

Why Invest with Cottonwood?



Headquartered in Salt Lake City, Utah, Cottonwood Communities Advisors, LLC ("CCA"), the sponsor of Cottonwood Communities, Inc. ("CWREIT"), together with its affiliates and predecessors referred to herein as "Cottonwood Sponsor," is a fully integrated real estate company focused exclusively on the multifamily asset class.¹

19+ year track record¹ in multifamily real estate

2004

Cottonwood Sponsor was formed¹

~\$3B

total assets associated with Cottonwood Sponsor²

~12,000

multifamily units under management³

200+

years of combined industry experience across management team

SECTOR FOCUSED

100% Multifamily

VERTICALLY INTEGRATED

Institutional property management provided by CWREIT

ALIGNMENT OF OWNERSHIP

~10% of the interests in CWREIT are owned by CCA's officers⁴



“We take great care and pride in our role as stewards of investor capital...”

Over the years, our core philosophy has remained unchanged – to invest in well-located, high-quality multifamily assets and to work hard each day to operate our properties at a high level with the goal of driving long term value. This involves seeking opportunities for operational efficiencies, as well as creative and innovative management practices that we believe best serve our tenants and communities.”

—Daniel Shaeffer, CEO, Cottonwood Communities Advisors, LLC

1) Information regarding Cottonwood Sponsor includes information regarding real estate funds sponsored by our key management team, Daniel Shaeffer, Chad Christensen and Gregg Christensen. This includes funds previously sponsored or advised, directly or indirectly, by Cottonwood Residential II, Inc., Cottonwood Residential, Inc. and Cottonwood Capital, LLC. 2) As of July 31, 2023 and includes assets owned by Cottonwood-sponsored real estate investment programs as well as third party managed assets. Of this amount, \$2.6 billion relates to the CWREIT portfolio for which CCA receives an asset management fee and the remaining amount relates to assets for which CWREIT provides property management, asset management or development services. 3) Relates to units for which CWREIT provides property management, asset management or development services, or for which CWREIT has made a structured investment. 4) Ownership may be direct or indirect and consists of shares of common stock, CROP common units and CROP LTIP units. Percentage of shares are as of July 31, 2023 and may fluctuate depending on capital raised.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described in the CWREIT prospectus, as amended and supplemented (the "Prospectus"). The offering is made only by the Prospectus and this material must be preceded or accompanied by the Prospectus. Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of the securities or determined if the Prospectus is truthful or complete. In addition, the Attorney General of the State of New York has not passed on or endorsed the merits of the offering. Any representation to the contrary is unlawful. Securities offered through Orchard Securities, LLC, a member of FINRA and SIPC. CW Markets Group is a Branch Office of Orchard Securities, LLC.

Cottonwood Sponsor Prior Performance Highlights

Full Cycle Per Share Performance Summary For Past Cottonwood Sponsor Investment Programs

(information provided as of September 30, 2022 unless otherwise noted)

	Share Class/ Offering Price	Since Inception Average Annual Return	Since Inception Cumulative Total Return	First Investor Internal Rate of Return ("IRR")	Average Investor IRR ⁴
COTTONWOOD RESIDENTIAL, INC.					
Investment WITH Sales Charges ¹	\$13.00	12.1%	182.9%	11.8%	11.7%
Investment WITHOUT Sales Charges	\$11.70	15.1%	203.2%	14.1%	15.7%
COTTONWOOD MULTIFAMILY REIT I, INC. ("CMRI")					
Investment WITH AND WITHOUT Sales Charges ^{2,3}	\$10.00	13.7%	166.5%	12.3%	12.8%
COTTONWOOD MULTIFAMILY REIT II, INC. ("CMRII")					
Investment WITH AND WITHOUT Sales Charges ^{2,3}	\$10.00	12.2%	146.3%	11.4%	12.3%
COTTONWOOD MULTIFAMILY OPPORTUNITY FUND, INC. ("CMOF")					
Investment WITH AND WITHOUT Sales Charges ^{2,3}	\$10.00	17.5%	179.5%	13.7%	17.0%

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. All returns shown are based off returns to the first investor admitted into each program, unless otherwise noted. Each individual investor's returns will differ depending on their own date of investment.

1) Sales Charges include front-end selling commissions, dealer-manager fees and issuer offering and organizational expenses. 2) Past performance is not indicative of future results. Stockholders in CMRI, CMRII and CMOF each received shares of common stock of CWREIT at a negotiated exchange ratio in connection with the respective mergers of CMRI, CMRII and CMOF, with and into CWREIT. Return information for CMRI and CMRII stockholders was prepared based on the net asset value ("NAV") per share of common stock of CWREIT as of June 30, 2021 of \$11.7865. Return information for CMOF was prepared based on the NAV of CWREIT as of August 30, 2022 of 20.7007. The most significant component of NAV consists of estimated fair values of real property assets. As with any real property valuation protocol, the estimated fair values of real properties are based on a number of judgments, assumptions or opinions about future events that may or may not prove to be correct. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be incorrect. Further, former CMRI, CMRII or CMOF stockholders that are now stockholders of CWREIT may not realize CWREIT's most recently computed NAV per share of common stock in the event he or she attempts to sell his or her shares of common stock in CWREIT or upon the liquidation of CWREIT. See the Current Report on Form 8-K filed by CWREIT on July 16, 2021 for additional information about the computed NAV and Current Report on Form 8-K/A filed on June 8, 2021 for information about the valuation procedures followed by CWREIT in connection with its determination of NAV. No distributions were reinvested in shares of CMRI, CMRII or CMOF common stock. In addition, the sales charges in connection with the respective offering of CMRI, CMRII and CMOF were paid by the former asset manager for CMRI, CMRII and CMOF without reimbursement by the issuer and did not reduce the gross proceeds received by the issuer in the offering. 3) Investors were not responsible for paying upfront selling commissions, managing broker-dealer fees, and organizational and offering expenses. They were paid for by a Cottonwood Sponsor affiliate. Therefore, the program's returns with and without sales charges are the same. 4) Based on the average date of investment across all investors.

SUMMARY OF RISK FACTORS

An investment in our shares is speculative, illiquid and involves a high degree of risk and there is no guarantee that investors will receive any return or that they will not lose their entire investment. No public market exists for our shares; a stockholders' ability to dispose of their shares will likely be limited to repurchase by us; our share repurchase program is subject to restrictions and our board of directors may modify or suspend our share repurchase program at any time; purchases and repurchases of shares of our common stock are made based on the most recently disclosed NAV per share at such time, NAV does not currently represent our enterprise value and may not accurately reflect the actual prices at which our assets could be liquidated on any given day, the value a third party would pay for all or substantially all of our shares, or the price that our shares would trade at on a national stock exchange; our board of directors may amend our NAV procedures from time to time; distributions are not guaranteed and have in the past and may in the future be funded with offering proceeds, we have no limit on the amounts we may pay from such sources; we depend on our advisor to select investments and to manage our business; we pay substantial compensation to our advisor and its affiliates, which increase the risk that our stockholders will not earn a profit on their investment; certain of our officers and our directors are also officers and directors of our sponsor, advisor and their affiliates and, as a result, are subject to conflicts of interest, including conflicts arising from time constraints and the fact that the fees our advisor receives for services rendered to us are based on our NAV, which our advisor is responsible for determining; stockholders' interest in us will be diluted if we issue additional shares; stockholders' interest in our assets will also be diluted if our operating partnership issues additional units; there are restrictions on the ownership and transferability of our shares of common stock; if we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease; we will be subject to risks generally associated with the development and operation of real estate including, but not limited to, economic risks, including the impact of inflation which may significantly impact our costs of operation and interest expense, legislative risks, tax risks, environmental risks, financing risks, liquidity risks and lack of diversification; the outbreak of widespread contagious disease, such as the novel coronavirus, COVID-19, and elevated geopolitical and military tensions related to the Russian Federation's invasion of Ukraine, could adversely impact our operations and the value of our investments; we recently restated our financial statements and identified a material weakness in our internal controls, each of which may adversely affect us, including due to an increased risk of litigation.

For more information, visit WWW.COTTONWOODCOMMUNITIES.COM. Financial advisors can reach us directly at [855.816.9112](tel:855.816.9112) or info@cwmarketsgrp.com or Cottonwood Investor Relations at investments@cottonwoodres.com for operational inquiries.

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