
ANNEX M

**UNAUDITED PRO FORMA FINANCIAL INFORMATION COMBINED COMPANY
AND COMBINED PARTNERSHIP**

ANNEX M

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UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

On June 25, 2025, Cottonwood Communities, Inc. (“CCI”), Cottonwood Residential O.P., LP, CCI's operating partnership (“CROP”), Cottonwood Communities GP Subsidiary, LLC, a wholly owned subsidiary of CCI (“Merger Sub” and together with CCI and CROP, the “CCI Parties”), RealSource Properties, Inc. (“RS”) and RealSource Properties OP, LP, the operating partnership of RS (“RSOP” and together with RS, the “RS Parties”), entered into an Agreement and Plan of Merger (as amended, the “Merger Agreement”). As described in greater detail below, the mergers are a stock-for-stock and unit-for-unit transaction whereby RS will be merged with and into Merger Sub and RSOP will be merged with and into CROP.

Subject to the terms and conditions of the Merger Agreement, (i) RS will merge with and into Merger Sub, with Merger Sub surviving the merger and continuing as a direct, wholly owned subsidiary of CCI (the “Company Merger”) and (ii) RSOP will merge with and into CROP, with CROP surviving the merger (the “Partnership Merger” and, together with the Company Merger, the “Mergers”). At such time, the separate existence of RS and RSOP will cease.

As consideration for the Company Merger, in exchange for each share of common stock of RS, par value \$0.01 per share (“RS Common Stock”), issued and outstanding immediately prior to the effective time of the Company Merger, RS stockholders will receive, subject to adjustment, 0.8893 shares of Class I common stock of CCI, par value \$0.01 per share (“CCI Common Stock”). As consideration for the Partnership Merger, in exchange for each partnership unit of RSOP issued and outstanding immediately prior to the effective time of the Partnership Merger, RSOP partners will receive, subject to adjustment, 0.8893 common units of CROP (“CROP Common Units”); provided that the RSOP special limited partner interest and each RSOP LTIP Unit will be cancelled. The exchange ratio for the Company Merger and the Partnership Merger is subject to adjustments as described in the Merger Agreement. As of the date of the issuance of these pro forma combined financial statements, the CCI Parties estimate that the exchange ratio at closing of the Mergers will be adjusted downward to approximately 0.8767 on account of transaction expenses and net current assets of RSOP, which adjustment is prior to any potential future adjustments described in the Merger Agreement.

Contemporaneously with the signing of the Merger Agreement, the RS Parties entered into an Internalization Agreement (the “Internalization Transactions”) pursuant to which RSOP will acquire all of the equity interest in:

- RealSource Properties Advisor, LLC, which is the external advisor to the RS Parties (“RS Advisor”),
- RS Properties Management, LLC, which provides property management services to properties owned by subsidiaries of RSOP (“RS Property Manager”), and
- RealSource Management LLC, which provides personnel to RS Advisor and RS Property Manager and property management services to properties owned by subsidiaries of RSOP as well as seven properties held by third parties (“RSM” and together with RS Advisor and RS Property Manager, the “Contributed Entities”).

The Internalization Agreement also provides for:

- the termination of the Advisory Agreement between RS Advisor and the RS Parties (the “RS Advisory Agreement”),
- the waiver of the right of RS Advisor, as holder of a special limited partnership interest in RSOP, to require RSOP to purchase such special limited partnership interest in connection with the termination of the RS Advisory Agreement and
- a waiver of RS Advisor’s right under the RS Advisory Agreement to receive disposition fees in connection with the Mergers.

The Mergers and the Internalization Transactions are conditional upon one another and, accordingly, are treated as a single transaction for accounting and reporting purposes. In addition, the Contributed Entities are under common control and as such present their present combined financial information. The Mergers are expected to close in the fourth quarter of 2025, pending lender approvals, approval of the Company Merger by RS stockholders and approval of the Partnership Merger and the Internalization Transactions by the limited partners of RSOP (excluding those owned by RS or any of its affiliates) as well as other closing conditions.

If the Mergers are consummated, RS common stockholders and RSOP limited partners will receive CCI Common Stock and CROP Common Units, respectively. As a result of the issuance of CCI Common Stock and CROP Common Units, pro forma combined financial information is presented separately for CCI (including CROP as a consolidated subsidiary and the related Partnership Merger and the Internalization Transactions) and CROP (including the Partnership Merger and the Internalization Transactions). CCI and CROP have prepared the following unaudited pro forma condensed combined financial information to illustrate the estimated effects of the Mergers. The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of SEC Regulation S-X. These unaudited pro forma combined financial statements are prepared for informational purposes only and are based on assumptions and estimates considered appropriate by management of CCI and CROP; however, they are not necessarily indicative of what the consolidated financial condition or results of operations for CCI and CROP actually would be assuming the Mergers, as applicable, and the Internalization Transactions had been consummated as of the dates previously indicated, nor do they purport to represent the consolidated financial position or results of operations for future periods. These unaudited pro forma combined financial statements do not include the impact of any synergies that may be achieved through these mergers nor any strategies that management of CCI and CROP may consider in order to continue to efficiently manage its operations.

Historical Financial Information

- the historical consolidated financial information of CCI as of and for the six months ended June 30, 2025, derived from CCI's unaudited consolidated financial statements, and the historical consolidated financial information of CCI for the year ended December 31, 2024, derived from CCI's audited consolidated financial statements;
- the historical financial information of RS as of and for the six months ended June 30, 2025, derived from RS's unaudited financial statements, and the historical financial information of RS for the year ended December 31, 2024, derived from RS's audited financial statements;
- the historical consolidated financial information of CROP as of and for the six months ended June 30, 2025, derived from CROP's unaudited consolidated financial statements, and the historical consolidated financial information of CROP for the year ended December 31, 2024, derived from CROP's audited consolidated financial statements;
- the historical consolidated financial information of RSOP as of and for the six months ended June 30, 2025, derived from RSOP's unaudited consolidated financial statements, and the historical consolidated financial information of RSOP for the year ended December 31, 2024, derived from RSOP's audited consolidated financial statements;
- the historical consolidated financial information of the Contributed Entities (RS Advisor, RS Properties Manager, and RSM) as of and for the six months ended June 30, 2025 derived from the Contributed Entities unaudited consolidated financial statements, and the historical consolidated financial information of the Contributed Entities for the year ended December 31, 2024, derived from the Contributed Entities' audited consolidated financial statements.

CCI Combined Company Pro Forma Statements (Mergers and Internalization Transactions)

- pro forma adjustments to give effect to the Mergers on CCI's consolidated balance sheet as of June 30, 2025, as if the Mergers closed on June 30, 2025;
- pro forma adjustments to give effect to the Mergers on CCI's consolidated statements of operations for the six months ended June 30, 2025, and for the year ended December 31, 2024, as if the Mergers closed on January 1, 2024.

CROP Combined Company Pro Forma Statements (Partnership Merger and Internalization Transactions)

- pro forma adjustments to give effect to the Partnership Merger on CROP's consolidated balance sheet as of June 30, 2025, as if the Partnership Merger closed on June 30, 2025;
- pro forma adjustments to give effect to the Partnership Merger on CROP's consolidated statements of operations for the six months ended June 30, 2025, and for the year ended December 31, 2024, as if the Partnership Merger closed on January 1, 2024.

This unaudited pro forma combined financial information for CCI and CROP be read in conjunction with:

- CCI's unaudited consolidated financial statements and the related notes as included in CCI's quarterly report on Form 10-Q for the six months ended June 30, 2025 included as Annex E;
- CCI's audited consolidated financial statements and the related notes as included in CCI's annual report on Form 10-K for the year ended December 31, 2024 included as Annex D;
- RS's unaudited financial statements and the related notes as of and for the six months ended June 30, 2025, included as Annex G;
- RS's audited financial statements and the related as of and for the year ended December 31, 2024, included as Annex G;
- CROP's unaudited consolidated financial statements and the related notes as of and for the six months ended June 30, 2025, included as Annex F;
- CROP's audited consolidated financial statements and the related notes as of and for the year ended December 31, 2024, included as Annex F;
- RSOP's unaudited consolidated financial statements and the related notes as of and for the six months ended June 30, 2025, included as Annex H;
- RSOP's audited consolidated financial statements and the related notes as of and for the year ended December 31, 2024, included as Annex H;
- The Contributed Entities' unaudited consolidated financial statements and the related notes as of and for the six months ended June 30, 2025, included as Annex J, Annex K and Annex L;
- The Contributed Entities' audited consolidated financial statements and the related notes as of and for the year ended December 31, 2024, included as Annex J, Annex K and Annex L.

CCI
UNAUDITED PRO FORMA COMBINED BALANCE SHEETS
AS OF JUNE 30, 2025
(in thousands, except share and per share data)

	CCI Historical June 30, 2025	RS Historical June 30, 2025	RSOP Historical June 30, 2025	Contributed Entities Historical June 30, 2025	Internalization Transactions Accounting Adjustments	Note	Transaction Accounting Adjustments	Pro Forma Combined Company
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)				
Assets								
Real estate assets, net	\$ 1,413,322	\$ —	\$ 372,274	\$ —	\$ —	\$ 68,697	(A)	\$ 1,854,293
Investment in unconsolidated real estate entities	114,008	—	25,268	—	—	(2,098)	(B)	137,178
Investment in unconsolidated affiliates	—	2,214	—	4,724	(6,938)	(C)	—	—
Investments in real estate-related loans, net	37,018	—	—	—	—	—	—	37,018
Cash and cash equivalents	128,898	1	2,802	1,429	—	—	—	133,130
Restricted cash	25,929	—	1,053	—	—	4,527	(F)	31,509
Related party receivables	—	—	—	3,785	(3,226)	(D)	(559)	(E)
Other assets	38,645	—	5,535	11	—	5,143	(F)	49,334
Total assets	<u>\$ 1,757,820</u>	<u>\$ 2,215</u>	<u>\$ 406,932</u>	<u>\$ 9,949</u>	<u>\$ (10,164)</u>	<u>\$ 75,710</u>		<u>\$ 2,242,462</u>
Liabilities, Equity and Noncontrolling Interests								
Liabilities								
Mortgage notes and revolving credit facility, net	\$ 919,434	\$ —	\$ 273,028	\$ —	\$ —	\$ 5,023	(G)	\$ 1,197,485
Construction loans, net	44,052	—	—	—	—	—	—	44,052
Loan, net	\$ 19,100	\$ —	\$ —	\$ 79	\$ (79)	(D)	\$ —	\$ 19,100
Related party accounts payable	—	—	2,743	480	(3,223)	(D)	—	—
Preferred stock, net	238,488	—	—	—	—	—	—	238,488
Unsecured promissory notes, net	20,490	—	—	—	—	—	—	20,490
Accounts payable, accrued expenses and other liabilities	61,273	—	6,964	445	—	5,289	(H)	73,971
Total liabilities	<u>1,302,837</u>	<u>—</u>	<u>282,735</u>	<u>1,004</u>	<u>(3,302)</u>	<u>10,312</u>		<u>1,593,586</u>
Equity and noncontrolling interests								
Equity								
Series A Convertible Preferred Stock	80,126	—	—	—	—	—	—	80,126
Common Stock	—	2	—	—	—	(2)	(I)	—
Common Stock, Class T shares	43	—	—	—	—	—	—	43
Common Stock, Class D shares	5	—	—	—	—	—	—	5
Common Stock, Class I shares	63	—	—	—	—	—	—	63
Common Stock, Class A shares	184	—	—	—	—	—	—	184
Special Limited Partner Units	—	—	10,321	—	—	(10,321)	(I)	—
Common Units	—	—	191,562	—	—	(191,562)	(I)	—
Members' equity	—	—	—	8,945	(6,862)	(D)	(2,083)	(I)
Additional paid-in capital	363,846	2,549	—	—	—	—	32,088	(I)
Accumulated distributions - Series A Convertible preferred Stock	(5,272)	—	—	—	—	—	—	(5,272)
Accumulated distributions - common units	—	—	(52,552)	—	—	52,552	(I)	—
Accumulated distributions - common stock	(95,984)	(163)	—	—	—	163	(I)	(95,984)
Accumulated (deficit) earnings	(93,808)	(173)	(28,831)	—	—	29,004	(I)	(93,808)
Total stockholders' equity	<u>249,203</u>	<u>2,215</u>	<u>120,500</u>	<u>8,945</u>	<u>(6,862)</u>	<u>(90,161)</u>		<u>283,840</u>
Noncontrolling interests								
Limited partners	178,590	—	—	—	—	155,559	(I), (J)	334,149
Partially owned entities	27,190	—	3,697	—	—	—	—	30,887
Total noncontrolling interest	<u>205,780</u>	<u>—</u>	<u>3,697</u>	<u>—</u>	<u>—</u>	<u>155,559</u>		<u>365,036</u>
Total equity and noncontrolling interests	<u>454,983</u>	<u>2,215</u>	<u>124,197</u>	<u>8,945</u>	<u>(6,862)</u>	<u>65,398</u>		<u>648,876</u>
Total liabilities, equity and noncontrolling interests	<u>\$ 1,757,820</u>	<u>\$ 2,215</u>	<u>\$ 406,932</u>	<u>\$ 9,949</u>	<u>\$ (10,164)</u>	<u>\$ 75,710</u>		<u>\$ 2,242,462</u>

CCI
UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(in thousands, except share and per share data)

	CCI Historical June 30, 2025 (Unaudited)	RS Historical June 30, 2025 (Unaudited)	RSOP Historical June 30, 2025 (Unaudited)	Contributed Entities Historical June 30, 2025 (Unaudited)	Internalization Transactions Accounting Adjustments Note	Transaction Accounting Adjustments Note	Pro Forma Combined Company
Revenues							
Rental and other property revenues	\$ 72,493	\$ —	\$ 25,267	\$ —	\$ —	\$ —	\$ 97,760
Property management revenues	3,451	—	—	6,245	(3,170) (a)	—	6,526
Other revenues	3,706	—	—	—	—	—	3,706
Total revenues	79,650	—	25,267	6,245	(3,170)	—	107,992
Operating Expenses							
Property operations expense	27,125	—	11,561	2,737	(867) (a)	—	40,556
Property management expense	9,367	—	—	—	—	—	9,367
Asset management fee	6,123	—	1,634	951	(2,303) (a)	289 (b)	6,694
Depreciation and amortization	29,186	—	9,179	—	—	14,788 (c)	53,153
General and administrative expenses	5,489	—	700	1,239	—	5,000 (d)	12,428
Impairment loss	957	—	—	—	—	—	957
Total operating expenses	78,247	—	23,074	4,927	(3,170)	20,077	123,155
Income (loss) from operations	1,403	—	2,193	1,318	—	(20,077)	(15,163)
Equity in earnings of unconsolidated real estate entities	2,885	—	—	—	—	(461) (e)	2,424
Change in fair value of unconsolidated affiliates	—	(461)	(618)	(984)	—	2,063 (e)	—
Dividend income from unconsolidated affiliates	—	—	645	139	—	(784) (e)	—
Interest income	815	—	—	16	—	—	831
Interest expense	(38,359)	—	(7,019)	—	—	(361) (f)	(45,739)
Loss on debt extinguishment	(1,732)	—	—	—	—	—	(1,732)
Gain on sale of real estate assets	64,766	—	—	—	—	—	64,766
Gain on legal settlement	400	—	—	—	—	—	400
Other (expense) income	(7,118)	—	(350)	12	—	—	(7,456)
Bargain purchase gain	—	—	—	—	—	1,439 (g)	1,439
Income (loss) before income taxes	23,060	(461)	(5,149)	501	—	(18,181)	(230)
Income tax benefit	420	—	—	—	—	—	420
Net income (loss)	23,480	(461)	(5,149)	501	—	(18,181)	190
Net (income) loss attributable to noncontrolling interests:							
Limited partners	(12,315)	—	—	—	—	11,295 (h)	(1,020)
Partially owned entities	744	—	175	—	—	—	919
Net income (loss) attributable to controlling interests	11,909	(461)	(4,974)	501	—	(6,886)	89
Less: preferred stock dividends	3,017	—	—	—	—	—	3,017
Net income (loss) attributable to common stockholders	\$ 8,892	\$ (461)	\$ (4,974)	\$ 501	\$ —	\$ (6,886)	\$ (2,928)
Weighted-average common shares outstanding - basic and diluted	31,279,782					185,418 (i)	31,465,200
Net earnings (loss) per common share - basic and diluted	\$ 0.28					\$ (0.09)	

CCI
UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousands, except share and per share data)

	CCI Historical December 31, 2024 (Audited)	RS Historical December 31, 2024 (Audited)	RSOP Historical December 31, 2024 (Audited)	Contributed Entities Historical December 31, 2024 (Audited)	Internalization Transactions Accounting Adjustments	Note	Transaction Accounting Adjustments	Note	Pro Forma Combined Company
Revenues									
Rental and other property revenues	\$ 145,749	\$ —	\$ 48,448	\$ —	\$ —		\$ —		\$ 194,197
Property management revenues	8,322	—	—	12,411	(6,180) (a)		—		14,553
Other revenues	4,412	—	—	—	—		—		4,412
Total revenues	<u>158,483</u>	<u>—</u>	<u>48,448</u>	<u>12,411</u>	<u>(6,180)</u>		<u>—</u>		<u>213,162</u>
Operating expenses									
Property operations expense	56,701	—	21,046	5,397	(1,692) (a)		—		81,452
Property management expense	17,896	—	—	—	—		—		17,896
Asset management fee	12,485	—	2,941	1,891	(4,283) (a)		539 (b)		13,573
Depreciation and amortization	65,343	—	19,439	—	—		14,571 (c)		99,353
General and administrative expenses	9,083	1	2,034	4,007	—		5,000 (d)		20,125
Total operating expenses	<u>161,508</u>	<u>1</u>	<u>45,460</u>	<u>11,295</u>	<u>(5,975)</u>		<u>20,110</u>		<u>232,399</u>
(Loss) income from operations	<u>(3,025)</u>	<u>(1)</u>	<u>2,988</u>	<u>1,116</u>	<u>(205)</u>		<u>(20,110)</u>		<u>(19,237)</u>
Equity in earnings of unconsolidated real estate entities	5,761	—	—	—	—		(1,091) (e)		4,670
Change in fair value of unconsolidated affiliates	—	(10)	(5,534)	(81)	—		5,625 (e)		—
Dividend income from unconsolidated affiliates	—	120	1,310	309	—		(1,739) (e)		—
Interest income	1,866	—	—	—	—		—		1,866
Interest expense	(83,598)	—	(12,777)	—	—		(722) (f)		(97,097)
Loss on debt extinguishment	(2,554)	—	—	—	—		—		(2,554)
Gain on sale of real estate assets	47,311	—	—	—	—		—		47,311
Gain on legal settlement	16,020	—	—	—	—		—		16,020
Other (expense) income	(2,366)	—	—	37	—		—		(2,329)
Bargain purchase gain	—	—	—	—	—		1,439 (g)		1,439
(Loss) income before income taxes	<u>(20,585)</u>	<u>109</u>	<u>(14,013)</u>	<u>1,381</u>	<u>(205)</u>		<u>(16,598)</u>		<u>(49,911)</u>
Income tax expense	<u>(38)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>		<u>—</u>		<u>(38)</u>
Net (loss) income	<u>(20,623)</u>	<u>109</u>	<u>(14,013)</u>	<u>1,381</u>	<u>(205)</u>		<u>(16,598)</u>		<u>(49,949)</u>
Net loss (income) attributable to noncontrolling interests:									
Limited partners	10,819	—	—	—	—		10,208 (h)		21,027
Partially owned entities	(1,152)	—	408	—	—		—		(744)
Net (loss) income attributable to controlling interests	<u>\$ (10,956)</u>	<u>\$ 109</u>	<u>\$ (13,605)</u>	<u>\$ 1,381</u>	<u>\$ (205)</u>		<u>\$ (6,390)</u>		<u>\$ (29,666)</u>
Less preferred stock dividends	2,241	—	—	—	—		—		2,241
Net (loss) income attributable to common stockholders	<u>\$ (13,197)</u>	<u>\$ 109</u>	<u>\$ (13,605)</u>	<u>\$ 1,381</u>	<u>\$ (205)</u>		<u>\$ (6,390)</u>		<u>\$ (31,907)</u>
Weighted-average common shares outstanding - basic and diluted	<u>31,658,678</u>						185,418 (i)		<u>31,844,096</u>
Net loss per common share - basic and diluted	<u>\$ (0.42)</u>						<u>\$ (1.00)</u>		

CROP
UNAUDITED PRO FORMA COMBINED BALANCE SHEETS
AS OF JUNE 30, 2025
(in thousands, except share and per share data)

	CROP Historical June 30, 2025 (Unaudited)	RSOP Historical June 30, 2025 (Unaudited)	Contributed Entities Historical June 30, 2025 (Unaudited)	Internalization Transactions Accounting Adjustments	Note	Transaction Accounting Adjustments	Note	Pro Forma Partnership Merger
Assets								
Real estate assets, net	\$ 1,413,322	\$ 372,274	\$ —	\$ —	\$ 68,697	(A)	\$ 1,854,293	
Investment in unconsolidated real estate entities	114,008	25,268	—	—	(2,098)	(B)		137,178
Investment in unconsolidated affiliates	—	—	4,724	(4,724)	(C)	—		—
Investments in real estate-related loans, net	37,018	—	—	—				37,018
Cash and cash equivalents	128,420	2,802	1,429	—	—			132,651
Restricted cash	25,929	1,053	—	—	4,527	(F)		31,509
Related party receivables	—	—	3,785	(3,226)	(D)	(559)	(E)	—
Other assets	39,124	5,535	11	—	5,143	(F)		49,813
Total assets	\$ 1,757,820	\$ 406,932	\$ 9,949	\$ (10,164)	\$ 75,710			\$ 2,242,462
Liabilities, Partners' Capital and Noncontrolling Interests								
Liabilities								
Mortgage notes and revolving credit facility, net	\$ 919,434	\$ 273,028	\$ —	\$ —	\$ 5,023	(G)	\$ 1,197,485	
Construction loans, net	44,052	—	—	—	—			44,052
Loans, net	19,100	—	79	(79)	(D)	—		19,100
Related party accounts payable	—	2,743	480	(3,223)	(D)	—		—
Preferred units, net	238,488	—	—	—	—			238,488
Unsecured promissory notes, net	20,490	—	—	—	—			20,490
Accounts payable, accrued expenses and other liabilities	61,273	6,964	445	—	5,289	(H)		73,971
Total liabilities	1,302,837	282,735	1,004	(3,302)	10,312			1,593,586
Capital								
Partners' Capital								
Special limited partner units	—	10,321	—	—	(10,321)	(I)	—	
Series A Convertible Preferred Units	74,854	—	—	—	—			74,854
General Partner, Class T Units	61,220	—	—	—	—			61,220
General Partner, Class D Units	5,865	—	—	—	—			5,865
General Partner, Class I Units	89,889	—	—	—	187,981	(I)		277,870
General Partner, Class A Units	17,375	—	—	—	—			17,375
Common Units	178,590	110,179	—	—	(110,179)	(I)		178,590
Members' equity	—	—	8,945	(6,862)	(D)	(2,083)	(I)	—
Total partners' capital	427,793	120,500	8,945	(6,862)		65,398		615,774
Noncontrolling interests	27,190	3,697	—	—	—	—		30,887
Total capital	\$ 454,983	\$ 124,197	\$ 8,945	\$ (6,862)		\$ 65,398		\$ 646,661
Total liabilities and capital	1,757,820	406,932	\$ 9,949	\$ (10,164)		\$ 75,710		\$ 2,240,247

CROP
UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(in thousands, except share and per share data)

	CROP Historical June 30, 2025	RSOP Historical June 30, 2025	Contributed Entities Historical June 30, 2025	Internalizati on Transactions Accounting Adjustments	Note	Transaction Accounting Adjustments	Note	Pro Forma Partnership Merger
	(Unaudited)	(Unaudited)	(Unaudited)					
Revenues								
Rental and other property revenues	\$ 72,493	\$ 25,267	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 97,760
Property management revenues	3,451	—	6,245	(3,170) (a)	—	—	—	6,526
Related party property management revenues	—	—	—	—	—	—	—	—
Other revenues	3,706	—	—	—	—	—	—	3,706
Total revenues	<u>79,650</u>	<u>25,267</u>	<u>6,245</u>	<u>(3,170)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>107,992</u>
Operating Expenses								
Property operations expense	27,125	11,561	2,737	(867) (a)	—	—	—	40,556
Property management expense	9,367	—	—	—	—	—	—	9,367
Asset management fee	6,123	1,634	951	(2,303) (a)	289 (b)	289 (b)	289 (b)	6,694
Related party asset management fee	—	—	—	—	—	—	—	—
Depreciation and amortization	29,186	9,179	—	—	—	14,788 (c)	14,788 (c)	53,153
General and administrative expenses	5,489	700	1,239	—	—	5,000 (d)	5,000 (d)	12,428
Impairment loss	957	—	—	—	—	—	—	957
Total operating expenses	<u>78,247</u>	<u>23,074</u>	<u>4,927</u>	<u>(3,170)</u>	<u>—</u>	<u>20,077</u>	<u>20,077</u>	<u>123,155</u>
Income (loss) from operations	1,403	2,193	1,318	—	—	(20,077)	(20,077)	(15,163)
Equity in earnings of unconsolidated real estate entities	2,885	—	—	—	—	(461) (e)	(461) (e)	2,424
Change in fair value of unconsolidated affiliates	—	(618)	(984)	—	—	1,602 (e)	1,602 (e)	—
Dividend income from unconsolidated affiliates	—	645	139	—	—	(784) (e)	(784) (e)	—
Interest income	815	—	16	—	—	—	—	831
Interest expense	(38,359)	(7,019)	—	—	—	(361) (f)	(361) (f)	(45,739)
Loss on debt extinguishment	(1,732)	—	—	—	—	—	—	(1,732)
Gain on sale of real estate assets	64,766	—	—	—	—	—	—	64,766
Gain on legal settlement	400	—	—	—	—	—	—	400
Other (expense) income	(7,118)	(350)	12	—	—	—	—	(7,456)
Bargain purchase gain	—	—	—	—	—	1,439 (g)	1,439 (g)	1,439 (g)
Income (loss) before income taxes	<u>23,060</u>	<u>(5,149)</u>	<u>501</u>	<u>—</u>	<u>—</u>	<u>(18,642)</u>	<u>(18,642)</u>	<u>(230)</u>
Income tax benefit	420	—	—	—	—	—	—	420
Net income (loss)	23,480	(5,149)	501	—	—	(18,642)	(18,642)	190
Net (income) loss attributable to noncontrolling interests	744	175	—	—	—	—	—	919
Net (loss) income attributable to controlling interests	24,224	(4,974)	501	—	—	(18,642)	(18,642)	1,109
Less preferred unit distributions	3,017	—	—	—	—	—	—	3,017
Net (loss) income attributable to unitholders	\$ 21,207	\$ (4,974)	\$ 501	\$ —	\$ (18,642)	\$ (18,642)	\$ (1,908)	\$ (1,908)

CROP
UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousands, except share and per share data)

	CROP Historical December 31, 2024	RSOP Historical December 31, 2024	Contributed Entities Historical December 31, 2024	Internalization Transactions Accounting Adjustments	Note	Transaction Accounting Adjustments	Note	Pro Forma Partnership Merger
	(Audited)	(Audited)	(Audited)					
Revenues								
Rental and other property revenues	\$ 145,749	\$ 48,448	\$ —	\$ —		\$ —		\$ 194,197
Property management revenues	8,322	—	12,411	(6,180)	(a)	—		14,553
Other revenues	4,412	—	—	—		—		4,412
Total revenues	158,483	48,448	12,411	(6,180)		—		213,162
Operating expenses								
Property operations expense	56,701	21,046	5,397	(1,692)	(a)	—		81,452
Property management expense	17,896	—	—	—		—		17,896
Asset management fee	12,485	—	1,891	(4,283)	(a)	539	(b)	10,632
Related party asset management fee	—	2,941	—	—		14,571	(c)	17,512
Depreciation and amortization	65,343	19,439	4,007	—		5,000	(d)	93,789
General and administrative expenses	9,083	2,034	—	—		—		11,117
Total operating expenses	161,508	45,460	11,295	(5,975)		20,110		232,398
(Loss) income from operations	(3,025)	2,988	1,116	(205)		(20,110)		(19,236)
Equity in earnings of unconsolidated real estate entities	5,761	—	—	—		(1,091)	(e)	4,670
Change in fair value of unconsolidated affiliates	—	(5,534)	(81)	—		5,615	(e)	—
Dividend income from unconsolidated affiliates	—	1,310	309	—		(1,619)	(e)	—
Interest income	1,866	—	—	—		—		1,866
Interest expense	(83,598)	(12,777)	—	—		(722)	(f)	(97,097)
Loss on debt extinguishment	(2,554)	—	—	—		—		(2,554)
Gain on sale of real estate assets	47,311	—	—	—		—		47,311
Gain on legal settlement	16,020	—	—	—		—		16,020
Other (expense) income	(2,366)	—	37	—		—		(2,329)
Bargain purchase gain	—	—	—	—		1,439	(g)	1,439
(Loss) income before income taxes	(20,585)	(14,013)	1,381	(205)		(16,488)		(49,910)
Income tax expense	(38)	—	—	—		—		(38)
Net (loss) income	(20,623)	(14,013)	1,381	(205)		(16,488)		(49,948)
Net (income) loss attributable to noncontrolling interests	(1,152)	408	—	—		—		(744)
Net (loss) income attributable to controlling interests	\$ (21,775)	\$ (13,605)	\$ 1,381	\$ (205)		\$ (16,488)		\$ (50,692)
Less preferred unit distributions	2,241	—	—	—		—		2,241
Net (loss) income attributable to unitholders	\$ (24,016)	\$ (13,605)	\$ 1,381	\$ (205)		\$ (16,488)		\$ (52,933)

CCI & CROP COMBINED
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
As of June 30, 2025

NOTE 1—BASIS OF PRO FORMA PRESENTATION

The Mergers will be accounted for as a business combination under Accounting Standards Codification (“ASC”) 805, Business Combinations. In a business combination, assets acquired and liabilities assumed are recorded at fair value. Differences between the transaction price and the fair value of identifiable assets acquired and liabilities assumed are accounted for as goodwill, or conversely, as a gain on bargain purchase. Transaction costs in business combinations are expensed as incurred.

The allocation of the purchase price reflected in these unaudited pro forma combined financial statements has not been finalized and is based upon preliminary estimates of fair value, which is the best available information at the current time. A final determination of the fair values of the individual assets acquired and liabilities assumed will be based on actual valuations as of the date the Mergers close. Consequently, amounts preliminarily allocated to the tangible and intangible assets acquired and liabilities assumed could change significantly from those used in the unaudited pro forma combined financial statements and could result in a material change in depreciation and amortization of tangible and intangible assets and liabilities as well as revenues and expenses. The completion of the valuations, the impact of ongoing integration activities, and other changes in tangible and intangible assets and liabilities that occur could cause material differences in the information presented.

CCI Common Stock and CROP Common Units will be issued in the Mergers. As a result, pro forma combined financial information is presented for CCI (including CROP as a consolidated subsidiary with the related Partnership Merger and Internalization Transactions) and CROP on a standalone basis. The following unaudited pro forma condensed combined financial information has been prepared to illustrate the estimated effects of the Company Merger and Partnership Merger and the Internalization Transactions, each as applicable, with respect to CCI and CROP. The unaudited pro forma condensed combined financial information has been prepared by CCI and CROP in accordance with Article 11 of SEC Regulation S-X. These unaudited pro forma combined financial statements are prepared for informational purposes only and are based on assumptions and estimates considered appropriate by management of CCI and CROP; however, they are not necessarily indicative of what CCI’s and CROP’s consolidated financial condition or results of operations actually would be assuming the Mergers, as applicable, and the Internalization Transactions had been consummated as of the dates previously indicated, nor do they purport to represent the consolidated financial position or results of operations for future periods. These unaudited pro forma combined financial statements do not include the impact of any synergies that may be achieved through these mergers nor any strategies that management of CCI and CROP may consider in order to continue to efficiently manage its operations.

NOTE 2—PRELIMINARY PURCHASE PRICE ALLOCATION

The total preliminary estimated purchase price of RS is approximately \$2.1 million based on 0.8767 shares of RS Common Stock per share of CCI Common Stock and applied to 211,496 total common shares of RS as of June 30, 2025.

The total preliminary estimated purchase price of RSOP is approximately \$206.3 million based on 0.8767 shares of RSOP Partnership Units per share of CROP Common Units and applied to 20,433,460 total common units of RSOP as of June 30, 2025.

Together, the total estimated purchase price for RS and RSOP is approximately \$208.4 million.

The following summarizes the preliminary estimated purchase price of the Mergers (in thousands, except share and unit and per share and per unit data):

Purchase price	RS Common Stock	RSOP Partnership Units ⁽¹⁾	Total
RS Common Stock and RSOP Partnership Units ⁽¹⁾ issued and outstanding as of June 30, 2025	211,496	20,433,460	20,644,956
Estimated adjusted exchange ratio ⁽²⁾	0.8767	0.8767	0.8767
Implied CCI Class I common stock and CROP common units to be issued as consideration	185,418	17,914,014	18,099,433
CCI's estimated value per share on June 30, 2025	\$ 11.52	\$ 11.52	\$ 11.52
Value of implied CCI Class I common stock and CROP common units to be issued as consideration	\$ 2,135	\$ 206,285	\$ 208,420

⁽¹⁾ Includes 2,142,135 RSOP Partnership Units issuable as consideration for the Internalization Transactions, which units will be converted into CROP Common Units in the Partnership Merger.

⁽²⁾ As of the date of the issuance of these pro forma combined financial statements, the CCI Parties estimate that the exchange ratio at closing of the Mergers will be adjusted downward pursuant to the Merger Agreement to approximately 0.8767 on account of transaction expenses and net current assets of RSOP, which adjustment is prior to any potential future adjustments described in the Merger Agreement.

As consideration for the Company Merger, in exchange for each share RS Common Stock, issued and outstanding immediately prior to the effective time of the Company Merger, RS stockholders will receive, subject to adjustment, 0.8893 shares of CCI Common Stock. As consideration for the Partnership Merger, in exchange for each partnership unit of RSOP issued and outstanding immediately prior to the effective time of the Partnership Merger, RSOP partners will receive, subject to adjustment, 0.8893 CROP Common Units; provided that the RSOP special limited partner interest and each RSOP LTIP Unit will be cancelled.

As more fully detailed in the Merger Agreement and subject to the additional terms and conditions contained therein, the exchange ratio for the Mergers is subject to adjustment as follows:

- *CCI Merger Losses.* Until the second anniversary of the Mergers, the CCI Parties have the right to initiate a reduction to the exchange ratio in respect of potential losses that are discovered after the Mergers arising under environmental laws and regulations that are attributable to the ownership or operation of the properties of the RS Parties before the Mergers (irrespective of whether the matter giving rise to such losses was disclosed by RS in the Merger Agreement). Until the first anniversary of the Mergers, the CCI Parties have the right to initiate a reduction to the exchange ratio in respect of potential losses (other than potential losses arising under environmental laws and regulations that are attributable to the ownership or operation of the properties of the RS Parties before the Mergers) that are discovered after the Mergers arising from (1) the inaccuracy or breach by the RS Parties of any representation or warranty of the RS Parties contained in the Merger Agreement, (2) the breach of any agreement or covenant of the RS Parties contained in the Merger Agreement, and (3) except for certain excluded claims, any claim relating to transactions contemplated by the Merger Agreement brought by a securityholder of the RS Parties against the RS

Parties, any of their affiliates or any of their respective officers or directors who held such positions at or prior to the Mergers. The adjustments for the losses described in this bullet (combined, the “CCI Merger Losses”) are subject to “tipping baskets” and, combined with all losses under the indemnification provisions of the Internalization Agreement, are capped at \$30 million in the aggregate.

- *RS Merger Losses.* Until the first anniversary of the Mergers, the RS Representative has the right to initiate an adjustment to the exchange ratio in respect of potential losses that are discovered after the Mergers arising from (1) the inaccuracy or breach by the CCI Parties of any representation or warranty of the CCI Parties contained in the Merger Agreement, or (2) the breach by the CCI Parties of any agreement or covenant of the CCI Parties contained in the Merger Agreement, subject to a cap of \$20 million and a “tipping basket.”

Although there is a limited period by which CCI and RS must initiate these adjustments, once timely initiated, the adjustment can occur any time thereafter once the amount has been determined.

In addition, the Merger Agreement contains provisions adjusting the exchange ratio for:

- *Transaction Expenses.* "Transaction expenses" (as defined in the Merger Agreement) incurred by the RS Parties to the extent they exceed \$4,675,000.
- *RSOP Net Current Assets.* The extent to which RSOP's “net current assets” (as defined in the Merger Agreement) as of the closing date of the Mergers (but before the Internalization Transactions) are less than negative \$2,571,106.
- *Certificate of Occupancy Expenses.* The costs incurred by CCI within 12 months after the closing of the Mergers to obtain certificates of occupancy (or a certificate of occupancy exception notice) for certain properties acquired in the Mergers.
- *Post-Closing Land Sale.* The sale by CCI of Colorado Springs (Westgate), a 27-acre parcel of land to be acquired in the Mergers.

As of the date of the issuance of these pro forma combined financial statements, the CCI Parties estimate that the exchange ratio at closing of the Mergers will be adjusted downward pursuant to the Merger Agreement to approximately 0.8767 on account of transaction expenses and net current assets of RSOP, which adjustment is prior to any potential future adjustments described in the Merger Agreement. These pro forma financial statements have been prepared assuming the estimated adjusted exchange ratio as of the date of the issuance of these pro forma combined financial statements.

The following table sets forth the preliminary allocation of the purchase price of RS to the identifiable tangible and intangible assets acquired and liabilities assumed (in thousands):

	June 30, 2025
Assets	
Real estate assets, net	\$ 464,361
Investments in unconsolidated real estate entities	23,630
Cash and cash equivalents	4,232
Restricted cash	1,053
Intangible assets	10,247
Other assets	5,546
Total assets acquired	<u>\$ 509,069</u>
Liabilities	
Mortgage notes, net	\$ 276,088
Accounts payable, accrued expenses and other liabilities	12,409
Total liabilities assumed	288,497
Net assets acquired	220,572
Less gain on bargain purchase	(1,439)
Less noncontrolling interests	(10,713)
Total estimated purchase price	<u>\$ 208,420</u>

The unaudited pro forma combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed by CCI based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the acquired assets and assumed liabilities. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes.

NOTE 3—PRO FORMA ADJUSTMENTS - CCI AND CROP

CCI conducts all of its business and operations through CROP, its operating partnership and consolidated subsidiary. Therefore, the explanations for the adjustments used in the pro forma combined financial statements for both CCI and CROP are the same and described below.

Adjustments to the unaudited pro forma CCI and CROP balance sheets as of June 30, 2025

The pro forma adjustments are based on our preliminary estimates and assumptions and are subject to change. The following adjustments have been reflected in the unaudited pro forma combined balance sheets of the Mergers as of June 30, 2025.

(A) To adjust for acquired real estate assets, net, which includes land and land improvements, buildings and improvements, furniture, fixtures, and equipment, and in-place lease intangible assets, to their estimated fair values, and to account for the depreciation and amortization of these assets for the period from January 1, 2025 through June 30, 2025 as follows (in thousands):

	June 30, 2025
Removal of RSOP's real estate at historical carrying value	\$ (372,274)
Estimated fair value of land and land improvements	55,696
Estimated fair value of building and site improvements	378,860
Estimated fair value of other real estate assets	15,882
Estimated fair value of real estate intangible assets	13,923
Six months of depreciation	(9,467)
Six months of intangible amortization	(13,923)
Adjustment	\$ 68,697

The fair value of in-place leases are capitalized as intangible lease assets. Methods used in determining fair value are similar to those used by independent appraisers, and include using replacement cost estimates less depreciation, discounted cash flows, market comparisons, and direct capitalization of net operating income. Real estate intangible assets primarily include leases in place, which are valued based on current rental rates and the average time necessary to lease a unit.

(B) To adjust for the acquired interest in Autumn Ridge at fair value and the associated equity in earnings during the six months ended June 30, 2025. Autumn Ridge is accounted for as an investment in unconsolidated entities.

(C) To adjust for the removal of investments in unconsolidated affiliates upon the consolidation of the respective Contributed Entities.

(D) To adjust for the elimination of various affiliated accounts receivable, accounts payable and investments in unconsolidated affiliates as a result of the Internalization Transaction between RSOP and the Contributed Entities.

(E) To reflect the removal of smaller assets not acquired from RSOP.

(F) To record the fair value of intangible assets acquired, the amortization of these intangibles for the period from January 1, 2025 through June 30, 2025, and the reclassification cash reserves to restricted cash as follows (in thousands):

	June 30, 2025
Property management contracts	\$ 7,001
Technology amenity contracts	1,283
Property damage waiver contracts	1,218
Other acquired fees	745
Amortization	(576)
Cash reserves reclassification	(4,527)
Adjustment	\$ 5,143

(G) To adjust assumed mortgages and long term debt, net to their estimated fair value and write-off of unamortized debt issuance costs as of June 30, 2025 (in thousands):

	As of June 30, 2025
Elimination of RSOP's historical mortgage notes, net of \$7.9 million of unamortized debt issuance costs	\$ (273,028)
Estimated fair value of mortgage notes and long term debt ⁽¹⁾	277,690
Amortization of fair value adjustment on debt	361
Adjustment	<u><u>\$ 5,023</u></u>

⁽¹⁾ Includes a \$1.6 million installment note RSOP payable to RealSource Residential, LLC. The note bears interest at a fixed rate of 5% per annum and matures on June 30, 2026. An installment payment of \$800,000 is due on or before December 31, 2025. The note can be prepaid at any time without any prepayment penalties.

(H) To add additional liabilities as follows:

	As of June 30, 2025
Transaction costs	\$ 5,000
Incremental asset management fees	289
Adjustment	<u><u>\$ 5,289</u></u>

(I) To adjust for changes to equity from pro forma adjustments in the combined statements of operations, issuance of CCI Common Stock and CROP Common Units with the Mergers, and changes in classifications with the capital structure for CCI and CROP post Mergers.

(J) Represents consideration paid in with CROP Common Units of \$208,420 and the net effect of the resulting activity in the statement of operations for the period from January 1, 2025 through June 30, 2025 as described in the notes for the adjustments to the unaudited pro forma combined statements of operations.

Adjustments to the unaudited pro forma combined statements of operations for the six months ended June 30, 2025 and for the year ended December 31, 2024.

(a) To adjust for the elimination of various affiliated revenues and expenses as a result of the Internalization Transaction between RSOP and the Contributed Entities.

(b) Upon consummation of the Mergers, CC Advisors III, LLC ("CCI Advisor"), which acts as external advisor to CCI and CROP, will reduce the cap on the management fee payable to CCI Advisor from an annualized amount equal to 1.5% of adjusted net asset value ("NAV") of CROP to 1.25% of adjusted NAV of CROP, as defined in the advisory agreement to include the value attributable to preferred stock that is convertible into common equity in the calculation of NAV of CROP. The estimated impact as if this fee reduction had been consummated at the beginning of the respective period is as follows (in thousands):

	Six Months Ended June 30, 2025	Year ended December 31, 2024
Asset management fee under prior advisory services contract	\$ (6,123)	\$ (12,485)
Asset management fee under amended advisory services contract	6,412	13,024
Adjustment	<u><u>\$ 289</u></u>	<u><u>\$ 539</u></u>

(c) To adjust for the net effect of depreciation and amortization related to the step up in estimated fair value of real estate assets and acquired intangibles from the business combination, using the estimated fair values as of June 30, 2025. Depreciation and amortization expense is calculated using the straight-line method over an estimated useful

life of 30 years for buildings, 5-15 years for building improvements, furniture, fixtures and equipment, and 6 months for in place leases. Other acquired intangibles are amortized over 5-15 years.

	Six Months Ended June 30, 2025	Year ended December 31, 2024
Elimination of historical depreciation and amortization expense of real estate assets, net	\$ (9,179)	\$ (19,440)
Estimated depreciation and amortization expense related to the step-up in fair value of real estate assets, net	23,967	34,011
Adjustment	\$ 14,788	\$ 14,571

- (d) To adjust for estimated transaction costs to be incurred subsequent to the respective reporting period through completion of the Mergers. These transaction costs would be expensed in the period of acquisition.
- (e) To eliminate unrealized loss on investment in unconsolidated affiliate and dividend income from investment in unconsolidated affiliates as a result of the Internalization Transaction between RSOP and the Contributed Entities and to account for Autumn Ridge under the equity method of accounting.
- (f) To adjust interest expense for amortization related to the mark to market change in debt.
- (g) To adjust for a gain on bargain purchase for the difference of the fair value of consideration paid and the fair value of assets acquired and liabilities assumed.
- (h) To adjust for changes in net loss (income) attributable to noncontrolling interests as a result of increase of CROP Common Units issued with the Partnership Merger.
- (i) Represents CCI Common Stock issued for RS Common Stock.