest rate swap was recorded at fair value on the accompanying Consolidated Balance Sheets within prepaid expenses and other assets or accounts payable and other accrued expenses. Changes in the fair value of the interest rate swap were recorded in interest expense, net on the accompanying Consolidated Statements of Operations, as the interest rate swap was not designated as a hedge under ASC 815, *Derivatives and Hedging*. The fair value of the interest rate swap represented an asset of $49,334 as of December 31, 2023.

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, 2024 and December 31, 2023, the Share NAV was $136.00 and $145.00, respectively.

Stock-Based Compensation

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

Members of the Board, excluding the Co-Chief Executive Officers of the Company, receive shares of common stock each quarter as partial compensation for serving on the Board. Stock-based compensation cost for stock is issued to the Board members at the Share NAV at the respective grant date. Compensation costs related to stock issued to the Board members for the years ended December 31, 2024 and 2023 were $150,000 and $140,625, 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 $8,261,182 and $7,395,839 for the years ended December 31, 2024 and 2023, respectively.

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

	2024	2023
Cash and cash equivalents	$ 7,422,769	$ 5,292,827
Restricted cash	1,603,549	1,551,697
Total cash and cash equivalents and restricted cash	$ 9,026,318	$ 6,844,524

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:

	2024	2023
Investments in real estate	$ (13,372,809)	$ (3,288,996)
Other assets acquired	(48,689)	(26,585)
Other liabilities assumed	114,252	25,581
Mortgage notes payable, net assumed	6,529,042	-
Issuance of Operating Partnership units for contributed properties	4,577,182	3,290,000
Remeasurement of previously unconsolidated real estate venture to fair value	318,271	-
Acquisitions of real estate, net	$ (1,882,751)	$ -

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:

	2024	2023
Issuance of Operating Partnership units as consideration for purchase of noncontrolling interests in consolidated joint venture	$ 1,749,379	$ 127,000
Issuance of Operating Partnership units in exchange for ownership interests in investments in unconsolidated real estate ventures	$ 2,181,770	$ 6,234,895
Common stock issued under Company's dividend reinvestment plan	$ 2,577,308	$ 2,528,132
Common stock issued as settlement of performance fee allocation	$ 2,989,120	$ 3,000,000
Exchange of Operating Partnership units for common stock	$ 100,000	$ 100,000
Conversion of preferred Operating Partnership units for common stock	$ -	$ 250,000
Write-off of assets due to casualty losses	$ -	$ 868,759

4. Acquisitions of Real Estate

Investments in Real Estate

During the year ended December 31, 2024, the Company acquired three wholly owned apartment communities, comprising 68 units.

The following table provides further details of the apartment community acquired during the year ended December 31, 2024:

Community Name	Location	Ownership Percentage	Date Acquired	Units	Purchase Price (1)
Town324 Apartments (2)	Charlotte, NC	100.0%	November 2024	24	$ 5,204,554
The Arden and The Davy (3)	Charlotte, NC	100.0%	December 2024	35	7,500,720
Sharon Lakes (4)	Charlotte, NC	100.0%	December 2024	9	865,795
				68	$ 13,571,069

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

(2) The Operating Partnership consolidated this entity, effective November 1, 2024, when it acquired the other 94.5% ownership interests. The prior interest holders elected to sell their membership units for cash or in exchange for Operating Partnership Units. The purchase price is representative of the agreed upon offering price, inclusive of acquisition-related costs. Prior to obtaining the other 94.5% ownership interests, the Company held its interests using the equity method of accounting and a gain on consolidation of $55,315 was recorded in the accompanying Consolidated Statements of Operations upon consolidation.

(3) The Operating Partnership consolidated this entity, effective December 1, 2024, when it acquired the other 95.2% ownership interests. The prior interest holders elected to sell their membership units for cash or in exchange for Operating Partnership Units. The purchase price is representative of the agreed upon offering price, inclusive of acquisition-related costs. Prior to obtaining the other 95.2% ownership interests, the Company held its interests using the equity method of accounting and a gain on consolidation of $20,549 was recorded in the accompanying Consolidated Statements of Operations upon consolidation.

(4) Apartment community acquired in an 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, 2023, the Company acquired a controlling financial interest in one apartment community, comprising 17 units.

The following table provides further details of the apartment communities acquired during the six months 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.

Investments in Unconsolidated Real Estate Ventures
During the year ended December 31, 2024, the Company had no joint venture investment acquisitions.

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

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

Investment	Location	Ownership Percentage	Date Acquired	Units	Capital 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.

5. Dispositions of Real Estate

There were no dispositions during the year ended December 31, 2024.

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 $1,503.

The following table provides further details of the apartment community sold during the year ended June 30, 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	$ 1,503
			$ 1,475,000	$ 1,469,774	$ 1,503

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

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:

	2024	2023
Land	$ 27,267,493	$ 25,567,493
Land Improvements	18,789,007	17,264,657
Buildings and building improvements	196,266,392	184,594,373
Fixtures, furniture and equipment	16,162,782	14,575,110
	258,485,674	242,001,633
Less - accumulated depreciation	(39,088,778)	(29,265,576)
Investments in real estate, net	$ 219,396,896	$ 212,736,057

Depreciation expense was $9,823,202 and $9,582,966 for the years ended December 31, 2024 and 2023, respectively.

Casualty Loss

In October 2022, as a result of a fire, the Company's Savannah Place community experienced damage to one building, impacting 8 units. In relation to this casualty, the Company wrote-off real estate assets of $846,941 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 $711,864 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 expenses (income), net in the accompanying Consolidated Statements of Operations for the six months ended December 31, 2023. During the year ended December 31, 2024, the Company recognized a casualty gain of $155,880 for additional insurance proceeds received in relation to this casualty loss.

7. Investments in Unconsolidated Real Estate Ventures

The Company holds ownership interests in various joint venture partnerships, 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:

	2024	2023
Balance, beginning of year	$ 73,512,862	$ 70,123,509
Contributions to investments	4,519,014	8,882,193
Distributions from investments	(1,222,868)	(2,078,840)
Loss from unconsolidated real estate ventures	(4,889,911)	(3,414,000)
Remeasurement of previously unconsolidated real estate venture to fair value	(318,271)	-
Gain on consolidation of real estate venture	75,865	-
Impairment charge	(9,093,916)	-
Balance, end of year	$ 62,582,775	$ 73,512,862

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[(1)]	December 31, 2024	December 31, 2023
Forest at Chasewood Apartments LLC	18.6%	$ 1,866,400	$ 1,548,186
Ginkgo Kimmerly DE LLC	40.0%	4,702,668	4,824,978
CROJV Manager LLC	30.3%	3,701,741	4,444,591
Ginkgo Cedars LLC	25.0%	(143,470)	(123,856)
Town324	0.0%	-	67,458
ST-GS Holding LLC	5.0%	1,146,958	1,166,931
Ginkgo Arbor Creek LLC	27.8%	5,898,911	3,737,699
Boundary Village JV LLC	36.6%	3,241,378	3,274,931
Yorkshire Apartments LLC	36.3%	2,694,134	2,776,447
Ginkgo Towergate LLC	25.0%	3,333,518	3,228,067
WeyMar Holding LLC	12.7%	2,037,056	1,427,372
Northwoods Townhomes Partners LLC	15.0%	1,393,131	1,565,045
Ginkgo Country Club LLC	25.0%	1,521,844	1,579,083
Ginkgo Fieldbrook LLC	25.0%	1,390,122	1,399,502
Parkwood JV LLC	26.5%	2,144,062	2,007,377
Phoenix Dragon Real Assets Fund LLC	17.7%	836,007	863,752
Ginkgo Biscayne II LLC	25.0%	837,833	946,735
Aurora JV LLC	38.1%	7,193,622	15,264,843
Central Pointe JV LLC	45.5%	8,317,378	12,001,556
The Arden & The Davy	0.0%	-	192,709
Axiom Apartment Partners LLC	30.0%	3,991,062	4,274,584
Ginkgo North Main LLC	11.5%	912,662	956,900
WDLJV Manager LLC	33.7%	4,456,122	4,946,518
Ginkgo Lakeside II LLC	14.4%	1,109,636	1,141,454
		$ 62,582,775	$ 73,512,862

(1) The stated ownership percentage reflects the Company's ownership as of December 31, 2024.

Combined summarized financial statement information as of December 31, 2024 and 2023, and for the years ended December 31, 2024 and 2023 for the Company's investments in unconsolidated real estate ventures is as follows:

	2024	2023
Combined balance sheets:		
Assets		
Investments in real estate, net	$ 607,842,762	$ 625,311,943
Other assets	44,767,586	49,245,500
Total assets	$ 652,610,348	$ 674,557,443
Liabilities and Equity		
Long-term debt	$ 475,343,806	$ 471,547,441
Other liabilities	6,277,091	9,180,695
Equity	170,989,451	193,829,307
Total liabilities and equity	$ 652,610,348	$ 674,557,443
Combined statements of operations:		
Total revenues	$ 67,491,177	$ 60,343,215
Total operating expenses	31,113,053	26,961,623
Net operating income	36,378,124	33,381,592
Depreciation	24,505,886	19,711,731
Interest expense	23,464,287	20,241,715
Other expenses, net	2,501,802	3,395,793
Net loss	$ (14,093,851)	$ (9,967,647)

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:

Operating Properties	Maturity Date	Interest Rate	Outstanding Principal December 31, 2024	Outstanding Principal December 31, 2023
Glendare Park (1)	March 2028	5.22%	$ 44,788,555	$ 45,437,843
Matthews Lofts	March 2029	5.70%	11,306,000	-
Swathmore	March 2029	5.70%	8,322,000	-
Town324 Apartments (2)	May 2029	3.69%	3,166,908	-
East Park (3)	July 2029	5.84%	4,127,858	-
Cates (3)	July 2029	5.84%	1,447,142	-
Bridges at Quail Hollow	March 2030	3.47%	10,908,030	11,062,000
Brookford Place (4)	September 2030	4.99%	9,183,852	7,400,000
Gardens at Country Club	December 2030	3.03%	11,085,000	11,085,000
Lexington Street Annex	July 2031	5.81%	1,204,000	-
501 Towns	October 2031	3.72%	28,298,000	28,298,000
Savannah Place	April 2032	3.58%	18,595,000	18,595,000
Pepperstone	May 2032	3.48%	8,464,539	8,626,355
Woodcreek Farms (5)	May 2032	4.13%	15,461,485	13,717,390
Salem Ridge (6)	January 2027	5.53%	9,411,000	7,732,889
The Arden and The Davy	January 2035	5.79%	4,153,000	-
			189,922,369	151,954,477
Unamortized debt acquisition costs			(2,505,758)	(1,273,460)
Mortgage notes payable, net			$ 187,416,611	$ 150,681,017

(2) The outstanding principal balance includes two supplemental mortgages. The stated interest rate reflects the weighted average interest rate of the three loans.
(3) The mortgage was assumed upon acquisition of the property in 2024 and the outstanding balance at acquisition approximated the fair value.
(4) These properties are financed under a single mortgage agreement and are cross-collateralized. The outstanding principal balance allocated to each property reflects its pro rata share at the time of issuance.
(5) The outstanding principal balance includes a supplemental mortgage. The stated interest rate reflects the weighted average interest rate of the two loans.
(6) The outstanding principal balance includes a supplemental mortgage. The stated interest rate reflects the weighted average interest rate of the two loans.
(7) The original mortgage debt was refinanced with a new ten-year mortgage on December 31, 2024. The stated interest rate and maturity date reflects the terms of the new mortgage.

All of the Company’s mortgages are financed with fixed-rate loans, mitigating our interest rate risk exposure from a change in market conditions. The weighted average interest rate of the Company’s mortgage indebtedness was 4.50% and 4.18% as of December 31, 2024 and 2023, respectively. Interest expense related to the Mortgage Notes amounted to $7,795,084 and $5,620,759 for the years ended December 31, 2024 and 2023, respectively.

Each of the Mortgage Notes is a non-recourse obligation subject to customary provisions. For each Mortgage Note interest payments are required monthly with principal amortization commencing between April 2023 and February 2035. 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.

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 $355,455 and $199,814 is included in interest expense in the accompanying Consolidated Statements of Operations for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, the Company expensed unamortized debt acquisition costs of $71,368 and $0, 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, 2024 and 2023, prepayment premiums of $214,368 and $0, 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 allowed 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 was guaranteed by the Company, the Operating Partnership and certain subsidiaries of the Operating Partnership. The Revolving Credit Facility had an original maturity date of November 2024. The facility bore interest at a rate of one-month SOFR plus 2.40%.

On May 16, 2024, the Company paid off the outstanding balance of the Revolving Credit Facility in its entirety and the facility was retired in connection with the payoff. The Company incurred a loss on early debt extinguishment of $213,999, which loss resulted from the expense of unamortized debt acquisition costs and transaction-related costs incurred in terminating the facility. Interest expense related to the Revolving Credit Facility amounted to $508,300 and $1,833,031 for the years ended December 31, 2024 and 2023, respectively.

Prior to the retirement of the facility, unamortized debt acquisition costs and unused facility fees incurred in connection with the Revolving Credit Facility were recorded in other assets on the Consolidated Balance Sheets. The debt acquisition costs were amortized to interest expense using the straight-line method. Amortization of debt acquisition costs of $127,978 and $277,504 is included in interest expense in the accompanying Consolidated Statements of Operations for the years ended December 31, 2024 and 2023. The outstanding balance on the Revolving Credit Facility was $21,218,300 as of December 31, 2023. The interest rate in effect as of December 31, 2023 was 7.72%.

Unsecured Notes Payable

During 2024, the Company issued unsecured notes (“Unsecured Note”, and collectively, “Unsecured Notes”) through multiple series of private placement offerings of short-term and medium-term notes with maturities ranging from 6 to 12 months, as outlined in the respective issuance agreements.

Unsecured Notes are the Company's direct, unsecured debt obligations and consist of the following as of December 31, 2024:

	Maturity Date	Interest Rate	Outstanding Balance
Unsecured medium-term notes due 2025	September 2025	6.93%	$ 4,051,000
Unsecured short-term notes due 2025	June 2025	6.83%	1,485,000
			$ 5,536,000

The Unsecured Notes are not secured, collateralized or guaranteed by the Company, the Advisor, or any other party and are not backed by any real estate or other assets of the Company, including any interests in unconsolidated real estate ventures, and rely solely on the creditworthiness of the Company. The Company has covenanted not to incur unsecured indebtedness with a senior priority to the Unsecured Notes without the consent of the noteholders.

The Company may redeem at any time some or all the Unsecured Notes at an amount equal to the outstanding principal amount, plus a "make whole" premium specified in the respective private placement memorandum, along with accrued and unpaid interest, up to the maturity date. Interest expense related to the Unsecured Notes amounted to $95,626 for the year ended December 31, 2024. The outstanding principal balance, along with all accrued and unpaid interest, is due at maturity date.

Proceeds from the issuance of the Unsecured Notes will be used to fund new acquisitions, improvements to existing real estate, capital calls for unconsolidated real estate ventures, working capital or other general corporate needs, as specified in the respective issuance agreements.

As of December 31, 2024, a portion of the outstanding Unsecured Notes are held by related parties of the Company. These notes were issued on the same terms and conditions as those held by unaffiliated third parties.

<u>Financing Obligation</u>
In October 2024, the Company completed a transaction involving the sale of 9 units within Spencer Crossing, a wholly owned 63-unit condominium community located in Greensboro, North Carolina, for total proceeds of $873,240, net of transaction costs. Simultaneously, the Company entered into a master lease agreement with the buyer to lease back the units for a two-year term. Based on the evaluation of the transaction under applicable accounting guidance, including ASC 842, *Leases*, and ASC 606, *Revenue from Contracts with Customers*, it was determined that the buyer did not obtain control of the units at the inception of the agreement. As a result, the transaction did not meet the criteria for sale recognition and has been accounted for as a financing arrangement.

The proceeds received from the transaction have been recognized as a financing obligation on the Company's Consolidated Balance Sheets, reflecting the nature of the transaction as a borrowing arrangement. The financing obligation bears an implicit interest rate of 4% and is being amortized over the two-year lease term using the effective interest method. The monthly lease payments under the master lease agreement include both principal and interest components, which will reduce the outstanding obligation over the lease term. As of December 31, 2024, the outstanding balance of the financing obligation was $865,657.

<u>Other Indebtedness</u>
The Company and/or the Operating Partnership is a guarantor on various mortgage notes payable in connection with its interests in investments in unconsolidated real estate ventures. These loans are all 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, 2024:

Year	Unsecured Notes	Mortgage Notes	Total
2025	$ 5,536,000	$ 1,729,708	$ 7,265,708
2026	-	2,353,383	2,353,383
2027	-	2,677,261	2,677,261
2028	-	44,717,266	44,717,266
2029	-	30,239,803	30,239,803
Thereafter	-	108,204,948	108,204,948
	$ 5,536,000	$ 189,922,369	$ 195,458,369

9. Other Assets and Other Liabilities

The following table summarizes the components of prepaid expenses and other assets as of December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Prepaid expenses	$ 625,907	$ 990,653
Acquisition deposits	595,350	50,000
Debt acquisition costs, net	-	281,551
Interest rate swap, at fair value	-	49,334
	$ 1,221,257	$ 1,371,538

The following table summarizes the components of accounts payable, accrued expenses and other liabilities as of December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Trade payables and accrued expenses	$ 1,381,998	$ 4,288,277
Advanced rental receipts	95,128	92,343
Accrued interest payable	683,339	545,511
Tenant security deposits	313,579	267,317
Other	15,538	22,389
	$ 2,489,582	$ 5,215,837

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, 2024 and 2023 was $1,351,539 and $1,273,577, respectively, and is included in property management fees in the accompanying Consolidated Statements of Operations. The Company has an outstanding payable of $10,956 and $159,944 related to the property management fees as of December 31, 2024 and December 31, 2023, 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.

<u>Asset Management Fee</u>
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, 2024 and 2023 was $2,172,392 and $2,053,047, 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, 2024 and 2023 was 1.24% and 1.21%, respectively. The Company has an outstanding payable of $794,354 and $519,738 related to the asset management fees as of December 31, 2024 and December 31, 2023, respectively, and is included in accounts payable, accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

<u>Acquisition Fee</u>
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, 2024 and 2023 were $198,260 and $37,900, respectively, and were capitalized as part of the purchase price. No amounts were outstanding related to the acquisition fees as of December 31, 2024 and December 31, 2023.

<u>Disposition Fee</u>
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, 2024 and 2023. 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).

<u>Guarantee Fee</u>
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, 2024 and 2023.

<u>Performance Fee Allocation</u>
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 performance fee allocation may be paid in shares of common stock or cash, at the election of the Advisor. To date, the Advisor has elected to be paid in shares of common stock, resulting in a non-cash expense.

During the years ended December 31, 2024 and 2023, the Company did not recognize any performance fee allocation expense in the Company's accompanying Consolidated Statements of Operations due to a negative total return, which will be treated as a loss carry forward until such amount is recouped.

On March 1, 2024, the Company issued 5,320 shares of common stock, representing a total share value of $750,085, to the Advisor and its affiliates as partial payment of the 2022 performance fee allocation accrued as of December 31, 2023. Such shares were issued at the respective Share NAV as of March 1, 2024. On May 1, 2024, the Company issued 15,880 shares of common stock, representing a total share value of $2,239,035, to the Advisor and its affiliates as remainder payment of the 2022 performance fee allocation accrued as of December 31, 2023. Such shares were issued at the respective Share NAV as of May 1, 2024.

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 accrued as of December 31, 2022. Such shares were issued at the respective Share NAV as of March 1, 2023. The Company has an outstanding payable of $2,989,120 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.

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. 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. 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 both the years ended December 31, 2024 and 2023, the Company exchanged 690 units of Common OP Units for shares of common stock, representing a total share value of $100,000.

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

On July 1, 2021, the Operating Partnership entered into an offering of its Preferred OP Units, under which the Operating Partnership may offer and sell or exchange 250,000 Preferred OP Units, with a par value of $100. Each Preferred OP Unit will be convertible at the option of the Limited Partner who has owned its Preferred OP Units for at least 2 years into shares of common stock. The perpetual offering ended on September 1, 2022, when the Operating Partnership completed its offering of the 250,000 Preferred OP Units. As of December 31, 2024 and 2023, there were 247,500 Preferred OP Units outstanding.

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 forfeit the 2% Distribution for the Preferred OP Units which have been converted into shares of common stock of the Company.

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.

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, 2024 and 2023, no Preferred OP Units were converted into shares of common stock.

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, 2024 and 2023, there were 62,798 and 44,686 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, 2024, the Company repurchased 24,052 shares of common stock for a total of $3,325,098. 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 years ended December 31, 2024 and 2023.

Neither the Company nor the Operating Partnership had any unfulfilled repurchase requests during the years ended December 31, 2024 and 2023.

15. Subsequent Events

The Company has evaluated subsequent events through March 13, 2025, 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, 2025 through March 1, 2025, the Company raised $682,624 through monthly equity closings, inclusive of reinvestments through the Company's DRP.

In February 2025, the Company acquired a 10% interest in The Preserve at Pine Valley, a 219-unit apartment community located in Wilmington, North Carolina. The property was acquired in an all-cash transaction in partnership with JPMorgan Asset Management, for a total purchase price $32.1 million. The Company's investment totaled $3,395,946 for its 10% ownership interest, inclusive of transaction-related costs.

How to Invest:

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