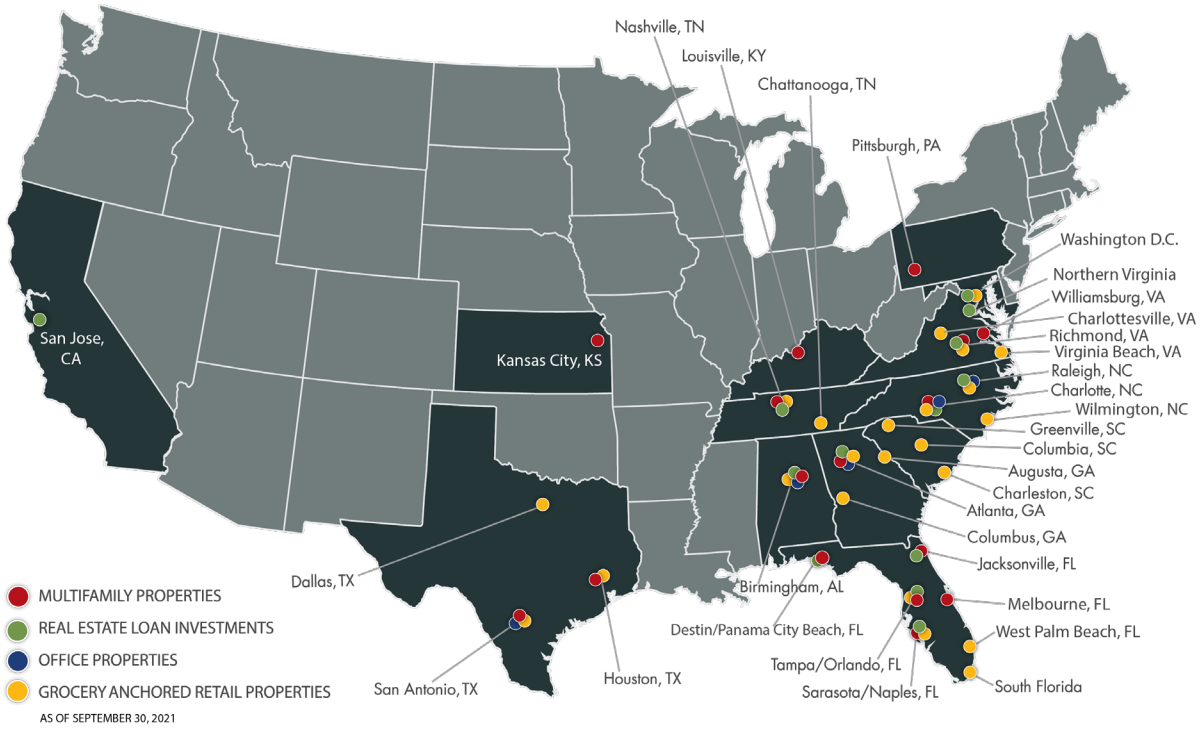
PREFERRED APARTMENT COMMUNITIES®

PREFERRED STOCK OFFERINGS IN A PUBLICLY TRADED COMPANY



WHY WE BELIEVE PAC IS UNIQUE:

- Mortgages are not cross collateralized
- No upstream guaranties to PAC for property-level debt
- Each property is owned in a Single Purpose Entity (SPE)

ONE OF THE **YOUNGEST MULTIFAMILY PORTFOLIOS** IN THE **INDUSTRY**

6.1* YEARS

*owned multifamily

PAC OWNS OR INVESTS*

110 Total Investments

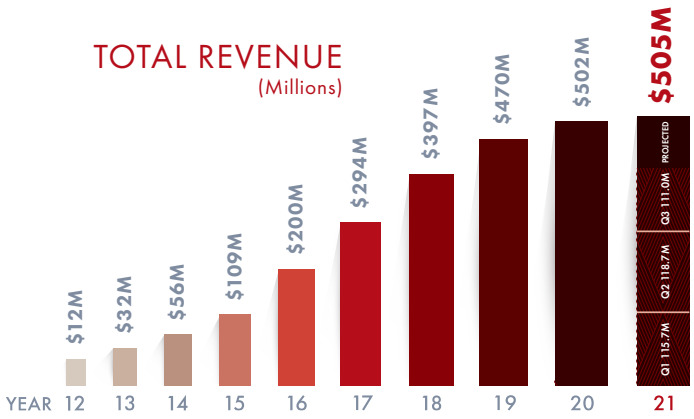
APPROXIMATELY **$3.7** BILLION Assets Owned

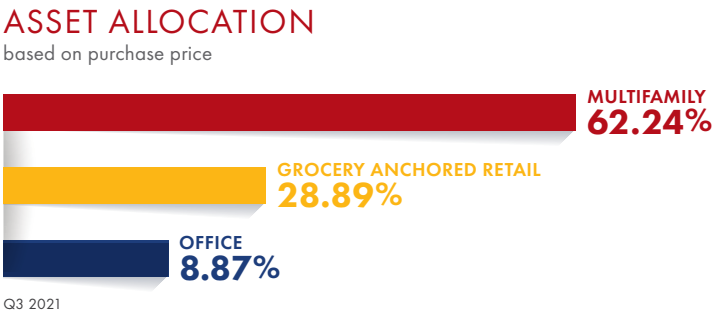
34 MARKETS / **13** STATES / **102** PROPERTIES / **8** REAL ESTATE LOAN INVESTMENTS

*As of Q3 2021

APTS LISTED NYSE

Preferred Apartment Communities, Inc.





LEARN MORE ABOUT PAC'S OFFERINGS BY VISITING PACOFFERINGS.COM

RISK FACTORS

An investment in Preferred Apartment Communities, Inc. ("PAC") involves a high degree of risk. You should carefully consider the information set forth in the "Risk Factors" section of the applicable Prospectus for a discussion of material risk factors relevant to an investment in PAC, including, but not limited to the following:

- There is limited liquidity and no public trading market for the Series M1 Redeemable Preferred Stock or the Series A1 Redeemable Preferred Stock and we do not intend to list either of them on a securities exchange.
- If our Common Stock is no longer listed on the NYSE or another appropriate exchange, we would be required to terminate these offerings which could result in our raising gross proceeds substantially less than if the maximum offering is sold.
- We have paid distributions from sources other than our GAAP cash flow from operations and GAAP cash flow may also be insufficient to fund future distributions.
- Distributions paid from sources other than our GAAP cash flow from operations, particularly from proceeds of any offerings of our securities, will result in us having fewer funds available for the acquisition of properties and other real estate-related investments, which may adversely affect our ability to fund future distributions with GAAP cash flow from operations and may adversely affect your overall return.
- The credit agreement for our credit facility limits our ability to make cash distributions and we may incur additional indebtedness, which may harm our financial position and GAAP cash flow from operations and potentially impact our ability to pay dividends on the Series M1 Redeemable Preferred Stock, the Series A1 Redeemable Preferred Stock and our Common Stock.
- We are dependent upon our manager and its affiliates to conduct our operations and, therefore, any adverse changes in the financial health of our manager or its affiliates could hinder our operating performance and the return on your investment.
- There are numerous conflicts of interest between the interests of investors and our interests or the interests of our manager and its affiliates, which we may not experience if we were self-managed.
- Upon the sale of any individual property, holders of our Series M1 Redeemable Preferred Stock and holders of our Series A1 Redeemable Preferred Stock do not have a priority over holders of our Common Stock regarding return of capital.
- Our charter contains various restrictions on the ownership and transfer of our securities.
- Maintenance of our exemption from registration under the Investment Company Act of 1940 and our REIT qualification impose significant limitations on our operations.
- Our investment objectives and strategies may be changed without stockholder consent.
- Our failure to maintain our qualification as a REIT would subject us to tax on our income and distributions to stockholders will be less.
- We will be able to call your shares of Series M1 Redeemable Preferred Stock and Series A1 Redeemable Preferred Stock for redemption under certain circumstances without your consent.
- Your percentage of ownership may become diluted if we issue new shares of stock or other securities, and issuances of additional Preferred Stock or other securities by us may further subordinate the rights of the holders of our Common Stock (which investors may become upon receipt of redemption payments in shares of Common Stock).
- The Series M1 Redeemable Preferred Stock and Series A1 Redeemable Preferred Stock will be subordinate in right of payment to any corporate level debt that we incur, and your interests could be diluted by the issuance of additional Preferred Stock, including additional Series M1 Redeemable Preferred Stock and Series A1 Redeemable Preferred Stock, and by other transactions.
- Our revenue and net income may vary significantly from one period to another due to investments in opportunity-oriented properties and portfolio acquisitions, which could increase the variability of our cash available for distributions.

PREFERRED CAPITAL SECURITIES, LLC (MEMBER FINRA/SIPC) IS THE DEALER MANAGER FOR PAC.

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This material contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of PAC's business, financial condition, liquidity, results of operations, plans and objectives. These forward-looking statements are based on PAC's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to PAC, and we cannot guarantee that we will achieve any or all of these expectations.

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. ONLY A PROSPECTUS FOR THE PAC SERIES M1 REDEEMABLE PREFERRED STOCK OFFERING OR FOR THE PAC SERIES A1 REDEEMABLE PREFERRED STOCK AND WARRANT OFFERING CAN MAKE SUCH AN OFFER. THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY THE APPLICABLE PROSPECTUS. YOU SHOULD READ THE APPLICABLE PROSPECTUS IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. AN INVESTMENT IN PAC SHOULD BE MADE ONLY AFTER CAREFUL REVIEW OF THE PROSPECTUS. ALL INFORMATION CONTAINED IN THIS MATERIAL IS QUALIFIED IN ITS ENTIRETY BY THE TERMS OF THE APPLICABLE PROSPECTUS. THE ACHIEVEMENT OF ANY GOALS IS NOT GUARANTEED.