

REFINITIV

DELTA REPORT

10-Q

GIPR - GENERATION INCOME PROPERT

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2527
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 CHANGES	225
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 DELETIONS	1715
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 ADDITIONS	587
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, March 31, 2023 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-40771

GENERATION INCOME PROPERTIES, INC.

(Exact name of Registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

47-4427295

(I.R.S. employer
identification no.)

401 E. Jackson Street

Suite 3300

Tampa, FL

(Address of principal executive offices)

33602

(Zip code)

Registrant's telephone number, including area code: 813-448-1234

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading symbol	Name of each exchange on which registered
Common Stock par value \$0.01 per share	GIPR	The Nasdaq Stock Market LLC
Warrants to purchase Common Stock	GIPRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 2,619,507 5,422,155 shares of Common Stock, par value \$0.01 per share, outstanding as of November 11, 2023 May 10, 2024.

GENERATION INCOME PROPERTIES, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements **GENERATION INCOME PROPERTIES, INC.**

Generation Income Properties, Inc. Consolidated Balance Sheets **(unaudited)**

	As of September 30, 2023 (unaudited)	As of December 31, 2022
<u>Assets</u>		
Investments in real estate		
Land	\$ 21,996,902	\$ 12,577,544
Building and site improvements	71,623,505	39,764,890
Acquired tenant improvements	2,247,081	907,382
Acquired lease intangible assets	10,573,535	4,677,928
Less: accumulated depreciation and amortization	(7,478,372)	(5,623,318)
Net real estate investments	\$ 98,962,651	\$ 52,304,426
Investment in tenancy-in-common	-	1,218,268

Cash and cash equivalents	4,338,172	3,718,496
Restricted cash	34,500	34,500
Deferred rent asset	340,198	288,797
Prepaid expenses	318,622	132,642
Accounts receivable	305,888	96,063
Escrow deposits and other assets	303,568	184,241
Right of use asset, net	6,169,714	6,232,662
Total Assets	\$ 110,773,313	\$ 64,210,095
<u>Liabilities and Equity</u>		
Liabilities		
Accounts payable	\$ 304,278	\$ 173,461
Accrued expenses	1,007,486	365,624
Accrued expense - related party	587,022	128,901
Acquired lease intangible liabilities, net	1,051,624	639,973
Insurance payable	138,291	46,368
Deferred rent liability	317,449	251,798
Lease liability, net	6,380,708	6,356,288
Other payable - related party	1,809,840	2,587,300
Loan payable - related party	5,500,000	1,500,000
Mortgage loans, net of unamortized debt discount of \$1,374,035 and \$717,381 at September 30, 2023 and December 31, 2022, respectively	57,078,131	35,233,878
Total liabilities	\$ 74,174,829	\$ 47,283,591
Redeemable Non-Controlling Interests	\$ 18,424,559	\$ 5,789,731
Preferred Stock		
Series A Redeemable Preferred stock, net, \$0.01 par value, 2,400,000 shares authorized, issued, and outstanding at September 30, 2023 with liquidation preferences of \$5 per share and no shares authorized or issued at December 31, 2022		
	\$ 11,637,616	\$ -
Stockholders' Equity		

Common stock, \$0.01 par value, 100,000,000 shares authorized; 2,619,232 and 2,501,644 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	26,192	\$	25,016
Additional paid-in capital	18,683,617		19,307,518
Accumulated other comprehensive income	78,969		-
Accumulated deficit	(12,668,727)		(8,640,796)
Total Generation Income Properties, Inc. Stockholders' Equity	\$ 6,120,051	\$	10,691,738
Non-Controlling Interest	\$ 416,258	\$	445,035
Total equity	\$ 6,536,309	\$	11,136,773
Total Liabilities and Equity	\$ 110,773,313	\$	64,210,095
	As of March 31,	As of December 31,	
	2024	2023	
<u>Assets</u>			
Investments in real estate			
Land	\$ 21,236,021	\$	21,996,902
Building and site improvements	64,654,032		71,621,499
Acquired tenant improvements	2,072,205		2,072,205
Acquired lease intangible assets	9,927,046		10,571,331
Less: accumulated depreciation and amortization	(8,618,181)		(8,855,332)
Net real estate investments	\$ 89,271,123	\$	97,406,605
Cash and cash equivalents	1,655,820		3,117,446
Restricted cash	34,500		34,500
Deferred rent asset	366,278		1,106,191
Prepaid expenses	473,380		139,941
Prepaid guaranty fees - related party	96,360		-
Accounts receivable	283,850		241,166
Escrow deposits and other assets	569,803		493,393
Held for sale assets	5,750,250		-
Right of use asset, net	6,131,688		6,152,174
Total Assets	\$ 104,633,052	\$	108,691,416

Liabilities and Equity**Liabilities**

Accounts payable	\$	51,901	\$	406,772
Accrued expenses		593,731		688,146
Accrued expense - related party		683,347		683,347
Acquired lease intangible liabilities, net		982,275		1,016,260
Insurance payable		367,322		34,966
Deferred rent liability		170,317		260,942
Lease liability, net		6,427,039		6,415,041
Other payable - related party		1,357,380		1,809,840
Loan payable - related party		5,500,000		5,500,000
Mortgage loans, net of unamortized debt discount of \$1,278,582 and \$1,326,362 at March 31, 2024 and December 31, 2023, respectively		56,545,312		56,817,310
Derivative liabilities		169,942		537,424
Total liabilities	\$	72,848,566	\$	74,170,048

Redeemable Non-Controlling Interests

\$	19,498,296	\$	18,812,423
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Preferred Stock - Series A Redeemable Preferred stock, net,

\$0.01 par value, 2,400,000 shares authorized, no shares issued or outstanding as of March 31, 2024 and 2,400,000 shares issued and outstanding at December 31, 2023 with liquidation preferences of \$5 per share

\$	-	\$	11,637,616
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Stockholders' Equity

Common stock, \$0.01 par value, 100,000,000 shares authorized; 5,419,855 and 2,620,707 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively

		54,199		26,207
Additional paid-in capital		29,589,564		18,472,049
Accumulated deficit		(17,753,278)		(14,833,058)
Total Generation Income Properties, Inc. Stockholders' Equity	\$	11,890,485	\$	3,665,198

Non-Controlling Interest

	\$	395,705	\$	406,131
Total equity	\$	12,286,190	\$	4,071,329

Total Liabilities and Equity	\$	104,633,052	\$	108,691,416
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The accompanying notes are an integral part of these unaudited consolidated financial statements.

Generation Income Properties, Inc. Consolidated Statements of Operations
(unaudited)

	Three Months ended March 31,	
	2024	2023
Revenue		
Rental income	\$ 2,274,730	\$ 1,326,707
Other income	158,443	10,332
Total revenue	\$ 2,433,173	\$ 1,337,039
Expenses		
General and administrative expense	\$ 449,797	\$ 344,147
Building expenses	654,667	313,600
Depreciation and amortization	1,226,605	557,550
Interest expense, net	1,020,741	469,210
Compensation costs	282,015	351,287
Total expenses	\$ 3,633,825	\$ 2,035,794
Operating loss	(1,200,652)	(698,755)
Other expense	-	(506,000)
Gain on derivative valuation, net	380,550	-
Income on investment in tenancy-in-common	-	14,402
Loss on held for sale asset valuation	(1,058,994)	-
Net loss	\$ (1,879,096)	\$ (1,190,353)
Less: Net income attributable to non-controlling interests	946,124	127,214
Net loss attributable to Generation Income Properties, Inc.	\$ (2,825,220)	\$ (1,317,567)
Less: Preferred stock dividends	95,000	-
Net loss attributable to common shareholders	\$ (2,920,220)	\$ (1,317,567)

Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	4,390,489	2,541,477
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (0.67)	\$ (0.52)

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

Generation Income Properties, Inc. Consolidated Statements of Changes in Equity, Redeemable Preferred Stock, and Redeemable Non-Controlling Interests
(unaudited)

	Common Stock		Additional Paid-In Capital		Accumulated Deficit	Stockholders' Equity	Non-Controlling Interests	Total Equity	Redeemable Preferred Stock	Redeemable Non-Controlling Interests
	Shares	Amount								
Balance, December 31, 2022	2,501,64	4 \$ 25,016	18 \$	96 \$	38 \$	445,035	73 \$	11,136,7	\$ -	\$ 1
Restricted stock unit compensation	98,593	986	89,662	-	90,648	-	90,648	-	-	-
Cashless exercise of warrants	10,648	106	(106)	-	-	-	-	-	-	-
Issuance of Redeemable Non-Controlling Interests	-	-	-	-	-	-	-	-	-	3,000,00
Redemption of Redeemable Non-Controlling Interests	-	-	-	-	-	-	-	-	-	(2,479,2
Distribution on Non-Controlling Interests	-	-	-	-	-	(2,844)	(2,844)	-	-	(115,817)
Dividends paid on common stock	-	-	(297,479)	-	(297,479)	-	(297,479)	-	-	-
Net (loss) income for the quarter	-	-	-	(1,317,5	67)	(1,317,5	67)	(4,908)	75)	132,122
Balance, March 31, 2023	2,610,88	5 \$ 26,108	95 \$	63 \$	0 \$	437,283	3 \$	9,604,62	\$ -	\$ 7

Balance, December 31, 2023	2,620,70	\$ 26,207	\$ 18,472,0	\$ (14,833,)	\$ 3,665,19	\$ 406,131	\$ 4,071,32	\$ 11,637,6	\$ 18,812,4
	7		49	058	8		9	16	23
Restricted stock unit compensation	-	-	94,935	-	94,935	-	94,935	-	-
Stock issuance costs	-	-	(61,938)	-	(61,938)	-	(61,938)	-	-
Cashless exercise of warrants	4,551	46	(46)	-	-	-	-	-	-
Conversion of preferred stock to Common stock	2,794,59		11,609,6		11,637,6		11,637,6	(11,637,616)	-
Distribution on Non-Controlling Interests	-	-	-	-	-	(2,844)	(2,844)	-	(267,833)
Dividends on preferred stock	-	-	-	-	-	-	-	(95,000)	-
Dividends paid on common stock	-	-	(525,106)	-	(525,106)	-	(525,106)	-	-
Net (loss) income for the period	-	-	-	(2,920,20)	(2,920,20)	(7,582)	(2,927,802)	95,000	953,706
	5,419,85		29,589,5	(17,753,	11,890,4		12,286,1		19,498,2
Balance, March 31, 2024	5	\$ 54,199	\$ 64	\$ 278,	\$ 85	\$ 395,705	\$ 90	\$ -	\$ 96

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

Generation Income Properties, Inc. Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,879,096)	\$ (1,190,353)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation of building and site improvements	748,654	398,399
Amortization of acquired tenant improvements	80,623	23,588
Amortization of in-place leases	397,328	135,563
Amortization of above market leases	101,771	-
Amortization of below market leases	(33,802)	(26,114)

Amortization of above market ground lease	(183)	(183)
Amortization of debt issuance costs	47,780	28,865
Restricted stock unit compensation	94,935	90,648
Non-cash ground lease expense	20,486	21,149
Income on investment in tenancy-in-common	-	(14,402)
Gain on derivative valuation, net	(380,550)	-
Loss on held for sale asset valuation	1,058,994	-
Changes in operating assets and liabilities		
Accounts receivable	(42,684)	(55,155)
Escrow and other assets	(63,342)	23,945
Deferred rent asset	739,913	(16,848)
Prepaid expenses	(333,439)	(409,932)
Prepaid guaranty fees - related party	(96,360)	-
Accounts payable	(354,871)	(53,945)
Accrued expenses	(1,553)	275,096
Lease liability	11,998	14,438
Deferred rent liability	(90,625)	(95,723)
Net cash provided by (used in) operating activities	\$ 25,977	\$ (850,964)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Escrow return for purchase of properties	-	(50,000)
Net cash used in investing activities	\$ -	\$ (50,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of redeemable non-controlling interests	-	3,000,000
Redemption of redeemable non-controlling interests	-	(2,479,299)
Repayment on other payable - related party	(452,460)	(325,000)
Mortgage loan repayments	(319,778)	(151,627)
Equity issuance costs	(61,938)	-
Insurance financing borrowings	400,889	352,307
Insurance financing repayments	(68,533)	(60,628)
Distribution on non-controlling interests	(270,677)	(118,661)
Dividends paid on preferred stock	(190,000)	-
Dividends paid on common stock	(525,106)	(297,479)

Net cash used in financing activities	\$	(1,487,603)	\$	(80,387)
Net decrease in cash and cash equivalents	\$	(1,461,626)	\$	(981,351)
Cash and cash equivalents and restricted cash - beginning of period		3,151,946		3,752,996
Cash and cash equivalents and restricted cash - end of period	\$	1,690,320	\$	2,771,645
CASH TRANSACTIONS				
Interest paid	\$	1,247,442	\$	469,191
NON-CASH TRANSACTIONS				
Conversion of Preferred Stock into Common Stock	\$	11,637,616	\$	-
Stock issued for cashless exercise of Investor Warrants	\$	46	\$	106
Deferred distribution on redeemable non-controlling interests	\$	685,873	\$	16,305

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

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GENERATION INCOME PROPERTIES, INC.

Consolidated Statements of Statements of Operations and Comprehensive Income (Loss)

(unaudited)

	Three Months ended		Nine Months ended September	
	September 30,		30,	
	2023	2022	2023	2022
Revenue				
Rental income	\$ 1,841,044	\$ 1,473,789	\$ 4,486,501	\$ 4,034,286
Other income	3,104	296	23,564	837
Total revenue	\$ 1,844,148	\$ 1,474,085	\$ 4,510,065	\$ 4,035,123
Expenses				
General and administrative expense	\$ 530,538	\$ 408,570	\$ 1,233,674	\$ 1,222,986
Building expenses	431,359	269,781	1,065,214	848,373
Depreciation and amortization	981,419	561,510	2,096,970	1,551,079
Interest expense, net	770,624	382,440	1,706,585	1,088,361

Compensation costs	346,196	334,992	980,202	925,432
Total expenses	\$ 3,060,136	\$ 1,957,293	\$ 7,082,645	\$ 5,636,231
Operating loss	(1,215,988)	(483,208)	(2,572,580)	(1,601,108)
Other expense	(639)	-	(506,639)	-
Income on investment in tenancy-in-common	3,362	16,751	32,773	23,841
Dead deal expense	-	(45,660)	(109,569)	(153,031)
Loss on debt extinguishment	-	-	-	(144,029)
Net loss	\$ (1,213,265)	\$ (512,117)	\$ (3,156,015)	\$ (1,874,327)
Less: Net income attributable to non-controlling interests	425,637	126,803	681,916	386,947
Net loss attributable to Generation Income Properties, Inc.	\$ (1,638,902)	\$ (638,920)	\$ (3,837,931)	\$ (2,261,274)
Less: Preferred stock dividends	190,000	-	190,000	-
Net loss attributable to common shareholders	\$ (1,828,902)	\$ (638,920)	\$ (4,027,931)	\$ (2,261,274)
Other comprehensive income:				
Gain on change in fair value of derivative instrument	78,969	-	78,969	-
Comprehensive loss attributable to common shareholders	\$ (1,749,933)	\$ (638,920)	\$ (3,948,962)	\$ (2,261,274)
Total Weighted Average Shares of Common Stock				
Outstanding – Basic & Diluted	2,618,077	2,304,841	2,591,956	2,251,522
Basic & Diluted Loss Per Share Attributable to Common				
Stockholders	\$ (0.70)	\$ (0.28)	\$ (1.55)	\$ (1.00)

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

GENERATION INCOME PROPERTIES, INC.

Consolidated Statements of Changes in Equity

(unaudited)

			Accumulate						Redeemable							
			Additional		d Other		Non-		Non-							
			Paid-In		Comprehen		Accumulate		Stockholder		Controlling					
			Capital		sive Income		d Deficit		S' Equity		Interest		Preferred		Controlling	
			Common Stock													
Shares	Amount															
								</								

Restricted stock unit compensation	47,142	471	93,455	-	-	93,926	-	93,926	-	-
Stock issuance costs	-	-	(6,091)	-	-	(6,091)	-	(6,091)	-	-
Cashless exercise of warrants	27,676	277	(277)	-	-	-	-	-	-	-
Issuance of Redeemable Non-Controlling										
Interest for property acquisition	-	-	-	-	-	-	-	-	-	1,109,570
Distribution on Non-Controlling Interest	-	-	-	-	-	-	(3,938)	(3,938)	-	(115,303)
Dividends paid on common stock	-	-	(334,799)	-	-	(334,799)	-	(334,799)	-	-
Net (loss) income for the quarter	-	-	-	-	(575,476)	(575,476)	(1,120)	(576,596)	-	131,083
18,804,21										
Balance, March 31, 2022	2,247,768	\$ 22,477	\$ 7	\$ -	\$ (5,978,632)	\$ 12,848,062	\$ 464,654	\$ 13,312,716	\$ -	\$ 10,260,329
Restricted stock unit compensation	357	4	124,114	-	-	124,118	-	124,118	-	-
Cashless exercise of warrants	9,662	96	(96)	-	-	-	-	-	-	-
Redemption of Redeemable Non-										
Controlling Interest	-	-	-	-	-	-	-	-	-	(406,652)
Distribution on Non-Controlling Interest	-	-	-	-	-	-	(3,938)	(3,938)	-	(118,556)
Dividends paid on common stock	-	-	(343,254)	-	-	(343,254)	-	(343,254)	-	-
Net (loss) income for the quarter	-	-	-	-	(1,046,878)	(1,046,878)	(4,329)	(1,051,207)	-	134,510
18,584,98										
Balance, June 30, 2022	2,257,787	\$ 22,577	\$ 1	\$ -	\$ (7,025,510)	\$ 11,582,048	\$ 456,387	\$ 12,038,435	\$ -	\$ 9,869,631
Restricted stock unit compensation	-	-	110,869	-	-	110,869	-	110,869	-	-
Cashless exercise of warrants	31,495	315	(315)	-	-	-	-	-	-	-
Common stock issued to redeem										
Redeemable Non-Controlling Interest	200,000	2,000	1,198,000	-	-	1,200,000	-	1,200,000	-	(1,200,000)
Issuance of Other payable - related party										
for redemption of Redeemable Non-										
Controlling Interest	-	-	-	-	-	-	-	-	-	(2,912,300)
Distribution on Non-Controlling Interest	-	-	-	-	-	-	(3,938)	(3,938)	-	(111,278)
Dividends paid on common stock	-	-	(386,765)	-	-	(386,765)	-	(386,765)	-	-
Net (loss) income for the quarter	-	-	-	-	(638,920)	(638,920)	(780)	(639,700)	-	127,583
19,506,77										
Balance, September 30, 2022	2,489,282	\$ 24,892	\$ 0	\$ -	\$ (7,664,430)	\$ 11,867,232	\$ 451,669	\$ 12,318,901	\$ -	\$ 5,773,636
19,307,51										
Balance, December 31, 2022	2,501,644	\$ 25,016	\$ 8	\$ -	\$ (8,640,796)	\$ 10,691,738	\$ 445,035	\$ 11,136,773	\$ -	\$ 5,789,731

Restricted stock unit compensation	98,593	986	89,662	-	-	90,648	-	90,648	-	-
Cashless exercise of warrants	10,648	106	(106)	-	-	-	-	-	-	-
Issuance of Redeemable Non-Controlling										
Interest	-	-	-	-	-	-	-	-	-	3,000,000
Redemption of Redeemable Non-										
Controlling Interest	-	-	-	-	-	-	-	-	-	(2,479,299)
Distribution on Non-Controlling Interest	-	-	-	-	-	-	(2,844)	(2,844)	-	(115,817)
Dividends paid on common stock	-	-	(297,479)	-	-	(297,479)	-	(297,479)	-	-
Net (loss) income for the quarter	-	-	-	-	(1,317,567)	(1,317,567)	(4,908)	(1,322,475)	-	132,122
			19,099,59							
Balance, March 31, 2023	2,610,885	\$ 26,108	\$ 5	\$ -	\$ (9,958,363)	\$ 9,167,340	\$ 437,283	\$ 9,604,623	\$ -	\$ 6,326,737
Restricted stock unit compensation	-	-	77,039	-	-	77,039	-	77,039	-	-
Cashless exercise of warrants	6,653	67	(67)	-	-	-	-	-	-	-
Issuance of Redeemable Non-Controlling										
Interest	-	-	-	-	-	-	-	-	-	-
Redemption of Redeemable Non-										
Controlling Interest	-	-	-	-	-	-	-	-	-	-
Distribution on Non-Controlling Interest	-	-	-	-	-	-	(2,844)	(2,844)	-	(126,998)
Dividends paid on common stock	-	-	(305,991)	-	-	(305,991)	-	(305,991)	-	-
Net (loss) income for the quarter	-	-	-	-	(881,462)	(881,462)	(14,238)	(895,700)	-	143,303
			18,870,57		(10,839,82					
Balance, June 30, 2023	2,617,538	\$ 26,175	\$ 6	\$ -	\$ 5	\$ 8,056,926	\$ 420,201	\$ 8,477,127	\$ -	\$ 6,343,042
Restricted stock unit compensation	-	-	119,380	-	-	119,380	-	119,380	-	-
Cashless exercise of warrants	1,694	17	(17)	-	-	-	-	-	-	-
Issuance of Series A Redeemable										
Preferred Stock	-	-	-	-	-	-	-	-	11,637,616	-
Issuance of Redeemable Non-Controlling										
Interest	-	-	-	-	-	-	-	-	-	14,100,000
Redemption of Redeemable Non-										
Controlling Interest	-	-	-	-	-	-	-	-	-	(2,100,000)
Distribution on Non-Controlling Interest	-	-	-	-	-	-	(2,844)	(2,844)	-	(345,219)
Dividends paid on preferred stock	-	-	-	-	-	-	-	-	(190,000)	-
Dividends paid on common stock	-	-	(306,322)	-	-	(306,322)	-	(306,322)	-	-
Other comprehensive income				78,969		78,969		78,969		

Net (loss) income for the quarter	-	-	-	-	(1,828,902)	(1,828,902)	(1,099)	(1,830,001)	190,000	426,736									
					18,683,61	(12,668,72													
Balance, September 30, 2023	2,619,232	\$	26,192	\$	7	\$	78,969	\$	7)	\$	6,120,051	\$	416,258	\$	6,536,309	\$	11,637,616	\$	18,424,559

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

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GENERATION INCOME PROPERTIES, INC.

Consolidated Statements of Cash Flows

(unaudited)

	Nine Months Ended September 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (3,156,015)	\$ (1,874,327)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation	1,371,486	1,099,254
Amortization of acquired tenant improvements	95,172	61,960
Amortization of acquired lease intangible assets	630,312	389,865
Amortization of above market leases	55,337	-
Amortization of below market leases	(136,745)	(76,069)
Amortization of above market ground leases	(549)	(409)
Amortization of debt issuance costs	103,990	89,364
Restricted stock unit compensation	287,067	328,913
Non-cash ground lease expense	62,948	50,359
Income on investment in tenancy-in-common	(32,773)	(23,841)
Dead deal expense	109,569	153,031
Loss on debt extinguishment	-	144,029
Write off of deferred financing costs	-	137,522
Changes in operating assets and liabilities		
Accounts receivable	(209,825)	26,711
Escrow deposits and other assets	(40,358)	(74,607)
Deferred rent asset	(51,401)	(115,341)
Prepaid expenses	(295,549)	(141,976)
Accounts payable	130,817	(96,955)
Accrued expenses	1,004,983	251,263

Lease liability	24,420	(1,102)
Deferred rent liability	65,651	(51,927)
Net cash provided by operating activities	\$ 18,537	\$ 275,717
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of land, buildings, other tangible, and intangible assets	\$ (31,959,572)	\$ (12,848,166)
Escrow (deposit) return for purchase of properties	-	25,000
Investment in tenancy-in-common	-	(455,888)
Purchase of remaining tenancy-in-common interest	(1,355,401)	-
Net cash used in investing activities	\$ (33,314,973)	\$ (13,279,054)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of redeemable non-controlling interest	\$ 17,100,000	\$ 1,109,570
Redemption of redeemable non-controlling interests	(4,579,299)	(731,652)
Proceeds of issuance on loan payable - related party	4,000,000	-
Repayment on other payable - related party	(777,460)	-
Mortgage loan borrowings	21,000,000	17,650,000
Mortgage loan repayments	(578,433)	(11,157,906)
Debt issuance costs	(376,877)	(330,177)
Equity issuance costs	(362,384)	(6,091)
Deferred financing costs	-	(204,289)
Insurance financing borrowings	352,307	288,693
Insurance financing repayments	(260,384)	(194,949)
Distribution on non-controlling interests	(596,566)	(356,951)
Dividends paid on preferred stock	(95,000)	-
Dividends paid on common stock	(909,792)	(1,064,818)
Net cash provided by financing activities	\$ 33,916,112	\$ 5,001,430
Net increase (decrease) in cash and cash equivalents	\$ 619,676	\$ (8,001,907)
Cash and cash equivalents and restricted cash - beginning of period	3,752,996	10,624,076
Cash and cash equivalents and restricted cash - end of period	\$ 4,372,672	\$ 2,622,169
CASH TRANSACTIONS		
Interest paid	\$ 1,419,345	\$ 1,001,505

NON-CASH TRANSACTIONS

Stock issued for cashless exercise of Investor Warrants	\$	190	\$	688
Deferred distribution on redeemable non-controlling interests	\$	114,128	\$	48,039
Recognition of ROU asset and lease liability for ground lease related to property acquisition	\$	-	\$	6,304,334
Issuance of Other payable - related party for Redemption of Non-Controlling Interest	\$	-	\$	2,912,300
Gain on change in fair value of derivative instrument	\$	78,969	\$	-
Issuance of Preferred Stock	\$	12,000,000	\$	-
Common stock issued to redeem non-controlling interest	\$	-	\$	1,200,000

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

GENERATION INCOME PROPERTIES, INC.**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****Note 1 – Nature of Operations**

Generation Income Properties, Inc. (the “Company”) was formed as a Maryland corporation on September 19, 2015. The Company is an internally managed real estate investment company focused on acquiring and managing income-producing retail, office and industrial properties net leased to high quality tenants in major markets throughout the United States. The Company commenced operations during the year ended December 31, 2015 and has elected to be taxed as a REIT for federal income tax purposes commencing with its taxable year ending December 31, 2021.

The Company formed Generation Income Properties L.P. (the “Operating Partnership”) in October 2015. Substantially all of the Company’s assets are held by, and operations are conducted through, the Operating Partnership or its direct or indirect subsidiaries. The Company is the general partner of the Operating Partnership and as of September 30, 2023 March 31, 2024 owned 91 95.3% of the outstanding common units of the Operating Partnership. The Company formed a Maryland entity GIP REIT OP Limited LLC in 2018 that owns 0.002 0.001% of the Operating Partnership.

The Company places each property in a separate entity which may have a Redeemable Non-Controlling interest as a member.

As of September 30, 2023 March 31, 2024, the Company, the Operating Partnership, and their controlled subsidiaries on a consolidated basis owned 26 properties.

Management's Liquidity Plans and Going Concern

On August 27, 2014, FASB issued ASU 2014-05, Disclosure of Uncertainties about an Entity’s ability to Continue as a Going Concern, which requires management to assess a company’s ability to continue as a going concern within one year from financial statement issuance and to provide related footnote disclosures in certain circumstances. In accordance with ASU 2014-05, management's analysis can only include the potential mitigating impact of management's plans that have not

been fully implemented as of the issuance date if (a) it is probable that management's plans will be effectively implemented on a timely basis, and (b) it is probable that the plans, when implemented, will alleviate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern. The accompanying unaudited Consolidated Financial Statements are prepared in accordance with U.S. GAAP applicable to a going concern. This presentation contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described below.

For the nine three months ended September 30, 2023 March 31, 2024, the Company had generated positive operating cash flows of \$18,537 25,977 and as of September 30, 2023 net working capital had cash on hand of \$3.1 1.7 million which consists as of Cash and cash equivalents, Restricted cash, Accounts receivable, and Escrow deposits and other assets less Accounts payable, Accrued expenses, and Accrued expense - related party. March 31, 2024. Two secured mortgage loans which have a principal balance of \$7.4 7.3 million and \$4.6 4.5 million as of September 30, 2023 March 31, 2024 will mature on September 30, 2024 and October 23, 2024, respectively. Our current and anticipated liquidity is less than the principal balance of these obligations. As a result of our recurring losses, and our projected cash needs, and our current liquidity, substantial doubt exists about the Company's ability to continue as a going concern. concern one year after the date that these financial statements are issued. The Company's ability to continue as a going concern is contingent upon successful execution of management's plan over the next twelve months to improve the Company's liquidity and profitability, which includes a plan to refinance these two mortgage loans at maturity. Given the long lead time until loan maturity, the Company's compliance with the debt covenants and the positive relationship with the lender, Bayport Credit Union the Company deems the likelihood of refinance probable as of September 30, 2023. The Company has been engaged in active conversations with lenders on a refinance, in addition to the current lender on a refinance. There is no assurance that the Company will be successful in obtaining such refinance on terms acceptable to the Company, if at all, and the Company's primary lender. Therefore, based Company may not be able to enter into collaborations or other arrangements. The failure of the Company to refinance on acceptable terms would have a material adverse effect on the Company's assessment, management's plan will alleviate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern. business, results of operations and financial condition.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. Certain information and footnote disclosures normally present in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") were omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the audited financial statements and footnotes included in the Company's Annual Report on Form 10-K filed with the SEC on March 28, 2023 April 8, 2024. The results for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2023 December 31, 2024.

The preparation of the consolidated financial statements in conformity with U.S. GAAP. The Company adopted the calendar year as its basis of reporting. Certain immaterial prior year amounts have been reclassified for consistency with the current period presentation.

Consolidation

The accompanying consolidated financial statements include the accounts of Generation Income Properties, Inc. and the Operating Partnership and all of the direct and indirect wholly-owned subsidiaries of the Operating Partnership and the Company's subsidiaries. All significant inter-company balances and transactions have been eliminated in the consolidated financial statements.

The consolidated financial statements include the accounts of all entities in which the Company has a controlling interest. The ownership interests of other investors in these entities are recorded as non-controlling interests or redeemable non-controlling interest. Non-controlling interests are adjusted each period for additional contributions, distributions, and the allocation of net income or loss attributable to the non-controlling interests. Investments in entities for which the Company has the ability to exercise significant influence over, but does not have financial or operating control, are accounted for using the equity method of accounting. Accordingly, the Company's share of the earnings (or losses) of these entities are included in consolidated net income or loss.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of commitments and contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. It is possible that the estimates and assumptions that have been utilized in the preparation of the consolidated financial statements could change significantly if economic conditions were to weaken.

Cash

The Company considers all demand deposits, cashier's checks and money market accounts to be cash equivalents. Amounts included in restricted cash represent funds owned by the Company related to tenant escrow reimbursements and immediate capital repair reserve. The following table provides a reconciliation of the Company's cash and cash equivalents and restricted cash as that sums to the total of September 30, 2023 and December 31, 2022: those amounts at the end of the periods presented on the Company's accompanying Consolidated Statements of Cash Flows:

	As of March 31, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 1,655,820	\$ 3,117,446
Restricted cash	34,500	34,500
Cash and cash equivalents and restricted cash	\$ 1,690,320	\$ 3,151,946

	As of September 30, 2023	As of December 31, 2022
Cash and cash equivalents	\$ 4,338,172	\$ 3,718,496
Restricted cash	34,500	34,500
Cash and cash equivalents and restricted cash	\$ 4,372,672	\$ 3,752,996

Revenue Recognition

The Company leases real estate to its tenants under long-term net leases which the Company accounts for as operating leases. Those leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. In addition to straight-line rents, deferred rent liability includes \$317,449 189,708 and \$271,189 280,332 of prepaid rent as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The Company reviews the collectability of charges under its tenant operating leases on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates, and economic conditions in the area where the property is located. In the event that uncollectibility uncollectability exists with respect to any tenant changes, the Company would recognize an adjustment to Rental income. The Company's review of collectability of charges under its operating leases includes any accrued rental revenues related to the straight-line rents. There were no allowances for receivables recorded during three and nine months ended September 30, 2023 and 2022. March 31, 2024 or 2023.

The Company's leases provide for reimbursement from tenants for common area maintenance ("CAM"), insurance, real estate taxes and other operating expenses ("recoverable costs"). A portion of our operating cost reimbursement revenue is estimated each period and is recognized as rental income in the period the recoverable costs are incurred and accrued.

The Company often recognizes above- and below-market lease intangibles in connection with acquisitions of real estate. The capitalized above- and below-market lease intangibles are amortized to rental income over the remaining term of the

related leases.

Stock-Based Compensation

The Company records all equity-based incentive grants to employees and non-employee members of the Company's Board of Directors in compensation costs based on their fair values on the date of grant. Stock-based compensation expense, reduced for estimated forfeitures, is recognized on a straight-line basis over the requisite service period of the award, which is generally the vesting term of the outstanding equity awards.

Investments in Real Estate

Acquisitions of real estate are recorded at cost. The Company assigns the purchase price of real estate to tangible and intangible assets and liabilities based on fair value. Tangible assets consist of land, buildings, site improvements, and tenant improvements. Intangible assets and liabilities consist of the value of in-place leases and above- or below- market leases assumed with the acquisition. At the time of acquisition, the Company assesses whether the purchase of the real estate falls within the definition of a business under Accounting Standards Codification ("ASC") 805 and to date has concluded that all asset transactions are asset acquisitions. Therefore, each acquisition has been recorded at the purchase price whereas assets and liabilities, inclusive of closing costs, are allocated to land, building, site improvements, tenant improvements, and intangible assets and liabilities based upon their relative fair values at the date of acquisition.

The fair value of the in-place leases are estimated as the cost to replace the leases including loss of rent, commissions and legal fees. The in-place leases are amortized over the remaining term of the leases as amortization expense. The fair value of the above- or below-market lease is estimated as the present value of the difference between the contractual amount to be paid pursuant to the in-place lease and the estimated current market lease rate expected over the remaining non-cancelable life of the lease. The capitalized above- or below-market lease values are amortized as a decrease or increase to rental income over the remaining term of the lease inclusive of the renewal option periods that are considered probable at acquisition.

Depreciation Expense

Real estate and related assets are stated net of accumulated depreciation. Renovations, replacements and other expenditures that improve or extend the life of assets are capitalized and depreciated over their estimated useful lives. Expenditures for ordinary

maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the buildings, which are generally between 15 and 50 years, and site improvements, which are

generally 5 to 9 years. Tenant improvements are amortized over the lease terms of the tenants, which are is generally between 2 and 27 10 years. years, with two tenant improvements amortized over 27 years.

Lease Liabilities

The Company has a certain property within its portfolio that is on land subject to a ground lease with a third party, which is classified as an operating lease. Accordingly, the Company owns only a long-term leasehold in this property. The building and improvements constructed on the leased land are capitalized as investment in real estate and are depreciated over the shorter of the useful life of the improvements or the lease term.

Under ASC 842, the Company recognizes a lease liability for its ground lease and corresponding right of use asset related to this same ground lease which is classified as an operating lease. A key input in estimating the lease liability and resulting right of use asset is establishing the discount rate in the lease, which since the rate implicit in the contract is not readily determinable, requires additional inputs for the longer-term ground lease, including mortgage market-based interest rates that correspond with the remaining term of the lease, the Company's credit spread, and the payment terms present in the lease. This discount rate is applied to the remaining unpaid minimum rental payments for the lease to measure the lease liability.

Impairments

The Company reviews investments in real estate and related lease intangibles for possible impairment when certain events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable through operations plus estimated disposition proceeds. Events or changes in circumstances that may occur include, but are not limited to, significant changes in real estate market conditions, estimated residual values, and an expectation to sell assets before the end of the previously estimated life. Impairments are measured to the extent the current book value exceeds the estimated fair value of the asset less disposition costs for any assets classified as held for sale. An impairment loss of approximately \$1.06 million was recognized during the three months ended March 31, 2024 resulting from the reduction in the anticipated holding period of the property which was reclassified as held for sale in the three months ended March 31, 2024. There were no impairments in the Company's investments in real estate during the three and nine months ended September 30, 2023 and 2022. March 31, 2023.

The valuation of impaired assets is determined using valuation techniques including discounted cash flow analysis, analysis of recent comparable sales transactions, and purchase offers received from third parties, which are Level 3 inputs. The Company may consider a single valuation technique or multiple valuation techniques, as appropriate, when estimating the fair value of its real estate. Estimating future cash flows is highly subjective and estimates can differ materially from actual results.

A loss in value of investments in real estate partnerships under

Real Estate Held for Sale

The Company generally considers assets to be held for sale when certain criteria have been met, and management believes it is probable that the equity method of accounting, other disposition will occur within one year. Properties are held for sale for a period longer than a temporary decline, must be recognized in the period in which the loss occurs. If the Company identifies one year if events or circumstances that indicate that the value out of the Company's investment may control occur that delay the sale and while management continues to be impaired, it evaluates committed to the investment by calculating plan of sale and is performing actions necessary to respond to the estimated conditions causing the delay the properties held for sale remain salable in their current condition. Assets that are classified as held for sale are recorded at the lower of their carrying amount or fair value, less cost to sell, and depreciation and amortization are no longer recognized. Held for sale properties are evaluated quarterly to ensure that properties continue to meet the held for sale criteria. If properties are required to be reclassified from held for sale to held for use due to changes to a plan of sale, they are recorded at the lower of fair value or the carrying amount before the property was classified as held for sale, adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used. Properties that do not meet the held for sale criteria are accounted for as operating properties.

The Company executed a contract to sell the property located at 15091 SW Alabama, Huntsville, AL for \$6.15 million in March 2024 and as of the investment by discounting estimated future cash flows over reporting date is engaged in due diligence with the expected term buyer. The property's sale is anticipated to close within the next quarter. As such, the Company has reclassified the asset to Held for sale assets net of the investment. There were no impairments in the Company's investment in tenancy-in-common during the three costs of sales at a carrying value of approximately \$5.75 million and nine months ended September 30, 2023 and 2022. recorded an impairment loss of approximately \$1.06 million.

Income Taxes

The Company elected to be taxed as a real estate investment trust ("REIT") under Section 856 through 860 of the Internal Revenue Code, commencing with our taxable year ending December 31, 2021. To continue to qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of its taxable income to its stockholders. As a REIT, the Company generally will not be subject to federal corporate income tax on that portion of its taxable

income that is currently distributed to stockholders. Accordingly, the only provision for federal income taxes in the accompanying consolidated financial statements relates to the Company's consolidated taxable REIT subsidiary of which no income was generated during the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023.

The Company also recognizes liabilities for unrecognized tax benefits which are recognized if the weight of available evidence indicates that it is not more-likely-than-not that the positions will be sustained on examination, including resolution

of the related processes, if any. As of each balance sheet date, unrecognized benefits are reassessed and adjusted if the Company's judgment changes as a result of new information. No liability for unrecognized tax benefits was recorded as of September 30, 2023, March 31, 2024 or December 31, 2022. As of September 30, 2023, 2023. At March 31, 2024, the Company's tax returns for the years 2019, 2020 forward remain subject to examination by the major tax jurisdictions under the statute of limitations.

Earnings per Share

In accordance with ASC 260, basic earnings (loss) per share ("EPS") is computed by dividing net loss attributable to the Company that is available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock warrants, using the treasury stock method, and convertible debt, using the if-converted method. Diluted EPS excludes all potentially dilutive securities such as warrants and convertible membership units of the Operating Partnership ("GIP LP Units") if their effect is anti-dilutive. For As of the three and nine months ended September 30, 2023, March 31, 2024 and 2022, 2023, all potentially dilutive securities were excluded because the effect was anti-dilutive.

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Derivative Financial Instruments

Derivatives are recorded at fair value on the balance sheet as assets or liabilities. The valuation of derivative instruments requires us to make estimates and judgments that affect the fair value of the instruments. Fair values of our derivatives are estimated by pricing models that consider the forward yield curves and discount rates. The fair value of our forward exchange contracts are estimated by pricing models that consider foreign currency spot rates, forward trade rates and discount rates. Such amounts and the recognition of such amounts are subject to estimates that may change in the future. See Note 12 for additional information.

Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement is determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the Company uses a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from independent sources (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the Company's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs for the asset or liability, which are typically based on the Company's own assumptions as there is little, if any, related market activity. The Company also re-measures nonfinancial assets and nonfinancial liabilities, initially measured at fair value in a business combination or other new basis event, at fair value in subsequent periods if a re-measurement event occurs.

See Derivative Financial Instruments in Note 12.10 for additional information on the Company's fair value measurements.

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13 to amend the accounting for credit losses for certain financial instruments. Under the new guidance, an entity recognizes its estimate of expected credit losses as an allowance, which the FASB believes will result in more timely recognition of such losses. In November 2018, the FASB released ASU No. 2018-19 "Codification Improvements to Topic 326, Financial Instruments - Credit Losses." This ASU clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20 "Financial Instruments - Credit Losses." Instead, impairment of receivables arising from operating leases should be accounted for under Subtopic 842-30 "Leases - Lessor." ASU 2016-13 is effective for fiscal years beginning after December 15, 2022 for smaller reporting companies, including interim periods within those fiscal years. The adoption of this new guidance did not have a material impact on our consolidated financial statements.

Note 3 – Investments in Real Estate

The Company acquired 14 properties during the three and nine months ended September 30, 2023, detailed below:

- On August 10, 2023, the Company and the Operating Partnership entered into a purchase agreement with Modiv, Inc., now known as Modiv Industrial, Inc. ("Modiv"), and certain of its indirect subsidiaries, pursuant to which the Operating Partnership purchased from such indirect subsidiaries of Modiv, a 13-property portfolio of single tenant retail properties for \$42,000,000 (the "Modiv Portfolio") and incurred closing costs of \$1.9 million and subject to prorations and credits as set forth in the purchase agreement. The purchase price consisted of \$30,000,000 in cash and \$12,000,000 a new series of preferred stock of the Company designated as Series A Redeemable Preferred Stock (the "Series A Preferred Stock") issued to Modiv Operating Partnership, L.P ("Modiv OP"). The cash portion of the purchase price was financed with a combination of (i) cash on hand, (ii) a new \$21.0 million secured debt facility from Valley National Bank (Valley), and (iii) a \$12.0 million preferred equity investment by LC2-NNN Pref, LLC an affiliate of Loci Capital Partners ("LC2"). As a result of the foregoing transactions, GIP SPE, a wholly-owned subsidiary, serves as a holding company for the various indirect subsidiaries of the Company that hold the properties included in the Modiv Portfolio plus the eight previously owned properties that were previously financed through loans with Valley.

	Modiv Portfolio	
Land	\$	7,982,005

Building and site improvements		29,420,653
Tenant improvements		1,306,202
Acquired lease intangible assets		5,764,759
Total real estate investments	\$	44,473,619
Less: Acquired lease intangible liabilities		(548,945)
Total real estate investments, net	\$	43,924,674

- On September 7, 2023, the Company entered into a purchase agreement pursuant to which the Company purchased the remaining tenancy-in-common ("TIC") interest in its Rockford, IL property leased by La-Z-Boy for \$1,318,367 and incurred closing costs of \$37,034 for total consideration of \$1,355,401. The Company recorded the acquisition under the cost accumulation method. Pursuant to the Amended and Restated Limited Liability Company Agreement for GIP SPE, entered into by the Operating Partnership and LC2, LC2 was obligated to make an additional \$2.1 million capital contribution in GIP SPE upon completion of the acquisition of the Rockford TIC Interest. This additional capital contribution was made on September 11, 2023.

	La-Z-Boy - Rockford, IL	
Land	\$	1,437,353
Building and site improvements		2,412,905
Tenant improvements		33,497
Acquired lease intangible assets		421,250
Total real estate investments	\$	4,305,005

The Company acquired three properties during the three and nine months ended September 30, 2022, detailed below:

- On January 7, 2022, the Company acquired an approximately 10,900 square foot single tenant medical-retail property leased to Fresenius Medical Care (NYSE: FMS) located in Chicago, Illinois. The acquisition was financed with a \$1,550,000 promissory note and the balance with cash on hand.
- On January 14, 2022, the Company acquired an approximately 2,600 square foot single tenant retail property leased to Starbucks Coffee (NASDAQ: SBUX) located in Tampa, Florida. The acquisition was financed with the issuance of a redeemable non-controlling interest of \$1,109,570, debt of \$1,050,000 and the balance with cash on hand.
- On March 9, 2022, the Company acquired a leasehold interest in a ground lease and corresponding assignment of an approximately 88,400 square foot single tenant retail property leased to Kohl's Corporation (NYSE: KSS) located in Tucson, Arizona. The acquisition was financed with a \$3,650,000 promissory note and the balance with cash on hand.

The following table details the properties acquired during the three and nine months ended September 30, 2022.

	Fresenius- Chicago, IL	Starbucks - Tampa, FL	Kohl's -Tucson, AZ	Total
Land	\$ 1,690,837	\$ 1,443,262	\$ -	\$ 3,134,099
Building and site improvements	1,217,395	700,859	6,175,908	8,094,162

Tenant improvements	55,041	20,504	349,136	424,681
Acquired lease intangible assets	276,013	112,830	981,203	1,370,046
Total real estate investments	\$ 3,239,286	\$ 2,277,455	\$ 7,506,247	\$ 13,022,988
Right of use asset	-	-	6,304,334	6,304,334
Less: Acquired lease intangible liabilities	(19,864)	(13,497)	(131,999)	(165,360)
Less: Lease liability	-	-	(6,304,334)	(6,304,334)
Total real estate investments, net	\$ 3,219,422	\$ 2,263,958	\$ 7,374,248	\$ 12,857,628

Note 4 – Acquired Tenant Improvements and Lease Intangible Assets, net

Acquired tenant improvements is comprised of the following:

	As of September 30, 2023	As of December 31, 2022
Acquired tenant improvements	\$ 2,247,081	\$ 907,382
Accumulated amortization	(484,910)	(389,738)
Acquired tenant improvements, net	\$ 1,762,171	\$ 517,644

The amortization for acquired tenant improvements for the three months ended September 30, 2023 and 2022 was \$48,005 and \$23,589, respectively. The amortization for acquired tenant improvements for the nine months ended September 30, 2023 and 2022

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was \$95,172 and \$61,960, respectively. The future amortization for acquired tenant improvements for subsequent years ending December 31 is listed below:

	As of September 30, 2023
2023 (3 months remaining)	\$ 78,527
2024	314,106
2025	309,841
2026	280,156
2027	200,761
Thereafter	578,780
	\$ 1,762,171

Acquired lease intangible assets, In-place leases, net is comprised of the following:

	As of September 30,	As of December 31,
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	2023	2022
Acquired lease intangible assets	\$ 10,573,535	\$ 4,677,928
Accumulated amortization	(1,917,817)	(1,522,570)
Acquired lease intangible assets, net	\$ 8,655,718	\$ 3,155,358

	As of March 31, 2024	As of December 31, 2023
In-place leases	\$ 8,269,790	\$ 8,914,075
Accumulated amortization	(2,164,845)	(2,411,802)
In-place leases, net	\$ 6,104,945	\$ 6,502,273

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The amortization for acquired lease intangible assets in-place leases for the three months ended September 30, 2023 March 31, 2024 and 20222023 was \$359,010 397,328 and \$135137,848, respectively. The amortization for acquired lease intangible assets for the nine months ended September 30, 2023 and 2022 was \$630,312 and \$389,865,563, respectively. The future amortization for acquired lease intangible assets, in-place leases, net for subsequent years ending December 31, is listed below:

	As of September 30, 2023	As of March 31, 2024
2023 (3 months remaining)	\$ 592,695	
2024	1,801,801	
2024 (9 months remaining)		\$ 1,031,892
2025	1,697,272	1,320,791
2026	1,609,317	1,219,556
2027	985,425	834,926
2028		644,063
Thereafter	1,969,208	1,053,717
	\$ 8,655,718	\$ 6,104,945

Above-market leases, net is comprised of the following:

	As of March 31,	As of December 31,
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	2024	2023
Above-market leases	\$ 1,657,256	\$ 1,657,256
Accumulated amortization	(271,555)	(169,784)
Above-market leases, net	\$ 1,385,701	\$ 1,487,472

The amortization for above-market leases for the three months ended March 31, 2024 and 2023 was \$101,771 and \$0, respectively. The future amortization for above-market leases, net for subsequent years ending December 31, is listed below:

	As of March 31, 2024
2024 (9 months remaining)	\$ 305,349
2025	407,132
2026	380,084
2027	161,539
2028	104,443
Thereafter	27,262
	\$ 1,385,701

Note 54 – Acquired Lease Intangible Liabilities, lease intangible liabilities, net

Acquired lease intangible liabilities, net is comprised of the following:

	As of September 30, 2023	As of December 31, 2022	As of March 31, 2024	As of December 31, 2023
Acquired lessor lease intangible liabilities	\$ 1,429,413	\$ 965,216	\$ 1,304,309	\$ 1,304,309
Accumulated accretion to rental income	(421,855)	(369,858)	(365,734)	(331,932)
Acquired lessor lease intangible liabilities, net	\$ 1,007,558	\$ 595,358	\$ 938,575	\$ 972,377
Acquired lessee lease intangible liabilities	\$ 45,207	\$ 45,207	\$ 45,207	\$ 45,207
Accumulated amortization to offset building expenses	(1,141)	(592)	(1,507)	(1,324)
Acquired lessee lease intangible liabilities, net	\$ 44,066	\$ 44,615	\$ 43,700	\$ 43,883

The amortization for acquired lessor lease intangible liabilities for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was \$34,756 33,802 and \$26,114, respectively. The amortization for acquired lessor lease intangible

liabilities for the nine months ended September 30,

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2023 and 2022 was \$136,745 and \$76,069, respectively. The future amortization for acquired lessor lease intangible liabilities, net for subsequent years ending December 31 is listed below:

	As of September 30, 2023	
2023 (3 months remaining)	\$	34,042
2024		136,166
2025		135,543
2026		119,262
2027		110,322
Thereafter		472,223
	\$	1,007,558

	As of March 31, 2024	
2024 (9 months remaining)		102,364
2025		135,543
2026		119,262
2027		110,322
2028		109,706
Thereafter		361,378
	\$	938,575

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The amortization for acquired lessee lease intangible liabilities for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was \$183 and \$183, respectively. The amortization for acquired lessee lease intangible liabilities for the nine months ended September 30, 2023 and 2022 was \$549 and \$409, respectively. The future amortization for acquired lessee lease intangible liabilities, net for subsequent years ending December 31 is listed below:

As of September 30,	As of March 31,
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	2023	2024
2023 (3 months remaining)	\$ 183	
2024	732	
2024 (9 months remaining)		\$ 549
2025	732	732
2026	732	732
2027	732	732
2028		732
Thereafter	40,955	40,223
	<u>\$ 44,066</u>	<u>\$ 43,700</u>

Note 65 – Leases

Lessor Accounting

All of the Company's leases are classified as operating leases. The Company's rental income is comprised of both fixed and variable income. Fixed and in-substance fixed lease income includes stated amounts per the lease contract, which are primarily related to base rent. The Company's leases are also provided provide for reimbursement from recoverable costs. A portion of our operating cost reimbursement revenue is estimated each period and is recognized as rental income in the period the recoverable costs are incurred and accrued. Income for these sources amounts is recognized on a straight-line basis. Variable lease income includes the tenants' contractual obligations to reimburse the Company for their portion of recoverable costs incurred.

The following table provides a disaggregation of lease income recognized as either fixed or variable lease income during three months ended March 31, 2024 and 2023:

	2024	2023
Rental income		
Fixed and in-substance fixed lease income	\$ 1,949,206	\$ 1,203,924
Variable lease income	388,729	79,821
Other related lease income, net:		
Amortization of above- and below-market leases, net	(67,969)	26,114
Straight line rent revenue	4,764	16,848
Total rental income	<u>\$ 2,274,730</u>	<u>\$ 1,326,707</u>

For the three months ended September 30, 2023 March 31, 2024 and 2022:

	2023	2022
Rental income		

Fixed and in-substance fixed lease income	\$	1,431,546	\$	1,018,406
Variable lease income		415,435		304,365
Other related lease income, net:				
Amortization of above- and below-market leases		(20,581)		26,114
Straight line rent revenue		14,644		124,904
Total rental income	\$	1,841,044	\$	1,473,789

The following table provides a disaggregation of lease income recognized as either fixed or variable lease income during the nine months ended September 30, 2023 and 2022:

	2023	2022
Rental income		
Fixed and in-substance fixed lease income	\$ 3,784,640	\$ 3,340,179
Variable lease income	575,078	461,719
Other related lease income, net:		
Amortization of above- and below-market leases	81,408	76,069
Straight line rent revenue	45,375	156,319
Total rental income	\$ 4,486,501	\$ 4,034,286

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As of September 30, 2023, 2023, we had four tenants that each account for more than 10% of our annual rental revenue as indicated below:

	2023	2022
General Services Administration	23 %	21 %
Kohl's Corporation	14 %	16 %
PRA Holdings, Inc.	13 %	15 %
Pratt & Whitney Automation, Inc.	12 %	14 %

	2024	2023
General Services Administration - Norfolk, VA, Manteo, NC & Vacaville, CA	16 %	23 %
Pre-K - San Antonio, TX	14 %	N/A
Dollar General - multiple locations	13 %	N/A
PRA Holdings, Inc. - Norfolk, VA	<10%	16 %
Pratt & Whitney Automation, Inc. - Huntsville, AL	<10%	15 %
Kohl's Corporation - Tucson, AZ	<10%	17 %

The following table presents future minimum rental cash payments due to the Company over the next five calendar years and thereafter as of December 31:

	As of September 30, 2023	As of March 31, 2024
2023 (3 months remaining)	\$ 2,394,505	
2024	8,092,847	
2024 (9 months remaining)		\$ 6,219,257
2025	7,842,853	8,164,467
2026	7,480,808	7,877,077
2027	5,817,420	6,264,047
2028		4,815,997
Thereafter	13,038,988	11,204,220
	<u>\$ 44,667,421</u>	<u>\$ 44,545,065</u>

On March 29, 2024, the Company executed a 10-year lease, with two five-year renewal options, with Armed Services YMCA for the use of approximately 35,000 square feet on the property located at 2510 Walmer Avenue, Norfolk, Virginia. Rent commenced on May 1, 2024 under the contracted twelve month tenant improvement period of twelve months at a reduced fixed base rent of approximately \$23,000 per month. Base rent increases to a fixed rate of approximately \$34,000 per month in month 13 and escalates annually at approximately 2.5%.

Lessee Accounting

The Company acquired one property on March 9, 2022 that is subject to a non-cancelable, long-term ground lease where a third party owns the underlying land and has leased the land to the Company. Accordingly, the Company owns only a long-term leasehold in this property. This ground lease expires in 2084 including those options the Company deems probable of exercising. The ground lease expense is recognized on a straight-line basis over the term of the lease, including management's estimate of expected option renewal periods. Operating lease expense was approximately \$93,762 and \$93,762 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$281,285 and \$218,777 for the nine months ended September 30, 2023 and 2022, 2023, respectively. There are no variable lease expenses required to be paid by the Company as lessee per the lease terms. Cash paid for amounts included in the measurement of the lease liability, net was \$58,175 60,244 and \$58,175 during for the three months ended September 30,

2023 March 31, 2024 and 2022, respectively, and \$174,525 and \$130,738 for the nine months ended September 30, 2023 and 2022, 2023, respectively.

The following table summarizes the undiscounted future cash flows for subsequent years ending December 31 attributable to the lease liability as of September 30, 2023 March 31, 2024 and provides a reconciliation to the lease liability included in the accompanying Consolidated Balance Sheet Sheets as of September 30, 2023 March 31, 2024.

	As of September 30, 2023	
2023 (3 months remaining)	\$	58,175
2024		244,077
2025		245,111
2026		245,111
2027		245,111
Thereafter		21,820,644
Total undiscounted liability	\$	22,858,229
Present value discount		(16,477,521)
Lease liability	\$	6,380,708
Discount rate		4.58 %
Term Remaining		60 years

	As of March 31, 2024	
2024 (9 months remaining)		183,058
2025		245,111
2026		245,111
2027		245,111
2028		245,111
Thereafter		21,575,533
Total undiscounted liability	\$	22,739,035
Present value discount		(16,311,996)
Lease liability	\$	6,427,039
Discount rate		4.58 %
Term Remaining		60 years

Note 76 – Non-Controlling Interests

Redeemable Non-Controlling Interests (Temporary Equity)

Brown Family Trust and Brown Family Enterprises,

Operating Unit Holders

LMB Owenton I LLC

As part of the Company's acquisition of a one property on January 14, 2022 for approximately \$1,737,800 2,264,000 in Manteo, NC, one of Tampa, FL, the Company's operating subsidiaries Operating Partnership entered into a preferred equity contribution agreement with Brown Family Trust on February 11, 2021 pursuant to which LMB Owenton I LLC that resulted in the Company's subsidiary received issuance of 110,957 GIP LP Units at \$10.00 per share for a capital contribution total value of \$500,000 1,109,570. The Operating Partnership is the general manager of the subsidiary while Brown Family Trust is a preferred equity member. Pursuant to the agreement, the Company is required to pay the preferred equity member a 9% internal rate of return ("IRR") on a monthly basis. After 24 months, the Brown Family Trust has contribution agreement allows for the right investor to redeem and require the Operating Partnership to redeem, all or a portion of its units for either (i) the Redemption Amount (within the meaning of the Partnership Agreement), or (ii) until forty nine (49) months from date of Closing, cash in an agreed-upon Value (within the meaning of the Partnership Agreement) of \$10.00 per share. As such, the Company has the right to call the preferred determined this equity should be classified as temporary equity at redemption value. On August 10, 2023, the Company

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exercised its right to call the preferred equity at redemption value and redeemed the preferred equity upon payment of the original capital contribution plus accrued and deferred interest.

On February 8, 2023 February 7, 2023, the Operating Partnership entered into new Amended a Unit Issuance Agreement and Restated Limited Liability Company Agreements for the Norfolk, Virginia properties, GIPVA 2510 Walmer Ave, Amendment to Contribution and Subscription Agreement with LMB Owenton I LLC ("GIPVA 2510") and GIPVA 130 Corporate Blvd, LLC ("GIPVA 130"), in which the Operating Partnership as and LMB Owenton I LLC agreed to delay the sole member Contributor's right to require the redemption of GIPVA 2510 and GIPVA 130, admitted a new preferred member, Brown Family Enterprises, LLC, through the issuance of preferred membership interests Contributor's GIP LP Units in the form of Class A Preferred Units of GIPVA 2510 Operating Partnership until after 36 months on January 14th, 2025 and GIPVA 130. GIPVA 2510 and GIPVA 130 (the "Virginia SPEs") hold the Company's Norfolk, Virginia properties. In addition, both of the Virginia SPEs and Brown Family Enterprises, LLC entered into Unit Purchase Agreements in which GIPVA 2510 issued and sold 180,000 Class A Preferred Units at for a reduced redemption price of \$10.00 7.15 per unit for GIP LP Unit. Such agreement was made in consideration of the issuance to LMB Owenton I LLC of an additional 44,228 GIP LP Units in the Operating Partnership, resulting in Contributor owning an aggregate price of \$1,800,000, and GIPVA 130 issued and sold 120,000 155,185 Class A Preferred GIP LP Units at a price of \$10.00 per unit for an aggregate price of \$1,200,000. The in the Operating Partnership is the general manager of the subsidiary while Brown Family Enterprises, LLC is a preferred equity member. Pursuant to the agreement, the Company is required to pay the preferred equity member a 7% IRR paid on a monthly basis and will share in 16% of the equity in each of the Virginia SPEs upon a capital

transaction resulting in distributable proceeds. After 24 months, Brown Family Enterprises, LLC has the right to redeem the preferred equity at redemption value. Because of the redemption right, the non-controlling interest is presented as temporary equity at an aggregated redemption value of \$3,000,000 1,109,570 as of September 30, 2023 March 31, 2024.

Each of the preferred members described above may redeem their interest on or after the Redemption date (second year anniversary of the closing of the acquisition), at the discretion of such preferred member, as applicable, all or a portion thereof, of such preferred member's pro-rata share of the redemption value in the form of the units of the Operating Norfolk, VA Partnership ("GIP LP Units"). Such GIP LP Units shall be subject to all such restrictions, such as with respect to transferability, as reasonably imposed by the Operating Partnership. The number of GIP LP Units issued to any preferred member shall be determined by dividing the total amount of the redemption value that such preferred member shall receive in GIP LP Units by a

15% discount of the average 30-day market price of Generation Income Properties, Inc. common stock. GIP LP Units shall then be convertible into common stock of Generation Income Properties, Inc. on a 1:1 basis in accordance with the partnership agreement of the Operating Partnership. Additionally, the Operating Partnership has the right to redeem the preferred equity at redemption value with cash after the second year anniversary of the closing of the acquisition.

As part of the Company's acquisition of two properties for approximately \$19,134,400 on September 30, 2019 in Norfolk, Virginia, the "Norfolk, Virginia properties", the Operating Partnership entered into contribution agreements with two entities (Greenwal, L.C. and Riverside Crossing, L.C.) that resulted in the issuance of 349,913 common units in the Operating Partnership at \$20.00 per share for a total value of \$6,998,251. Greenwal, L.C. and Riverside Crossing, L.C. have since been dissolved and the common units were then directly owned by the former members of the two entities. Beginning on the first anniversary of the closing, the contribution agreements allowed for the two investors to require the Operating Partnership to redeem all or a portion of its units for either (i) the Redemption Amount (within the meaning of the Operating Partnership's Partnership Agreement), or (ii) until forty-nine (49) months from date of closing, cash in an agreed-upon Value (within the meaning of the Operating Partnership's Partnership Agreement) of \$20.00 per share, as set forth on the Notice of Redemption. As such, the Company has determined their equity should be classified as a temporary equity at redemption value. On March 21, 2022, the Company received notice from an Operating Partnership common unit holder to redeem 10,166 units at \$20.00 per unit for a total of \$203,326 and paid the unit holder on June 24, 2022. On April 25, 2022, the Company

received notice from another Operating Partnership common unit holder to redeem 10,166 units at \$20 per unit for a total of \$203,326 and paid the unit holder on July 25, 2022. On July 20, 2022, the Company received a notice of redemption from an Operating Partnership common unit holder exercising his right to redeem 25,000 units at \$20 per unit and such notice further stated the unit holder's intent to redeem his remaining 180,615 units in the Operating Partnership before October 31, 2023. On August 9, 2022, the Company and Operating Partnership entered a Redemption Agreement with the unit holder providing for the revocation of his July 2022 redemption notice and providing that the his common units in the

Operating Partnership would be redeemed by the Operating Partnership as follows: (i) on or before September 15, 2022, 16,250 of the units would be redeemed for an aggregate of \$325,000 in cash (which is \$20 per unit, as provided in the applicable Contribution Agreements) and 60,000 of the units would be redeemed in exchange for the issuance of 200,000 shares of the Company's common stock, and (ii) the remaining 129,365 units would be redeemed for \$20 per unit in cash in one tranche of 16,250 units on March 15, 2023 and five tranches of 22,623 units each on September 15, 2023, March 15, 2024, June 15, 2024, September 15, 2024, and December 15, 2024. As such, the Company recorded an other payable - related party in the amount of \$2,912,300 upon execution of the Redemption Agreement entered into August 9, 2022 and continue to pay unit distributions on current units outstanding. The Company made the first and second installment payments of \$325,000 each in accordance with the Redemption Agreement on September 13, 2022 and March 8, 2023, respectively, and third payment the Company has made payments of \$452,460 1,554,920 on September 14, 2023 to date, reducing the current balance of the other payable - related party to \$1,809,840 1,357,380 as of September 30, 2023 March 31, 2024. Additionally, on September 12, 2022, the Company issued 200,000 shares of common stock at \$6.00 per share in accordance with the Redemption Agreement. On January 27, 2023, the remaining two partners from this original transaction redeemed a total of 123,965 units at \$20 per unit in the aggregate amount of \$2,479,299 and the Company funded the redemption obligations per the terms of the contribution agreement on February 9, 2023 using proceeds from new preferred equity agreements with Brown Family Enterprises, LLC. During In the nine months year ended September 30, 2023 December 31, 2023, we accrued approximately \$506,000 relating to the potential reimbursement of federal, state and local income taxes incurred by a remaining partner in one of our partnerships pursuant to tax protection agreement. agreement and is included in Accrued Expense - Related Party on the face of the balance sheet and the balance remained unchanged as of March 31, 2024.

LMB Owenton I

Preferred Equity Partners

Brown Family Trust and Brown Family Enterprises, LLC

As part of the Company's acquisition of onea property on January 14, 2022 for approximately \$2,264,000 1,737,800 in Tampa, FL, Manteo, NC, one of the Operating Partnership Company's operating subsidiaries entered into a contribution preferred equity agreement with LMB Owenton I LLC that resulted in Brown Family Trust on February 11, 2021 pursuant to which the issuance of 110,957 GIP LP Units at \$10.00 per share for Company's subsidiary received a total value capital contribution of \$1,109,570 500,000. The Operating Partnership is the general manager of the subsidiary while Brown Family Trust is a preferred equity member. Pursuant to the agreement, the Company is required to pay the preferred equity member a 9% internal rate of return ("IRR") on a monthly basis. After 24 months, the contribution agreement allows for Brown Family Trust has the investor right to require redeem and the Operating Partnership has the right to redeem, all or a portion of its units for either (i) call the Redemption Amount (within the meaning preferred equity at redemption value. Because of the Partnership Agreement), or (ii) until forty nine (49) months from date of Closing, cash in an agreed-upon Value (within redemption right, the meaning of the Partnership Agreement) of \$10.00 per share. As such, the Company has determined this equity should be classified non-controlling interest was presented as temporary equity at redemption value.

On February 7, 2023 August 10, 2023, the Company exercised its right to call the preferred equity at redemption value and redeemed the preferred equity upon payment of the original capital contribution plus accrued and deferred interest.

On February 8, 2023, the Operating Partnership entered into a Unit Issuance Agreement new Amended and Amendment to Contribution Restated Limited Liability Company Agreements for the Norfolk, Virginia properties, GIPVA 2510 Walmer Ave, LLC ("GIPVA 2510") and Subscription Agreement with LMB Owenton I GIPVA 130 Corporate Blvd, LLC ("GIPVA 130"), in which the Operating Partnership, as the sole member of GIPVA 2510 and LMB Owenton I GIPVA 130, admitted a new preferred member, Brown Family Enterprises, LLC, agreed to delay through the Contributor's right to require issuance of preferred membership interests in the redemption form of Class A Preferred Units of GIPVA 2510 and GIPVA 130. GIPVA 2510 and GIPVA 130 (the "Virginia SPEs") hold the Company's Norfolk, Virginia properties. In addition, both of the Contributor's GIP LP Virginia SPEs and Brown Family Enterprises, LLC entered into Unit Purchase Agreements in which GIPVA 2510 issued and sold 180,000 Class A Preferred Units in the Operating Partnership until after 36 months on January 14th, 2025 and for at a reduced redemption price of \$7.15 10.00 per GIP LP Unit. Such agreement was made in consideration unit for an aggregate price of \$1,800,000, and GIPVA 130 issued and sold 120,000 Class A Preferred Units at a price of \$10.00 per unit for an aggregate price of \$1,200,000. The Operating Partnership is the general manager of the issuance subsidiary while Brown Family Enterprises, LLC is a preferred equity member. Pursuant to LMB Owenton I LLC the agreement, the Company is required to pay the preferred equity member a 7% IRR paid on a monthly basis and will share in 16% of an additional 44,228 GIP LP Units the equity in each of the Operating Partnership, Virginia SPEs upon a capital transaction resulting in Contributor owning distributable proceeds. After 24 months, Brown Family Enterprises, LLC has the right to redeem the preferred equity at redemption value. Because of the redemption right, the non-controlling interest is presented as temporary equity at an aggregate of 157,771 GIP LP Units in the Operating Partnership at aggregated redemption value of \$1,109,570 3,000,000 as of September 30, 2023 March 31, 2024.

Irby Prop Partners

As part of the Company's acquisition of a property for approximately \$1,757,300 in Plant City, FL, one of the Company's operating subsidiaries entered into a preferred equity agreement with Irby Prop Partners on April 21, 2021 pursuant to which the Company's subsidiary received a capital contribution of \$950,000. The Operating Partnership is the general manager of the subsidiary while Irby Prop Partners is a preferred equity member. Pursuant to the agreement, the Company is required to pay the preferred equity member a 12% total IRR of which 8% IRR is paid on a monthly basis and 4% IRR is deferred. After 24 months, Irby Prop Partners has the right to redeem the preferred equity at redemption value plus any deferred interest accrued and the Operating Partnership has the right to call the preferred equity at redemption value. Because of the redemption right, the non-controlling interest was presented as temporary equity at redemption value. On August 10, 2023, the Company exercised its right to call the preferred equity at redemption value and redeemed the preferred equity upon payment of the original capital contribution plus accrued and deferred interest.

As part of the Company's investment in a tenancy-in-common for approximately \$724,800 in Rockford, IL, one of the Company's operating subsidiaries entered into a preferred equity agreement with Richard Hornstrom on August 2, 2021 pursuant to which the Company's subsidiary received a capital contribution of \$650,000. The Operating Partnership is the general manager of the subsidiary while Richard Hornstrom is a preferred equity member. Pursuant to the agreement, the Company is required to pay the preferred equity member a 12% total IRR of which 8% IRR is paid on a monthly basis and 4% IRR is deferred. After 24 months, Richard Hornstrom has the right to redeem the preferred equity at redemption value plus any deferred interest accrued and the Operating Partnership has the right to call the preferred equity at redemption value. Because of the redemption right, the non-controlling interest was presented as temporary equity at redemption value. On August 10, 2023, the Company exercised its right to call the preferred equity at redemption value and redeemed the preferred equity upon payment of the original capital contribution plus accrued and deferred interest.

LC2-NNN Pref, LLC

In connection with the acquisition of the Modiv Portfolio, the Operating Partnership and LC2 entered into an Amended and Restated Limited Liability Company Agreement for GIP SPE (the "GIP SPE Operating Agreement") pursuant to which LC2 made a \$12.0 million initial capital contribution to GIP SPE, together with a commitment to make an additional \$2.1 million contribution upon the satisfactory completion of the acquisition of a tenant-in-common interest held by a third party in the Company's Rockford, Illinois property (the "LC2 Investment"). The Company completed the acquisition of such tenant-in-common interest on September 7, 2023, for a purchase price of \$1.3 million and LC2 made the additional \$2.1 million capital contribution on September 11, 2023. LC2 made the LC2 Investment in exchange for a preferred equity interest in GIP SPE (the "Preferred Interest"). The Preferred Interest has a cumulative accruing distribution preference of 15.5% per year, compounded monthly, a portion of which in the amount of 5% per annum (compounded monthly) is deemed to be the "current preferred return," and the remainder of which in the amount of 10.5% per annum (compounded monthly) is deemed to be the "accrued preferred return." The GIP SPE operating agreement provides that operating distributions by GIP SPE will be made first to LC2 to satisfy any accrued but unpaid current preferred return, with the balance being paid to the Operating Partnership, unless the "annualized debt yield" of GIP SPE is less than 10%, in which case the balance will be paid to LC2. For this purpose, "annualized debt yield" is calculated as the sum of senior debt and LC2 Investment divided by the trailing three-month annualized adjusted net operating income (as defined in the GIP SPE Operating Agreement) of GIP SPE. The GIP SPE Operating Agreement also provides that distributions from capital transactions will be paid first to LC2 to satisfy any accrued but unpaid preferred return, then to LC2 until the "Make-Whole Amount" (defined as the amount equal to 1.3 times the LC2 Investment) is reduced to zero, and then to the Operating Partnership. The Preferred Interest is required to be redeemed in full by the Company on or before August 10, 2025 for a redemption amount equal to the greater of (i) the amount of the LC2 Investment plus the accrued preferred return, and (ii) the Make-Whole Amount. Upon a

failure to timely redeem the Preferred Interest, the preferred return will accrue at an increased rate of 18% per annum, compounded monthly. The Company will have the right to extend the Mandatory Redemption Date for two consecutive 12-month extension periods, provided that (i) LC2 is paid an extension fee of 0.01% of the outstanding amount of the LC2 Investment for each such extension, (ii) the preferred return is increased from 15.5% to 18% of which the accrued preferred

return is increased from 10.5% to 13%, (iii) the trailing 6-month annualized adjusted net operating income (as defined in the GIP SPE Operating Agreement) is in excess of \$5.0 million, \$5.0 million, (iv) GIP SPE and its subsidiaries' senior debt is extended through the end of the extension period, and there are no defaults under the GIP SPE Operating Agreement. Under the GIP SPE Operating Agreement, GIP SPE is also required to pay to Loci Capital, an affiliate of LC2, an equity fee of 1.5% of the LC2 Investment, with 1% having been paid upon the execution and delivery of the GIP SPE Operating Agreement and the 0.5% payable upon redemption of the LC2 Investment.

During the three and nine months ended September 30, 2023, the Company incurred \$87,264 of issuance costs related Due to the issuance of the Preferred Interest. Because of the redemption right, the Preferred Interest is presented as temporary equity at redemption value of \$14,100,000 plus accrued but unpaid preferred interest of \$214,989 1,288,726 as of September 30, 2023 March 31, 2024.

Each of the preferred members described above may redeem their interest on or after the Redemption date (second year anniversary of the closing of the acquisition), at the discretion of such preferred member, as applicable, all or a portion thereof, of such preferred member's pro-rata share of the redemption value in the form of the units of the Operating Partnership ("GIP LP Units"). Such GIP LP Units shall be subject to all such restrictions, such as with respect to transferability, as reasonably imposed by the Operating Partnership. The number of GIP LP Units issued to any preferred member shall be determined by dividing the total amount of the redemption value that such preferred member shall receive in GIP LP Units by a 15% discount of the average 30-day market price of Generation Income Properties, Inc. common stock. GIP LP Units shall then be convertible into common stock of Generation Income Properties, Inc. on a 1:1 basis in accordance with the partnership agreement of the Operating Partnership. Additionally, the Operating Partnership has the right to redeem the preferred equity at redemption value with cash after the second year anniversary of the closing of the acquisition.

Non-Controlling Interest (Permanent Equity)

GIP LP (Former GIP Fund 1 Members) 16

As part of the Company's acquisition of one property on November 30, 2020 for \$1,847,700 in Tampa, FL, the Operating Partnership entered into a contribution agreement with GIP Fund 1, LLC that resulted in the issuance of 24,309 GIP LP Units in the Operating Partnership at \$20.00 per share for a total value of \$486,180. At the time of the acquisition, the Company's President owned 11% of GIP Fund 1. GIP Fund 1 has since been dissolved and the GIP Units are now directly owned by the former members of GIP Fund 1. After 12 months, the contribution agreement allows for the former members of GIP Fund 1 to require the Operating Partnership to redeem, all or a portion of its GIP LP Units for common stock of the Company. As such, the Company has determined their equity should be classified as a Non-controlling interest. Following these transactions as of September 30, 2023 March 31, 2024, the Company owned 91 95.3% of the common units in the Operating Partnership and outside investors owned 9 4.7%. The following table reflects the Company's

redeemable non-controlling interests and non-controlling interest during the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

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	Brown Family Trust and Brown Family Enterprises, LLC				GIP LP (Former Greenwal, L.C. and Riverside Crossing, L.C. LC2-NNN Members) Pref, LLC		Non-Controlling Interest - Former GIP Fund 1	
	Irby Prop Partners	Hornstrom	Owenton I LLC				Total Controlling Interest	
							Redeemable Non-Controlling Interest	

Balance, December 31, 2022	\$ 500,000	\$ 1,014,748	\$ 686,114	\$ 1,109,570	\$ 2,479,299	\$ -	\$ 5,789,731	\$ 445,035
		8		0	9		1	
	3,000,00						3,000,00	
Issuance of Redeemable Non-Controlling Interest	0	-	-	-	-	-	0	-
					(2,479,2		(2,479,2	
Redemption of Redeemable Non-Controlling Interests	-	-	-	-	99)	-	99)	-
Distribution on Non-Controlling Interests	(46,346)	(19,000)	(13,000)	(18,135)	(19,336)	-	(115,817)	(2,844)
Net income (loss) for the quarter	46,346	28,681	19,624	18,135	19,336	-	132,122	(4,908)
	<u>3,500,00</u>	<u>1,024,42</u>		<u>1,109,57</u>			<u>6,326,73</u>	
Balance, March 31, 2023	\$ 0	\$ 9	\$ 692,738	\$ 0	\$ -	\$ -	\$ 7	\$ 437,283
Distribution on Non-Controlling Interests	(63,606)	(19,000)	(13,000)	(18,157)	(13,235)	-	(126,998)	(2,844)
Net income (loss) for the quarter	63,606	28,681	19,624	18,157	13,235	-	143,303	(14,238)
	<u>3,500,00</u>	<u>1,034,11</u>		<u>1,109,57</u>			<u>6,343,04</u>	
Balance, June 30, 2023	\$ 0	\$ 0	\$ 699,362	\$ 0	\$ -	\$ -	\$ 2	\$ 420,201
						14,100,0	14,100,0	
Issuance of Redeemable Non-Controlling Interest	-	-	-	-	-	00	00	-
							(2,100,0	
Redemption of Redeemable Non-Controlling Interests	(500,000)	(950,000)	(650,000)	-	-	-	00)	-
Distribution on Non-Controlling Interests	(57,835)	(96,403)	(58,286)	(18,157)	(12,352)	(102,186)	(345,219)	(2,844)
Net income (loss) for the quarter	57,835	12,293	8,924	18,157	12,352	317,175	426,736	(1,099)
	<u>3,000,00</u>			<u>1,109,57</u>		<u>14,314,9</u>	<u>18,424,5</u>	
Balance, September 30, 2023	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ 89	\$ 59	\$ 416,258

Balance, December 31, 2022	\$ 500,00	\$ 1,014,7	\$ 686,11	\$ 1,109,5	\$ 2,479,2	\$ -	\$ 5,789,7	\$ 445,03
	0	48	4	70	99		31	5
Issuance of Redeemable Non-Controlling Interests	3,000,00	-	-	-	-	-	3,000,00	-
Redemption of Redeemable Non-Controlling Interests	-	-	-	-	(2,479,299)	-	(2,479,299)	-
							(115,81	
Distribution on Non-Controlling Interests	(46,346)	(19,000)	(13,000)	(18,135)	(19,336)	-	7)	(2,844)
							132,12	
Net income (loss) for the quarter	46,346	28,681	19,624	18,135	19,336	-	2	(4,908)
	3,500,0	1,024,4	692,73	1,109,5			6,326,7	437,28
Balance, March 31, 2023	\$ 00	\$ 29	\$ 8	\$ 70	\$ -	\$ -	\$ 37	\$ 3
	3,000,0			1,109,5		14,702,	18,812,	406,13
Balance, December 31, 2023	\$ 00	\$ -	\$ -	\$ 70	\$ -	\$ 853	\$ 423	\$ 1
						(187,47	(267,83	
Distribution on Non-Controlling Interests	(52,500)	-	-	(18,157)	(9,705)	1)	3)	(2,844)
						873,34	953,70	
Net income (loss) for the quarter	52,500	-	-	18,157	9,705	4	6	(7,582)
	3,000,0			1,109,5		15,388,	19,498,	395,70
Balance, Match 31, 2024	\$ 00	\$ -	\$ -	\$ 70	\$ -	\$ 726	\$ 296	\$ 5

Note 87 – Equity

Authorized Equity

The Company is authorized to issue up to 100,000,000 shares of common stock and 10,000,000 shares of preferred stock of which 2,400,000 were designated as Series A Preferred Stock. Holders of the Company's common stock are entitled to receive dividends when authorized by the Company's Board of Directors. In January 2024, the Company redeemed all 2,400,000 shares of its Series A Preferred Stock from its preferred shareholders, Modiv and their affiliates, and exchanged them for 2,794,597 shares of common stock.

Issuance of Common Stock Equity Securities

For the three months ended March 31, 2024, the Company recorded approximately \$27,946 to common stock and \$11,609,670 to additional paid-in capital related to the redemption and exchange of all 2,400,000 shares of the Series A Preferred Stock shares for 2,794,597 common stock shares. Additionally, the Company recorded approximately \$61,938 of

stock issuance costs to additional paid-in capital for registration and legal counsel costs incurred to issue the new common stock shares exchanged for the Series A Preferred Stock shares.

In January 2024, the Company declared and paid final preferred stock dividends of \$95,000 to holders of its Series A Preferred Stock shares. In January 2024, the Company also paid another \$95,000 dividend declared in December 2023 and accrued as of December 31, 2023.

Warrants

Private Placement Warrants

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On **November 13, 2020** **April 25, 2019**, the Company raised \$1,000,000 by issuing 50,000 Units with each Unit being comprised of one share of its Common Stock and one warrant to purchase one share of its common stock. Each Unit was sold for a price of \$20.00 per Unit. The shares of the Company's common stock and warrants included in the Units, were offered together, but the securities included in the Units are issued separately. The warrants are exercisable at a price of \$20.00 per share of common stock, subject to adjustment in certain circumstances, and will expire seven years from the date of issuance.

On **November 13, 2020**, the Company raised \$1,000,000 by issuing 50,000 Units with each Unit being comprised of one share of its Common Stock and one warrant to purchase one share of its common stock. Each Unit was sold for a price of \$20.00 per Unit. The shares of the Company's common stock and warrants included in the Units, were offered together, but the securities included in the Units are issued separately. The warrants are exercisable at a price of \$20.00 per share of common stock, subject to adjustment in certain circumstances, and will expire seven years from the date of issuance.

Investor Warrants

On **September 8, 2021**, the Company issued and sold, in an underwritten public offering (the "Public Offering"), 1,500,000 Units, with each unit consisting of one share of common stock, and one warrant to purchase one share of common stock (the "Investor Warrants"). On **September 30, 2021**, the Company issued and sold an additional 165,000 Investor Warrants as part of the underwriter's Over-Allotment Option. The Investor Warrants issued in the offering entitle the holder to purchase one share of common stock at a price equal to \$10.00 for a period of five years. **Net proceeds generated were \$13.8 million, net of underwriter discounts and other financing costs incurred since inception. As part of the Public Offering, the Company entered into an agreement with the Chief Executive Officer ("CEO") to redeem 112,500 shares of common stock for \$100 which was recorded in accounts payable – related party at December 31, 2021. As of December 31, 2021 these shares had been physically returned to the Company's transfer agent, canceled, and the CEO was paid during the three months ended March 31, 2022.**

On September 12, 2022, the Company issued 200,000 shares of common stock at \$6.00 per share in accordance with a Redemption Agreement as discussed in Note 7 - Non-Controlling Interests, and recorded the stock at par value of \$2,000 with the remaining \$1,198,000 to additional paid in capital.

During the nine months ended September 30, 2022, the Company recorded approximately \$87,000 of stock issuance costs to Deferred Financing Costs for professional fees incurred for filings intended to be made in the future. For the three months ended March 31, 2022, the Company recorded approximately \$6,100 of issuance costs in additional paid in capital which were incurred during the current period.

Warrants

Private Placement Warrants

On April 25, 2019, the Company raised \$1,000,000 in a private placement by issuing 50,000 units, with each unit being comprised of one share of its common stock and one warrant to purchase one share of the Company's common stock. Each unit was sold for a price of \$20.00 per unit. The shares of the Company's common stock and warrants included in the units, were offered together, but the securities included in the units were issued separately. The warrants are exercisable at a price of \$20.00 per share of common stock, subject to adjustment in certain circumstances, and will expire seven years from the date of issuance.

Investor Warrants

Investor Warrants, as described above, may be exercised on a cashless basis if there is no effective registration statement available for the resale of the shares of common stock underlying such warrants. In addition, after 120 days after the Investor Warrants are issued, any Investor Warrant may be exercised on a cashless basis for 10% of the shares of common stock underlying the Investor Warrant if the volume-weighted average trading price of the Company's shares of common stock on Nasdaq was at any time below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days. During the ~~nine~~ Three months ended ~~September 30, 2023~~ March 31, 2024, ~~189,950~~ 45,510 Investor Warrants were exercised on a cashless basis resulting in the issuance of ~~18,995~~ 4,551 shares of common stock. During the ~~nine~~ three months ended ~~September 30, 2022~~ March 31, 2023, ~~688,330~~ 106,480 warrants Investor Warrants were exercised on a cashless basis resulting in the issuance of ~~68,833~~ 10,648 shares of common stock. See Note ~~13~~ 11 Subsequent Events for Investor Warrants exercised after ~~September 30, 2023~~ March 31, 2024.

~~Representative's~~ Representative Warrants

In addition, the Company issued to Maxim Group LLC (or its designee) warrants to purchase an aggregate of 149,850 shares of common stock, which is equal to an aggregate of ~~9%~~ 9% of the number of shares of common stock sold in the Public Offering (the "Representative's Warrants"). The Representative's Warrants have an exercise price equal to ~~\$12.50~~, \$12.50, may be exercised on a cashless basis and became exercisable six months following the closing date and until ~~September 2, 2026~~ September 2, 2026.

The Company has 912,950 852,690 and 1,226,520 996,420 total warrants outstanding and exercisable as of September 30, 2023 March 31, 2024 and 2022, March 31, 2023, respectively, as summarized below. Investor Warrants issued on September 8 and 28, 30, 2021 became exercisable on a cashless basis on January 6 and 28, 2022, respectively.

Issue Date	As of September 30, March 31,	
	2023	2024
April 25, 2019 at an exercise price of \$20.00		50,000
November 13, 2020 at an exercise price of \$20.00		50,000
September 8, 2021 at an exercise price of \$10.00	498,100	437,840
September 8, 2021 at an exercise price of \$12.50		135,000
September 30, 2021 at an exercise price of \$10.00		165,000
September 30, 2021 at an exercise price of \$12.50		14,850
	912,950	852,690

	Warrants	Weighted Average Price	Weighted Average Remaining Life	Warrants	Weighted Average Price	Weighted Average Remaining Life
As of December 31, 2023	898,200	\$ 11.53	2.7			
Exercised	(45,510)	10.00				
As of March 31, 2024	852,690	\$ 11.61	2.5			
Warrants exercisable	852,690	\$ 11.61	2.5			
As of December 31, 2022	1,102,900	\$ 11.25	3.7	1,102,900	\$ 11.25	3.7
Exercised	(189,950)	10.00		(106,480)	10.00	
As of September 30, 2023	912,950	\$ 11.51	3.0			
As of March 31, 2023				996,420	\$ 11.38	3.5
Warrants exercisable	912,950	\$ 11.51	3.0	996,420	\$ 11.38	3.5

	Warrants	Weighted Average Price	Weighted Average Remaining Life
As of December 31, 2021	1,914,850	\$ 10.72	4.7
Exercised	(688,330)	10.00	
As of September 30, 2022	1,226,520	\$ 11.12	4.0
Warrants exercisable	1,226,520	\$ 11.12	4.0

There was no intrinsic value for the warrants as of **September 30, 2023** **March 31, 2024** or **2022** **March 31, 2023**.

Stock Compensation

Generation Income Properties, Inc. 2020 Omnibus Incentive Plan

In connection with the Public Offering, the Company's Board of Directors adopted and stockholders approved, the Generation Income Properties, Inc. 2020 Omnibus Incentive Plan (the "Omnibus Incentive Plan"), which became effective upon the completion of the Public Offering. The Omnibus Incentive Plan reserves 2.0 million shares of common stock for stock options, stock appreciation rights, performance shares, performance units, shares of common stock, restricted stock, restricted stock units, cash incentive awards, dividend equivalent units, or any other type of award permitted under the Omnibus Incentive Plan. As of **September 30, 2023** **March 31, 2024**, **171,590** **158,840** shares had been granted under the Omnibus Incentive Plan.

Restricted Common Shares issued to the Board and Employees

- On January 6, 2022, the board approved grants of 47,142 restricted shares to directors, officers and employees effective March 1, 2022 valued at \$7.00 per share that vest annually over 1 year. The vested share restrictions will be removed upon the first annual anniversary of the award. The 47,142 restricted shares were issued to the directors, officers and employees in March 2022.
- On April 12, 2022, the board approved grants of 357 restricted shares to a non-employee for chaplain services rendered effective April 16, 2022 valued at \$7.06 per share that vest over 1 year. The vested share restrictions will be removed upon the first annual anniversary of the award. The 357 restricted shares were issued in April 2022.
- On December 8, 2022, the board approved grants of 98,593 restricted shares to directors, officers and

employees effective March 1, 2023 valued at \$5.68 per share that vest annually over 3 years. The vested share restrictions will be removed upon the first annual anniversary of the award. The 98,593 restricted shares were issued to the directors, officers and employees in March 2023.

The following is a summary of restricted shares for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022**; **2023**:

	2023	2022	2024	2023
Number of Shares Outstanding at beginning of period	58,502	23,167	91,516	58,502
Restricted Shares Issued	98,593	47,499	-	98,593
Restricted Shares Vested	(46,213)	(10,500)	(34,888)	(45,857)
Number of Shares Outstanding at end of period	110,882	60,166	56,628	111,238

The Company recorded stock based compensation expense of \$**119,380** **94,935** and \$**110,869** **90,648** during the three months ended **September 30, 2023** **March 31, 2024** and **2022**; **2023**, respectively. **The Company recorded stock based compensation expense of \$287,067 and \$328,913 during the nine months ended September 30, 2023 and 2022, respectively.**

Cash Distributions

While the Company is under no obligation to do so, the Company expects to continue to declare and pay distributions to its common stockholders and Operating Partnership unit holders for the foreseeable future. The issuance of a distribution will be determined by the Company's board of directors based on the Company's financial condition and such other factors as the Company's board of directors deems relevant. The Company has not established a minimum distribution, and the Company's charter does not require that the Company issue distributions to its stockholders other than as necessary to meet REIT qualification standards.

The following is a summary of **monthly** distributions to common stockholders and Operating Partnership unit holders:

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Authorized Date	Record Date	Per Share/Unit
July 3, 2023	September 15, 2023	\$ 0.039
July 3, 2023	August 15, 2023	\$ 0.039
July 3, 2023	July 15, 2023	\$ 0.039
April 3, 2023	June 15, 2023	\$ 0.039
April 3, 2023	May 15, 2023	\$ 0.039
April 3, 2023	April 15, 2023	\$ 0.039

January 3, 2023	March 15, 2023	\$	0.039
January 3, 2023	February 15, 2023	\$	0.039
January 3, 2023	January 15, 2023	\$	0.039
October 3, 2022	December 15, 2022	\$	0.039
October 3, 2022	November 15, 2022	\$	0.039
October 3, 2022	October 15, 2022	\$	0.039
June 27, 2022	September 15, 2022	\$	0.054
June 27, 2022	August 15, 2022	\$	0.054
June 27, 2022	July 15, 2022	\$	0.054
March 15, 2022	June 15, 2022	\$	0.054
March 15, 2022	May 15, 2022	\$	0.054
March 15, 2022	April 15, 2022	\$	0.054
December 10, 2021	March 15, 2022	\$	0.054
December 10, 2021	February 15, 2022	\$	0.054
December 10, 2021	January 15, 2022	\$	0.054

Through June 2022, the Company's CEO waived his right to receive distributions with respect to the shares held by him as of the completion of the Public Offering.

Authorized Date	Record Date	Per Share/Unit
January 3, 2024	March 15, 2024	\$ 0.039
January 3, 2024	February 14, 2024	\$ 0.039
January 3, 2024	January 15, 2024	\$ 0.039
October 3, 2023	December 15, 2023	\$ 0.039
October 3, 2023	November 15, 2023	\$ 0.039
October 3, 2023	October 15, 2023	\$ 0.039
July 3, 2023	September 15, 2023	\$ 0.039
July 3, 2023	August 15, 2023	\$ 0.039
July 3, 2023	July 15, 2023	\$ 0.039
April 3, 2023	June 15, 2023	\$ 0.039
April 3, 2023	May 15, 2023	\$ 0.039
April 3, 2023	April 15, 2023	\$ 0.039
January 3, 2023	March 15, 2023	\$ 0.039
January 3, 2023	February 15, 2023	\$ 0.039
January 3, 2023	January 15, 2023	\$ 0.039

Preferred Stock 19

On August 10, 2023, the Company and the Operating Partnership entered into a purchase agreement with Modiv and certain of its indirect subsidiaries, pursuant to which the Operating Partnership purchased from such indirect subsidiaries of Modiv, the Modiv Portfolio. The purchase price paid for the Modiv Portfolio was \$42 million, consisting of \$30 million in cash and \$12 million in shares of Series A Preferred Stock. Accordingly, the Company issued 2,400,000 shares of Series A Preferred Stock to Modiv OP at the closing of the acquisition of the Modiv Portfolio.

Purchase Agreement

In addition to customary terms relating to the purchase and sale of a portfolio of commercial properties, the material terms of the purchase agreement include (i) an agreement by Modiv to distribute the shares of common stock of the Company issuable upon the potential redemption by the Company of the Series A Preferred Stock to Modiv's shareholders and/or the holders of units of Modiv OP ("Modiv OP Unit Holders"), subject to Modiv receiving the approval of its lenders to make such distribution and subject to the redemption conditions described below, (ii) an agreement by Modiv that it will promptly distribute or sell shares of the Company's common stock owned by it following such a redemption if Modiv's ownership of common stock (together with any other persons or entities whose beneficial ownership of shares of the Company's common stock would be aggregated with Modiv's for purposes of Section 13(d) of the Exchange Act of 1934, as amended) exceeds 19.9% of the aggregate number of outstanding shares of the Company's common stock, and (iii) an agreement by the Company to prepare and file with the SEC a registration statement to register the distribution by Modiv to its shareholders and to Modiv OP Unit Holders and/or the resale of the shares of the Company's common stock issuable upon redemption of the Series A Preferred Stock. The Company filed such registration statement on September 29, 2023. In addition, the Company granted a waiver to Modiv from the ownership limitation set forth in the Company's charter with respect to Modiv's ownership of the Series A Preferred Stock and the common stock, if any, issuable upon redemption of the Series A Preferred Stock.

Series A Preferred Stock

As part of the consideration for the acquisition of the Modiv Portfolio, the Company paid \$12.0 million in shares of its Series A Preferred Stock. On August 10, 2023, the Company filed Articles Supplementary for the Series A Preferred Stock (the "Articles Supplementary") with the State Department of Assessments and Taxation of the State of Maryland designating the rights, preferences and privileges of the Series A Preferred Stock, which provides as follows.

Dividends. As set forth in the Articles Supplementary, the Series A Preferred Stock ranks, with respect to dividend rights and rights upon the Company's voluntary or involuntary liquidation, dissolution or winding up, senior to all classes or series of the Company's common stock. Holders of Series A Preferred Stock, when, as and if authorized by the Company's board of directors and declared by the Company out of funds legally available for the payment of dividends, are entitled to cumulative cash dividends

at the rate of 9.5% per annum of the \$5.00 liquidation preference per share, equivalent to a fixed annual amount of \$0.475 per share, which shall increase to a rate of 12.0% of the \$5.00 liquidation preference per share per annum, equivalent to a fixed annual amount of \$0.60 per share, beginning on September 15, 2024. Dividends are payable

monthly in arrears on or about the 15th day of each month, beginning on September 15, 2023. Dividends will accrue and be cumulative from and including August 10, 2023, the first date on which shares of the Series A Preferred Stock were issued.

Redemption. From the date of issuance until March 15, 2024, the Series A Preferred Stock will be redeemable at the Company's option for either (i) cash, in whole or in part, at a price per share equal to the \$5.00 liquidation preference, plus an amount equal to all dividends accrued and unpaid (whether or not authorized or declared), if any, until the redemption date on each share of Series A Preferred Stock to be redeemed (the "Cash Redemption Price") or (ii) subject to the Company's satisfaction of certain conditions, a number of shares of common stock (the "Underlying Shares"), in whole only and not in part, equal to the Cash Redemption Price, divided by the share price of the common stock as measured by the product of (a) the 60-day volume weighted average price ("VWAP") from the date immediately preceding the date the Company provides notice of its intent to redeem the Series A Preferred Stock and (b) 110%. The maximum number of shares of the Company's common stock that it will be required to issue in order to redeem the shares of Series A Preferred Stock in full shall not exceed 3,000,000 shares of common stock (the "Ceiling") and the minimum number of shares of common stock that the Company shall be required to issue in order to redeem the shares of Series A Preferred Stock in full shall be no less than 2,200,000 shares (the "Floor"); provided that the Ceiling will not apply if (i) the Company fails to pay as of the date of the redemption, all dividends accrued (whether or not authorized or declared) on the Series A Preferred Stock, to, but not including, the date of the redemption or (ii) at any time after August 10, 2023, and before redemption of the Series A Preferred Stock, the Company fails to pay a monthly dividend on the common stock or reduces, or announces its intent to reduce, the monthly dividend paid on shares of common stock to a rate lower than \$0.0396 per share per month. Each of the Floor and the Ceiling is subject to proportionate adjustments for any share splits (including those effected pursuant to a distribution of the Company's common stock), subdivisions, reclassifications or combinations with respect to the Company's common stock as described in the Articles Supplementary.

In addition, the Company's right to redeem the Series A Preferred Stock for the Underlying Shares is conditioned upon the Company obtaining the approval of its stockholders for the issuance of such Underlying Shares as required by the rules of the Nasdaq Stock Market; such Underlying Shares being listed on Nasdaq; the SEC having declared effective, a registration statement registering the distribution of such Underlying Shares by Modiv to its stockholders and/or the resale of such Underlying Shares by Modiv; and Modiv having received the approval of its lenders to distribute such Underlying Shares to its stockholders.

After March 15, 2024, the Company may only redeem the Series A Preferred Stock for the Cash Redemption Price, unless Modiv agrees, in its sole and absolute discretion, to a redemption of the Series A Preferred Stock for shares of common stock, on terms acceptable to Modiv.

The Company shall redeem the Series A Preferred Stock for an amount equal to the Cash Redemption Price, upon the delisting of the Company's common stock from the Nasdaq Stock Market.

In the event of a Change of Control (as defined in the Articles Supplementary) of the Company, the Company shall redeem the Series A Preferred Stock, at the option of Modiv, for either (a) cash, in an amount equal to the Cash Redemption Price, (b) a number of shares of common stock equal to the Cash Redemption Price divided by the price per share of the common stock as measured by the VWAP of the common stock for the 60 trading days immediately

preceding the date of the announcement of such Change of Control (the “Change of Control Share Redemption Consideration”) or (c) the kind and amount of consideration which Modiv would have owned or been entitled to receive had it held a number of shares of Common Stock equal to the Change of Control Share Redemption Consideration immediately prior to the effective time of the Change of Control.

Registration Rights Agreement

Additionally, the Company and Modiv entered into a Registration Rights Agreement, dated August 10, 2023 (the “RRA”), with respect to the Series A Preferred Stock. The RRA provides that Modiv will have the right to cause the Company to file a registration statement with the SEC registering the resale of shares of Series A Preferred Stock held by Modiv or its assigns on a delayed or continuous basis if such shares are not redeemed by the Company on or before March 15, 2024. The RRA also provides that, commencing March 16, 2024 until March 16, 2025, if requested by Modiv, the Company will use its commercially reasonable efforts to cause the Series A Preferred Stock to be listed on each securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed, on a national securities exchange selected by Modiv, provided that the Series A Preferred Stock meets the listing requirements of any such securities exchange.

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During the three and nine months ended September 30, 2023, the Company incurred \$362,384 of issuance costs related to the issuance of the Series A Preferred Stock. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value of \$12,000,000 less issuance costs plus accrued preferred dividends as of September 30, 2023.

During the three months ended September 30, 2023, the Company paid and accrued \$0.0396 per share per month preferred stock dividends of \$190,000 which is comprised of a \$95,000 dividend paid to Modiv on September 15, 2023 and a \$95,000 dividend declared by the Board of Directors on September 25, 2023 that was paid on October 13, 2023.

Note 98 – Mortgage Loans

The Company had the following mortgage loans outstanding as of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023, respectively:

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7-Eleven Corporation & Starbucks Corporation		Washington, D.C., Tampa, FL, and Huntsville, AL		\$ 11,287,500	(a) 4.17%	3/6/2030	\$ 10,705,459	\$ 10,757,239	1.25
General Services Administration- Navy & Vacant Unit	Norfolk, VA	8,260,000	3.50%	9/30/2024	7,281,369	7,341,804	1.25		
PRA Holdings, Inc.	Norfolk, VA	5,216,749	3.50%	10/23/2024	4,520,121	4,562,722	1.25		
Sherwin Williams Company	Tampa, FL	1,286,664	3.72% (b)	8/10/2028	1,278,844	1,286,664	1.20		

Fresenius Medical Care Holdings, Inc.	Chicago, IL	Chi cag o, IL	1 3. 3/ 1 1 1.5	1,727,108	(c) 3.85%	(d) 3/31/2032	1,688,781	1,699,642	1.50
Starbucks Corporation	Tampa, FL	Ta mp a, FL	1 (3. (3/ 1 1 1.5	1,298,047	(c) 3.85%	(d) 3/31/2032	1,269,241	1,277,404	1.50
Kohl's Corporation	Tucson, AZ	Tuc son , AZ	3 3. 3/ 3 3 1.5	3,964,745	(c) 3.85%	(d) 3/31/2032	3,878,651	3,901,694	1.50

City of San Antonio (PreK)	San Antonio, TX	6 (7. (8/ 6 - 1.5	San Antonio, TX	6,444,000 (e) 7.47% (b) 8/10/2028	6,394,286	6,416,362	1.50
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Dollar General Market	Bakersfield, CA	Bak 2 7. 8/ 2 - 1.5	Bakersfield, CA	2,428,000 (e) 7.47% (b) 8/10/2028	2,409,212	2,417,587	1.50
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Dollar General	Big Spring, TX	Big 6 (7. (8/ 6 - 1.5	Big Spring, TX	635,000 (e) 7.47% (b) 8/10/2028	630,086	632,277	1.50
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Dollar General	Castalia, OH	Cas 5 7. 8/ 5 - 1.5	Castalia, OH	556,000 (e) 7.47% (b) 8/10/2028	551,698	553,615	1.50
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Dollar General	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
Dollar General	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
Dollar General	Litchfield, ME	624,000	(e)	7.47%	(b)	8/10/2028	619,171	621,324	1.50
Dollar General	Mount Gilead, OH	533,000	(e)	7.47%	(b)	8/10/2028	528,876	530,714	1.50
Dollar General	Thomsontown, PA	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50

Dollar Tree Stores, Inc.	Morrow, GA	647,000	(e) 7.47%	(b) 8/10/2028	641,993	644,225	1.50
exp U.S. Services Inc.	Maitland, FL	2,950,000	(e) 7.47%	(b) 8/10/2028	2,927,172	2,937,348	1.50
General Services Administration	Vacaville, CA	1,293,000	(e) 7.47%	(b) 8/10/2028	1,282,995	1,287,454	1.50
Walgreens	Santa Maria, CA	3,041,000	(e) 7.47%	(b) 8/10/2028	3,015,430	3,027,958	1.50

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	\$	\$	\$	\$ 60,550,913	\$ 57,823,894	\$ 58,143,672
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from time to time at its discretion. As of September 30, 2023 March 31, 2024, the Company was in compliance with all covenants. covenants with the exception of one project level DSCR covenant for 2510 Walmer Ave. Our Bayport Credit Union loan covenant requires project level, property level and portfolio level DSCR minimum testing. At the project-level, 2510 Walmer Ave tested at a 1.17:1 DSCR, compared with the 1.25:1 project level minimum DSCR, driven by its vacancy since January 2023. According to the governing loan document, failing to meet DSCR coverage requirements is a technical default triggering the risk of forfeiture of the property, accelerating the repayment of the remaining outstanding balance of the loan at the lender's discretion. All other DSCR covenants tested compliant and the lender has indicated no intention of action. Additionally, a new lease was executed for 2510 Walmer Ave. on March 28, 2024 and will restore the property to full occupancy upon commencement on May 1, 2024.

On April 1, 2022, the Company entered into two mortgage loan agreements with an aggregate balance of \$13.5 million to refinance seven of the Company's properties. The loan agreements consist of one loan in the amount of \$11.4 million secured by six properties and allocated to each property based on each property's appraised value, and one loan in the amount of \$2.1 million on the property previously held in the tenancy-in-common investment at an interest rate of 3.85% from April 1, 2022 through and until March 31, 2027. In conjunction with the LC2 Investment to purchase the remaining interest in the tenancy-in-common interest discussed above, the Company assumed the original \$2.1 million loan on the property with a current remaining balance of \$2,079,178 and recognized a discount of \$383,767. Effective April 1, 2027 and through the maturity date of March 31, 2032, the interest rate adjusts to the 5-year Treasury plus 2.5% and is subject to a floor of 3.85%. The Company's CEO entered into a guarantee agreement pursuant to which he guaranteed the payment obligations under the promissory notes if they become due as a result of certain "bad-boy" provisions, individually and on behalf of the Operating Partnership.

On August 10, 2023, GIP13, LLC, a Delaware limited liability company and wholly owned subsidiary of GIP SPE ("GIP Borrower"), entered into a Loan Agreement with Valley pursuant to which Valley made a loan to the Company in the amount of \$21.0 million to finance the acquisition of the Modiv Portfolio. The outstanding principal amount of the loan bears interest at an annual rate for each 30-day interest period equal to the compounded average of the secured overnight financing rate published by Federal Reserve Bank of New York for the thirty-day period prior to the last day of each 30-day interest rate for the applicable interest rate period plus 3.25%, with interest payable monthly after each 30-day interest period. However, the Company entered into an interest rate swap to fix the interest rate at 7.47% per annum. Payments of interest and principal in the amount of approximately \$156,000 are due and payable monthly, with all remaining principal and accrued but unpaid interest due and payable on a maturity date of August 10, 2028. The loan may generally be prepaid at any time without penalty in whole or in part, provided that there is no return of loan fees and prepaid financing fees. The loan is secured by first mortgages and assignments of rents in the properties comprising the Modiv Portfolio and eight other properties held by subsidiaries of GIP SPE that had outstanding loans with Valley. All of the mortgaged properties cross collateralize the loan, and the loan is guaranteed by the Operating Partnership and the subsidiaries of the Company that hold the properties that comprise the Modiv Portfolio. The loan agreement also provides for customary events of default and other customary affirmative and negative covenants that are applicable to GIP Borrower and its subsidiaries, including reporting covenants and restrictions on investments, additional indebtedness, liens, sales of properties, certain mergers, and certain management changes. The loan agreement requires the Company to maintain a minimum debt-service

coverage ratio of 1.50:1 on a trailing twelve-month basis, tested as of December 31, 2024 and annually thereafter. The Company's President and CEO also entered into a personal, full recourse guarantee with a \$7,500,000 cap.

The Company's President and CEO also has also personally guaranteed the repayment of the \$10.9 10.7 million due under the 7-11 - Washington, DC; Starbucks-South Starbucks - South Tampa, FL; and Pratt & Whitney-Huntsville, vacant - Huntsville, AL loan as well as the \$1.3 million loan secured by the Company's Sherwin-Williams - Tampa, FL property. In addition, the Company's President and CEO has also provided a guarantee guaranty of the Borrower's Company's nonrecourse carveout liabilities and obligations in favor of the lender for the GSA and PRA Holdings, Inc. - Norfolk, VA mortgage loans ("Bayport loans") with an aggregate principal amount of \$12,005,274 11.8.

million. During the three and nine months ended September 30, 2023, March 31, 2024 and 2023 the Company incurred a guarantee guaranty fee expense to the Company's CEO of \$81,022 97,898 and \$196,304 60,493, respectively, recorded to interest expense and \$57,641 and \$57,641 was incurred during the three and nine months ended September 30, 2022.

On May 9, 2022, the Operating Partnership amended the current Commitment Letter with American Momentum Bank, by entering into a new commitment letter, to increase the available borrowings under the facility from \$25.0 million to \$50.0 million to be used for the acquisition of income producing real estate properties under the same terms as provided by the agreement entered into on October 26, 2021. The new Commitment Letter will become effective contingent upon expense. In January 2024 the Company completing a future capital raise of paid \$25.0 385,395 million or more, and prior to such time, the current Commitment Letter will remain in place. On September 9, 2022, the Company and AMB combined the prior AMB commitment letters entered into in October 2021 and May 2022 into a single Commitment Letter, and have amended the rate index used for borrowing to be a variable rate equal to the 30-Day CME Term SOFR Rate, plus a margin CEO for guaranty fees from July 2023 through June 2024 of which \$2.40 96,360%, adjusted monthly, subject to a floor interest rate of 3.25% per year. All other terms under the prior commitment letters remained materially the same. As of September 30, 2023 unamortized and December 31, 2022, the Company did not have an outstanding balance is included in Prepaid guaranty fees – related party on the facility. Consolidated Balance Sheets as of March 31, 2024.

On August 9, 2022 the Company and Operating Partnership entered a Redemption Agreement with a unit holder. As such, the Company recorded an other Other payable - related party in the amount of \$2,912,300 upon execution of the Redemption Agreement entered into July 20, 2022 and the note has made payments to date totaling \$1,554,920 as of March 31, 2024 with a remaining balance of \$1,357,380 and \$1,809,840 outstanding as of September 30, 2023.

March 31, 2024 and December 31, 2023, respectively.

On October 14, 2022, the Company entered into a loan transaction that is evidenced by a secured non-convertible promissory note to Brown Family Enterprises, LLC, a preferred equity partner and therefore a related party, for \$1,500,000 that is due on October 14, 2024, October 14,

2024, and bears a fixed interest rate of 9%, simple interest. Interest is payable monthly. The loan may be repaid without penalty at any time. The loan is secured by the Operating Partnership's equity interest in its current direct subsidiaries that hold real estate assets pursuant to the terms of a security agreement between the Operating Partnership and Brown Family Enterprises, LLC. On July 21, 2023, the Company amended and restated the promissory note to reflect an increase in the loan to \$5.5 million and extend the maturity date thereof from October 14, 2024 to October 14, 2026. Except for the increase in the amount of the Loan and Note and the extension of the maturity date thereof, no changes were made to the original note.

Minimum Minimum required principal payments on the Company's debt for subsequent years ending December 31 are as follows:

				Total as of September 30, 2023	Mortgage Loans	Other Payable - Related Party	Loan Payable - Related Party	Total as of March 31, 2024
	Mortgage Loans	Other Payable - Related Party	Loan Payable - Related Party					
2023 (3 months remaining)	308	-	-	308,281				
2024	12,780,776	1,809,840	-	14,590,616				
2024 (9 months remaining)					12,459,324	1,357,380	-	13,816,704
2025	926,633	-	-	926,633	926,633	-	-	926,633

2026	976								
	,46	-	5,500,	6,476,4	976,467	-	5,500,000	6,476,467	
	7		000	67					
2027	1,0								
	33,	-	-	1,033,3	1,033,322	-	-	1,033,322	
	322			22					
2028					21,341,791	-	-	21,341,791	
Thereafter	42,								
	426	-	-	42,426,	21,086,357	-	-	21,086,357	
	,68			687					
	7								
	58,								
	\$ 452	\$ 1,809,	\$ 5,500,	\$ 65,762,	\$ 57,823,894	\$ 1,357,380	\$ 5,500,000	\$ 64,681,274	
	,16	840	000	006					
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Note 109 – Related Party

As disclosed previously, on August 9, 2022, the Company and Operating Partnership entered a Redemption Agreement with a unit holder. As such, the Company recorded an other payable - related party in the amount of \$2,912,299 upon execution of the Redemption Agreement entered into July 20, 2022 and the note has made payments to date totaling \$1,554,920 with a remaining balance of \$1,809,840 1,357,380 outstanding as of September 30, 2023 March 31, 2024. Additionally, the Company issued 200,000 shares of common stock at \$6.00 per share in accordance with the Redemption Agreement, and recorded the stock at par value of \$2,000 with the remaining \$1,198,000 to additional paid in capital.

As disclosed previously, on October 14, 2022, the Company entered into a loan transaction that is evidenced by a secured non-convertible promissory note to Brown Family Enterprises, LLC, a preferred equity partner and therefore a related party, for \$1,500,000 that is due on October 14, 2024, and bears a fixed interest rate of 9%, simple interest. Interest is payable monthly. The loan may be repaid without penalty at any time. The loan is secured by the Operating Partnership's equity interest in its current direct subsidiaries that hold real estate assets pursuant to the terms of a security agreement between the Operating Partnership and Brown Family Enterprises, LLC. On July 21, 2023, the Company amended and restated the promissory note to reflect an increase in the loan to \$5.5 million and extend the maturity date thereof from October 14, 2024 to October 14, 2026October 14, 2026. Except for the increase in the amount of the Loan and Note and the extension of the maturity date thereof, no changes were made to the original note.

As disclosed previously, on November 30, 2020, the Company acquired an approximately 3,500 square foot building from GIP Fund 1, LLC a related party that was owned 11% by the President and Chairman of the Company. The retail single tenant property (occupied by The Sherwin-Williams Company) in Tampa, Florida was acquired for approximately

\$1.8 million and was funded with approximately \$1.3 million of debt from Valley National Bank and the issuance of 24,309 GIP LP Units valued at \$20.00 per unit for purposes of the contribution. million. Since acquisition, GIP Fund 1, LLC was dissolved and each partner was allocated units to GIP LP pro-rata effectively reducing the President and Chairman of the Company's ownership to 0.09% as of September 30, 2023 March 31, 2024.

Note 11 – Tenancy-in-Common Investment

On August 13, 2021, During the three months ended March 31, 2024 and 2023 the Company entered into incurred a tenancy-in-common (“TIC”) investment whereby the TIC acquired a 15,288 square foot single tenant property in Rockford, IL for total consideration of approximately \$4.5 million. The Company acquired a 36.8% interest in the TIC acquisition with Sunny Ridge HHP, LLC (“Sunny Ridge”) holding the remaining TIC interest. Funding for the Company's interest was primarily funded through a redeemable non-controlling interest contribution from Richard Hornstrom guaranty fee expense to one of the Company's subsidiaries for \$650,000. The remainder of the purchase price of the property was funded by Sunny Ridge CEO of \$1.297,898 million and debt financing of approximately \$2.760,493 million. Richard Hornstrom owns 50% of Sunny Ridge and also contributed \$600,000 of \$950,000 redeemable non-controlling , respectively, recorded to interest contribution for the Plant City, FL property.

On April 1, 2022, the TIC refinanced the debt reducing the total debt outstanding to \$2.1 million with an interest rate of 3.85% from April 1, 2022 through and until March 31, 2027. Effective April 1, 2027, the interest rate adjusts to the 5-year Treasury plus 2.5% and subject to a floor of 3.85%. The Company's CEO entered into a guarantee agreement pursuant to which he guaranteed the payment obligations under the promissory note if they become due as a result of certain “bad-boy” provisions, individually and on behalf of the

Operating Partnership. The promissory note requires the TIC to maintain a debt service coverage ratio of 1.50:1:00 in addition to a 54% loan to value ratio. As of September 30, 2023, the TIC was in compliance with all covenants. expense. In conjunction with the refinancing of the debt, January 2024 the Company contributed paid \$455,888 385,395 to the TIC increasing CEO for guaranty fees from July 2023 through June 2024 of which \$96,360 remained unamortized and is included in Prepaid guaranty fees – related party on the Consolidated Balance Sheets as of March 31, 2024. See Note 8 – Debt for details of the guaranty provided by the Company's ownership to 50% interest President and reducing Sunny Ridge's interest to 50%. On September 7, 2023, the Company entered into a purchase agreement with Sunny Ridge pursuant to which the Company purchased Sunny Ridge's 50% undivided TIC interest for \$1,318,367 plus transaction costs of \$37,064 and the closing of such purchase occurred on September 7, 2023. The Rockford, IL property was accounted for under the equity method from inception through September 7, 2023. The purchase of the remaining interest in the TIC was accounted for under the cost accumulation method as previously disclosed. CEO. The condensed income statements for the three and nine months ended September 30, 2023 are as follows:

	January 1 to September 7,	Nine months ended September 30	July 1 to September 7,	Three months ended September 30
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	2023	2022	2023	2022
Total revenue	\$ 267,454	\$ 279,417	\$ 73,584	\$ 93,139
Total expenses	\$ 201,909	\$ 196,718	\$ 66,860	\$ 62,581
Operating income	\$ 65,545	\$ 82,699	\$ 6,724	\$ 30,558
Loss on debt extinguishment	\$ -	\$ (31,851)	\$ -	\$ -
Net income	\$ 65,545	\$ 50,848	\$ 6,724	\$ 30,558
GIP, LP's Share	\$ 32,773	\$ 23,841	\$ 3,362	\$ 16,751

Note 12 - 10 – Derivative Financial Instruments

The Company entered into an interest rate swap to hedge a portion of the interest rate risk associated with its borrowings. The Company does not intend to utilize derivatives for speculative transactions or purposes other than mitigation of interest rate risk. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, the Company only enters into derivative financial instruments with counterparties with quality credit ratings. The Company does not anticipate that any of the counterparties will fail to meet their obligations. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. and Fair Value Measurements

On August 10, 2023, as previously disclosed, the GIP Borrower Company entered into a Loan Agreement with Valley pursuant to which Valley made a loan to the Company in the amount of \$21.0 million to finance the acquisition of the Modiv Portfolio. The outstanding principal amount of the loan bears interest at an annual rate for each 30-day interest period equal to the compounded average of the secured overnight financing rate published by Federal Reserve Bank of New York for the thirty-day period prior to the last day of each 30-day interest rate for the applicable interest rate period plus 3.25%3.25%, with interest payable monthly after each 30-day interest period. To mitigate interest rate risk, On the same date, the Company entered into an interest rate corresponding swap to fix agreement, fixing the interest rate at 7.47.477% % per annum.

In November 2020, the Company entered into a \$

This derivative financial instrument is 1.3 million loan agreement and corresponding swap agreement to support project financing. The outstanding principal amount of the loan bears interest at an annual rate for each 30-day interest period equal to the compounded average of the secured overnight financing rate published by Federal Reserve Bank of New York for the thirty-day period prior to the last day of each 30-day interest rate for the applicable interest rate period plus 2.75%, with interest payable monthly after each 30-day interest period. The interest swap which is designated and qualifies as a cash flow hedge. fixed the interest rate at 3.72% per annum.

The Company does not use derivatives elected hedge accounting and has reported periodic changes in derivative valuations in Gain on derivative valuation, net for trading or speculative purposes and, as of September 30, 2023, does not have any derivatives that are not designated as hedges. The change in \$380,550 for the fair value of derivatives designated and qualifying as cash flow hedges are recorded in Accumulated other comprehensive income ("AOCI") three months ended March 31, 2024. As of September 30, 2023 March 31, 2024, the Company recognized a derivative asset in Escrow deposits and other assets and corresponding gain in Other comprehensive income Derivative Liability of \$78,969 169,942. and derivative asset of \$148,710, which was included in Escrow Deposits and Other assets on the face of the balance sheet.

The fair value of the Company's interest rate derivatives is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. All inputs are considered Level 3 inputs. Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts and estimated fair values of our financial instruments are as follows:

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 1,655,820	\$ 1,655,820	\$ 3,117,446	\$ 3,117,446
Restricted cash	34,500	34,500	34,500	34,500
Interest rate swaps	148,710	148,710	135,642	135,642
Financial liabilities:				
Interest rate swaps	169,942	169,942	537,424	537,424

Note 13.11 – Subsequent Events

On October 3, 2023 April 4, 2024 and May 3, 2024, the Company we announced that our Board of Directors authorized a distribution of \$0.039 per share monthly cash distribution for shareholders of record of the Company's our common stock as of October 15, 2023 April 15, 2024 and May 15, 2024, November 15, 2023, and December 15, 2023. October respectively. April distributions were paid on October 31, 2023 May 1, 2024 and the Company expects we anticipate May distributions to pay November and December distributions be paid on

or about November 30, 2023 and December 31, 2023, respectively, around May 31, 2024. The Operating Partnership common unit holders received the same distribution.

Subsequent to September 30, 2023 March 31, 2024 but before the filing of this Quarterly Report on Form 10-Q, 2,750 23,000 Investor Warrants were exercised on a cashless basis for 10% of the shares of Common Stock underlying the Investor Warrant, as the volume-weighted average trading price of the Company's shares of Common Stock on Nasdaq was below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days as of the date the Investor Warrants became exercisable. As such, 275 2,300 shares of common stock were issued upon exercise.

On October 26, 2023, the Company's Board of Directors authorized a distribution of \$0.039 per share monthly cash distribution for shareholders of record of our preferred stock as of October 30, 2023 which was paid November 14, 2023.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained herein. When used in this report, the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Actual results, performance or achievements could differ materially from the results expressed in, or implied by these forward-looking statements. Readers should be aware of important factors that, in some cases, have affected, and in the future could affect, actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. Factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, funds derived from operations, cash available for distribution, cash flows, liquidity and prospects include, but are not limited to, the risk factors listed from time to time in our reports with the Securities and Exchange Commission, including, in particular, those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

In this Quarterly Report on Form 10-Q, references to the "Company," "we," "us," "our" or similar terms refer to Generation Income Properties, Inc., a Maryland corporation, together with its consolidated subsidiaries, including Generation Income Properties, L.P., a Delaware limited partnership, which we refer to as our operating partnership (the "Operating Partnership"). As used in this Quarterly Report, an affiliate, or person affiliated with a specified person, is a person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

Overview

We are an internally managed, Maryland corporation focused on acquiring retail, office and industrial real estate located in major U.S. markets. We initiated operations during the year ended December 31, 2015 and have elected to be taxed as a REIT for federal income

tax purposes commencing with our taxable year ending December 31, 2021. Substantially all of the Company's assets are held by, and operations are conducted through, the Operating Partnership and the Operating Partnership's direct and indirect subsidiaries. The Company is the general partner of the Operating Partnership and as of September 30, 2023 March 31, 2024 owned 91% 95.3% of the outstanding common units of the Operating Partnership. The Company formed a Maryland entity GIP REIT OP Limited LLC in 2018 that owns 0.002% 0.001% of the Operating Partnership.

Public Offering and Nasdaq Listing

In September 2021, the Company closed an underwritten public offering of 1,665,000 units at a price to the public of \$10 per unit generating net proceeds of \$13.8 million including issuance costs incurred during the years ended December 31, 2021 and 2020. Each unit consisted of one share of common stock and one warrant to purchase one share of common stock at an exercise price equal to \$10 per share. The common stock and warrants included in the units (which were separated into one share of common stock and one warrant) currently trade on the Nasdaq Capital Market ("Nasdaq") under the symbols "GIPR" and "GIPRW," respectively.

Our Investments

The following are characteristics of our properties as of September 30, 2023 March 31, 2024:

- **Creditworthy Tenants.** Approximately 68% 65% of our portfolio's annualized base rent ("ABR") as of September 30, 2023 March 31, 2024 was derived from tenants that have (or whose parent company has) an investment grade credit rating from a recognized credit rating agency of "BBB-" or better. Our largest tenants are the General Service Administration, Dollar General,

City of San Antonio (Pre-K), EXP Services, and Kohl's Corporation and contributed approximately 49% 63% of our portfolio's annualized base rent.

- **Percent % Leased.** Our portfolio is 96% leased. 93% leased and occupied.
- **Contractual Rent Growth.** Approximately 84% 91% of the leases in our current portfolio (based on ABR as of September 30, 2023 March 31, 2024) provide for increases in contractual base rent during future years of the current term or during the lease extension periods.
- **Average Effective Annual Rental per Square Foot.** Average effective annual rental per square foot is \$16.02. 14.75.

Given the nature of our leases, our tenants either pay the realty taxes directly or reimburse us for such costs. We believe all of our properties are adequately covered by insurance.

The table below presents an overview of the properties in our portfolio as of **September 30, 2023** **March 31, 2024**:

Property Type	Location	Rentable Square Feet	Tenant	S&P Credit Rating ⁽¹⁾	Remaini ng Term (Yrs)	Options (Number x Yrs)	Contract ual Rent Escalatio		ABR per Sq. Ft.
							ns ⁽³⁾	ABR ⁽²⁾	
Retail	Washington, D.C.	3,000	7-Eleven Corporation	A	2.5	2 x 5	Yes	\$ 129,804	\$ 43.27
Retail	Tampa, FL	2,200	Starbucks Corporation	BBB+	4.4	4 x 5	Yes	\$ 200,750	\$ 91.25
Industrial	Huntsville, AL	59,091	Pratt & Whitney Automation, Inc.	A-	0.3	N/A	No	\$ 684,996	\$ 11.59
Office	Norfolk, VA	49,902	General Services Administration-Navy	AA+	5.0	N/A	Yes	\$ 926,923	\$ 18.57
Office	Norfolk, VA	22,247	VACANT	N/A	-	N/A	N/A	\$ -	\$ -
Office	Norfolk, VA	34,847	PRA Holdings, Inc. ⁽³⁾	BB+	3.9	1 x 5	Yes	\$ 765,136	\$ 21.96
Retail	Tampa, FL	3,500	Sherwin Williams Company	BBB	4.8	5 x 5	Yes	\$ 126,788	\$ 36.23
Office	Manteo, NC	7,543	General Services Administration-FBI	AA+	5.4	1 x 5	Yes	\$ 161,346	\$ 21.39
Office	Plant City, FL	7,826	Irby Construction	BBB-	1.3	2 x 5	Yes	\$ 170,865	\$ 21.83
Retail	Grand Junction, CO	30,701	Best Buy Co., Inc.	BBB+	3.5	1 x 5	Yes	\$ 353,061	\$ 11.50
Medical-Retail	Chicago, IL	10,947	Fresenius Medical Care Holdings, Inc.	BBB	3.1	2 x 5	Yes	\$ 228,902	\$ 20.91
Retail	Tampa, FL	2,642	Starbucks Corporation	BBB+	3.4	2 x 5	Yes	\$ 148,216	\$ 56.10
Retail	Tucson, AZ	88,408	Kohl's Corporation	BB+	6.3	7 x 5	Yes	\$ 823,962	\$ 9.32
Retail	San Antonio, TX	50,000	City of San Antonio (PreK)	AAA	5.8	1 x 8	Yes	\$ 924,000	\$ 18.48
Retail	Bakersfield, CA	18,827	Dollar General Market	BBB	4.8	3 x 5	Yes	\$ 361,075	\$ 19.18
Retail	Big Spring, TX	9,026	Dollar General	BBB	6.8	3 x 5	Yes	\$ 86,040	\$ 9.53
Retail	Castalia, OH	9,026	Dollar General	BBB	11.7	3 x 5	Yes	\$ 79,320	\$ 8.79

Retail	East Wilton, ME	9,100	Dollar General	BBB	6.8	3 x 5	Yes	\$ 112,440	\$ 12.36
Retail	Lakeside, OH	9,026	Dollar General	BBB	11.7	3 x 5	Yes	\$ 81,036	\$ 8.98
Retail	Litchfield, ME	9,026	Dollar General	BBB	7.0	3 x 5	Yes	\$ 92,964	\$ 10.30
Retail	Mount Gilead, OH	9,026	Dollar General	BBB	6.8	3 x 5	Yes	\$ 85,920	\$ 9.52
Retail	Thompsontown, PA	9,100	Dollar General	BBB	7.1	3 x 5	Yes	\$ 86,004	\$ 9.45
Retail	Morrow, GA	10,906	Dollar Tree Stores, Inc.	BBB	1.8	3 x 5	Yes	\$ 103,607	\$ 9.50
Office	Maitland, FL	33,118	exp U.S. Services Inc.	Not Rated	3.2	1 x 5	Yes	\$ 835,346	\$ 25.22
Office	Vacaville, CA	11,014	General Services Administration	AA+	2.9	N/A	No	\$ 343,665	\$ 31.20
Retail	Santa Maria, CA	14,490	Walgreens ⁽⁴⁾	BBB	8.5	N/A	No	\$ 369,000	\$ 25.47
Retail	Rockford, IL	15,288	La-Z-Boy Inc.	Not Rated	4.1	4 x 5	Yes	\$ 366,600	\$ 23.98
Tenants - All Properties		539,827						8,647,7	\$ 66 \$ 16.02

Property Type	Location	Rentable		S&P Credit Rating ⁽¹⁾	Remaining Term (Yrs)	Options (Number x Yrs)	Contractual Rent		ABR per Sq. Ft.
		Feet	Tenant				Escalations ⁽⁵⁾	ABR ⁽²⁾	
Retail	Washington, D.C.	3,000	7-Eleven Corporation	A	2.0	2 x 5	Yes	\$ 129,804	\$ 43.27
Retail	Tampa, FL	2,200	Starbucks Corporation	BBB+	3.9	4 x 5	Yes	\$ 200,750	\$ 91.25
Industrial	Huntsville, AL	59,091	VACANT ⁽⁴⁾	N/A	-	N/A	N/A	\$ -	\$ -
Office	Norfolk, VA	49,902	General Services Administration-Navy ⁽⁷⁾	AA+	4.5	N/A	Yes	\$ 926,923	\$ 18.57
Office	Norfolk, VA	22,247	VACANT ⁽⁷⁾	N/A	-	N/A	N/A	\$ -	\$ -

Office	Norfolk, VA	34,847	PRA Holdings, Inc. (3)	BB+	3.4	1 x 5	Yes	\$ 765,136	\$ 21.96
Retail	Tampa, FL	3,500	Sherwin Williams Company	BBB	4.3	5 x 5	Yes	\$ 126,788	\$ 36.23
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								0	
Retail	Rockford, IL	15,288	La-Z-Boy Inc.	Not Rated	3.6	4 x 5	Yes	\$ 366,600	\$ 23.98
								0	
Tenants - All		539,827						7,962,7	
Properties								\$ 70	\$ 14.75

(1) Tenant, or tenant parent, rated entity.

(2) Annualized cash base rental income in place as of September 30, 2023 March 31, 2024. Our leases do not include tenant concessions or abatements.

(3) Tenant has the right to terminate the lease on August 31, 2024 subject to certain conditions.

(4) Tenant terminated the lease and vacated on January 31, 2024.

(5) Includes rent escalations available from lease renewal options.

(4) (6) Tenant has the right to terminate the lease as of March 31, 2032, March 31, 2037, March 31, 2042, March 31, 2047, March 31, 2052, and March 31, 2057.

(7) Two tenants occupy this single property. New lease executed for the vacant unit, effective May 1, 2024.

Distributions

From inception through September 30, 2023 March 31, 2024, we have distributed approximately \$3,565,547 \$4,397,141 to common stockholders.

Portfolio Acquisition

On August 10, 2023, we and our Operating Partnership entered into an Agreement of Purchase and Sale with Modiv Inc., now known as Modiv Industrial, Inc., a Maryland corporation ("Modiv") and certain of its indirect subsidiaries (together with Modiv, the "Seller"),

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pursuant to which we purchased a portfolio of 13 properties from the Seller (the "Portfolio Purchase") for a purchase price of \$42.0 million, excluding estimated transaction costs and expenses of \$1.6 million and subject to prorations and credits as set forth in the Agreement of Purchase and Sale, consisting of \$30.0 million in cash and 2,400,000 shares of a new series of preferred stock designated as Series A Redeemable Preferred Stock (the "Series A Preferred Stock"), par value \$0.01 per share.

We funded the cash portion of the purchase price and the transaction expenses with a combination of cash on hand, \$21.0 million in new secured mortgage debt, and a \$12.0 million preferred equity investment by LC2-NNN Pref, LLC, a Florida limited liability company and affiliate of Loci Capital Partners ("LC2"), as summarized below:

- We, through a newly formed subsidiary, GIP13 LLC ("GIP Borrower"), entered into a loan agreement with Valley National Bank in the amount of \$21.0 million, which is secured by the 13 properties comprising the Portfolio Purchase and eight other properties held by subsidiaries of GIP VB SPE, LLC, a Delaware limited liability company ("GIP SPE") that had outstanding loans with Valley National Bank. All of the mortgaged properties cross collateralize the loan, the loan is guaranteed by the Operating Partnership and the subsidiaries of GIP Borrower that hold the properties comprise the Portfolio Purchase. Payments of interest and principal in the amount of approximately \$156,000 are due and payable monthly, with all remaining principal and accrued but unpaid interest due and payable on a maturity date of August 10, 2028. To secure a fixed interest rate on this new debt, we entered into an interest rate swap agreement

fixing the interest rate to 7.47% based on 1-month SOFR plus 3.25%. Our Chief Executive Officer, David Sobel, entered into a guarantee agreement for \$7.5 million pursuant to which he guaranteed the payment obligations under the promissory notes if they become due as a result of certain “bad-boy” provisions, individually and on behalf of Operating Partnership. See Note 9 “Mortgage Loans” to our consolidated financial statements for more information.

- On August 10, 2023, we, through GIP SPE entered into an Amended and Restated Limited Liability Company Agreement (the “Amended and Restated LLC Agreement”) whereas LC2 purchased a preferred equity interest (“Preferred Interest”) in GIP SPE, providing proceeds of an initial capital contribution of \$12.0 million, together with a commitment to make an additional \$2.1 million contribution upon the acquisition of our tenant-in-common investment. The Company completed the acquisition of such tenant-in-common interest on September 7, 2023, for a purchase price of \$1.3 million and LC2 made the additional \$2.1 million capital contribution on September 11, 2023. The Preferred Interest has a cumulative accruing distribution preference of 15.5% per year, compounded monthly (“Preferred Return”), a portion of which in the amount of 5% per annum, compounded monthly, is deemed to be the “Current Preferred Return”, and the remainder of which in the amount of 10.5% per annum (compounded monthly) is deemed to be the “Accrued Preferred Return.” We must redeem the Preferred Interest by August 10, 2025, with options to extend for an additional 12 months upon payment of an extension fee and an increased preferred rate of return of 18%. LC2 also received a 1% equity fee at closing and will receive a .5% equity fee upon redemption of the Preferred Interest. LC2 will have approval rights to major decisions as defined by the Amended and Restated LLC Agreement. See Note 7 “Non-Controlling Interests – LC2-NNN Pref, LLC” to our consolidated financial statements for more information.

On August 10, 2023, we filed Articles Supplementary (the “Articles Supplementary”), with the State Department of Assessments and Taxation of the State of Maryland, to our Articles of Amendment and Restatement, as amended, classifying and designating 2,400,000 shares of our authorized capital stock as shares of Series A Redeemable Preferred Stock. We issued 2,400,000 shares of Series A Preferred Stock to Modiv on August 10, 2023, to fund a portion of the purchase price of the Portfolio Purchase. As set forth in the Articles Supplementary, the Series A Preferred Stock ranks, with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up, senior to all classes or series of our common stock, par value \$0.01 per share (the “Common Stock”). Holders of Series A Preferred Stock, when, as and if authorized by our board of directors and declared by us out of funds legally available for the payment of dividends, are entitled to cumulative cash dividends at the rate of 9.5% per annum of the \$5.00 liquidation preference per share, equivalent to a fixed annual amount of \$0.475 per share, which shall increase to a rate of 12.0% of the \$5.00 liquidation preference per share per annum, equivalent to a fixed annual amount of \$0.60 per share, beginning on September 15, 2024. Dividends are payable monthly in arrears on or about the 15th day of each month, beginning on September 15, 2023. Dividends will accrue and be cumulative from and including August 10, 2023, the first date on which shares of the Series A Preferred Stock were issued. See Note 7 “Non-Controlling Interests — Modiv — Series A Preferred Stock” to our consolidated financial statements included in this report for more information regarding the terms of our Series A Preferred Stock.

Concurrent with the closing of the Portfolio Purchase as described above, we entered into certain redemption agreements for the following redeemable non-controlling interests in certain special purpose entities that own properties:

- On August 8, 2023, we and the Brown Family Trust entered into an agreement to redeem Brown Family Trust's preferred equity interest of \$500,000 and a distribution of \$1,250 paid on August 10, 2023.
- On August 8, 2023, we and Irby Prop Partners entered into an agreement to redeem Irby Prop Partners' preferred equity interests of \$950,000 and a distribution of \$90,070 paid on August 10, 2023.

- On August 8, 2023, we and Richard Hornstrom entered into an agreement to redeem Richard Hornstrom's preferred equity interest of \$650,000 and a distribution of \$57,780 paid on August 10, 2023.

On September 7, 2023, we entered into a purchase agreement pursuant to which we purchased the remaining tenancy-in-common ("TIC") interest in its Rockford, IL property leased by La-Z-Boy for \$1,318,367 and incurred closing costs of \$37,034 for total consideration of \$1,355,401. We recorded the acquisition under the cost accumulation method. Pursuant to the Amended and Restated Limited Liability Company Agreement for GIP SPE, entered into by the Operating Partnership and LC2, LC2 was obligated to make an additional \$2.1 million capital contribution in GIP SPE upon completion of the acquisition of the Rockford TIC Interest. This additional capital contribution was made on September 11, 2023.

Recent Developments

Dividends

On ~~October 3, 2023~~ April 4, 2024, we announced that our Board of Directors authorized a distribution of ~~\$0.0396~~ \$0.039 per share monthly cash distribution for shareholders of record of our common stock as of ~~October 15, 2023, November 15, 2023, and December 15, 2023~~ April 15, 2024. ~~October~~ April distributions were paid on ~~October 31, 2023~~ May 1, 2024 and we ~~expect~~ anticipate May distributions to pay November and December distributions be paid on or about November 30, 2023 and December 31, 2023, respectively, around May 31, 2024. The Operating Partnership common unit holders received ~~receive~~ the same distribution.

On October 26, 2023, our Board of Directors authorized a distribution of \$0.0396 per share monthly cash distribution for shareholders of record of our preferred stock as of October 30, 2023 which was paid November 14, 2023.

Warrant Exercises

Subsequent to September 30, 2023 but before the filing of this Quarterly Report on Form 10-Q, 2,750 Investor Warrants were exercised on a cashless basis for 10% of the shares of Common Stock underlying the Investor Warrant, as the volume-weighted average trading price of the Company's shares of Common Stock on Nasdaq was below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days as of the date the Investor Warrants became exercisable. As such, 275 shares of common stock were issued upon exercise.

Amendment of Secured Promissory Note

On July 21, 2023, we, through the Operating Partnership, amended and restated its previously disclosed Secured Promissory Note, dated October 14, 2022, payable to Brown Family Enterprises, LLC (the "Lender"), and the related Security Agreement with the Lender, dated October 14, 2022 (the "Security Agreement"), to reflect an increase in the Note and the loan evidenced thereby (the "Loan") from \$1.5 million to \$5.5 million and extend the maturity date thereof from October 14, 2024 to October 14, 2026. Except for the increase in the amount of the Loan and Note and the extension of the maturity date thereof, no changes were made to the original Note and Security Agreement.

Results of Operations

Operating results for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023:

Revenue

During the three months ended September 30, 2023 March 31, 2024, total revenue from operations was \$1,844,148 2,433,173 as compared to \$1,474,085 \$1,337,039 for the three months ended September 30, 2022 March 31, 2023. Revenue increased primarily due to the revenues generated from the acquisitions by \$1,096,134 during the quarter offset three months ended March 31, 2024 compared with the three months ended March 31, 2023 driven by the move out integration of one tenant in January 2023, the acquired 13 property portfolio from Modiv.

Operating Expenses

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During the three months ended September 30, 2023 March 31, 2024, we incurred total operating expenses of \$3,060,136 \$3,633,825 as compared to \$1,957,293 \$2,035,794 for the three months ended September 30, 2022 March 31, 2023. Operating expenses increased by \$1,598,031 as per below. follows:

	Three Months Ended September 30,		
	2023	2022	Change
General and administrative expense	\$ 530,538	\$ 408,570	\$ 121,968
Building expenses	431,359	269,781	161,578
Depreciation and amortization	981,419	561,510	419,909
Interest expense, net	770,624	382,440	388,184
Compensation costs	346,196	334,992	11,204
Total expenses	\$ 3,060,136	\$ 1,957,293	\$ 1,102,843

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	Three months ended March 31,		
	2024	2023	Change
General and administrative expense	\$ 449,797	\$ 344,147	\$ 105,650
Building expenses	654,667	313,600	341,067
Depreciation and amortization	1,226,605	557,550	669,055
Interest expense, net	1,020,741	469,210	551,531

Compensation costs	282,015	351,287	(69,272)
Total expenses	\$ 3,633,825	\$ 2,035,794	\$ 1,598,031

- General, administrative and administrative organizational costs increased due to the by \$105,650 driven by an increase in legal expenses for corporate matters, accounting, audit and tax fees during the three months ended March 31, 2024.
- Building expenses and increased by \$341,067 due to an overall increase driven by the integration of the acquired property portfolio from Modiv in August 2023 compared the portfolio in operation during the three months ended March 31, 2023.
- Depreciation and amortization increased due to by \$669,055 driven by the integration of the since acquired 13 property acquisitions made portfolio from Modiv compared the portfolio in operation during the quarter, three month ended March 31, 2023.
- Interest expense, net increased primarily due to by \$551,531 driven by the incremental interest and guarantee fee expense incurred on the new mortgage loans entered into in conjunction with the property acquisitions during the quarter.

Other expenses

- During of approximately \$390,000 for the three months ended September 30, 2022 March 31, 2024, we due to Company's borrowing of approximately \$21 million of mortgage debt secured by the acquired 13 property portfolio additional incremental increase is the result of the guaranty fee expense to the Company's CEO of \$97,898 recorded to interest expense during the three months ended March 31, 2024. Guaranty fee expense incurred \$45,660 during the three months ended March 31, 2023 was \$60,493.
- Compensation costs decreased by \$69,272 primarily due to savings in dead deal salary expense related to acquisition costs incurred in from assets we are no longer pursuing and for acquisition, accounting and administrative staff.

Net loss

During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we generated a net loss of \$1,213,265 \$1,879,096 and \$512,117, \$1,190,353, respectively.

Net income attributable to non-controlling interests Other expense

During the three months ended September 30, 2023 March 31, 2024 and 2022, net income attributable to non-controlling interest was \$425,637 and \$126,803, respectively. The increase is primarily related to the preferred equity investment made by LC2.

Net loss attributable to common shareholders

During the three months ended September 30, 2023 and 2022, we generated a net loss attributable to our common shareholders of \$1,828,902 and \$638,920, respectively, driven by the variances described above.

Comprehensive loss attributable to common shareholders

During the three months ended September 30, 2023 and 2022, we generated a comprehensive loss attributable to our common shareholders of \$1,749,933 and \$638,920, respectively, driven by the variances described above and a gain on

derivative instrument.

Operating results for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022:

Revenue

During the nine months ended September 30, 2023, total revenue from operations was \$4,510,065 as compared to \$4,035,123 for the nine months ended September 30, 2022. Revenue increased primarily due to the revenues generated from the acquisitions during the quarter offset by the move out of one tenant in January 2023.

Operating Expenses

During the nine months ended September 30, 2023, we incurred total operating expenses of \$7,082,645 as compared to \$5,636,231 for the nine months ended September 30, 2022, as per below.

	Nine Months Ended September 30,		
	2023	2022	Change
General and administrative expense	\$ 1,233,674	\$ 1,222,986	\$ 10,688
Building expenses	1,065,214	848,373	216,841
Depreciation and amortization	2,096,970	1,551,079	545,891
Interest expense, net	1,706,585	1,088,361	618,224
Compensation costs	980,202	925,432	54,770
Total expenses	\$ 7,082,645	\$ 5,636,231	\$ 1,446,414

- General and administrative costs increased due to the increase in legal expenses for corporate matters.
- Building expenses and Depreciation and amortization increased due to the property acquisitions.
- Interest expense, net increased primarily due to the interest and guarantee fee expense incurred on the new mortgage loans entered into in conjunction with the property acquisitions.
- Compensation costs increased due to an increase in stock based compensation expense from accelerated vesting of the restricted stock.

Other expenses

- During the nine months ended September 30, 2023, 2022, we accrued approximately \$0 and \$506,000 relating to the potential reimbursement of federal, state and local income taxes incurred by a remaining partner in one of our partnerships pursuant to a tax protection agreement.

- During the nine months ended September 30, 2023 and 2022, we incurred \$109,569 and \$153,031, respectively, in dead deal expense related to acquisition costs incurred in from assets we are no longer pursuing for acquisition.
- During the nine months ended September 30, 2022, we incurred a loss on debt extinguishment of \$144,029 relating to the write off of unamortized debt issuance costs previously incurred on mortgage loans that were refinanced in addition to a prepayment penalty incurred of \$21,000.

Net loss

During the nine months ended September 30, 2023 and 2022, we generated a net loss of \$3,156,015 and \$1,874,327, respectively.

Net income attributable to non-controlling interests

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, net income attributable to non-controlling interest was \$681,916 \$946,124 and \$386,947, \$127,214, respectively. The increase variance is primarily related attributable to additional redeemable non-controlling interests established during the preferred equity investment made by LC2. second half of fiscal year 2023 to facilitate acquisitions, namely the acquisition of the 13 property Modiv portfolio in August 2023.

Net loss attributable to common shareholders

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we generated a net loss attributable to our common shareholders of \$4,027,931 \$2,920,220 and \$2,261,274, \$1,317,567, respectively.

During the three months ended September 30, 2023 and 2022, we generated a comprehensive loss attributable to our common shareholders of \$3,948,962 and \$2,261,274, respectively, driven by the variances described above and a gain on derivative instrument in the current year.

Liquidity and Capital Resources

We require capital to fund our investment activities and operating expenses. Our capital sources may include net proceeds from offerings of our equity securities, cash flow from operations and borrowings under credit facilities. As of September 30, 2023 March 31, 2024, we had total cash (unrestricted and restricted) of \$4,372,672, \$1,690,320, properties with a gross cost basis of \$104,966,403 \$96,539,788 and outstanding mortgage loans with a principal balance of \$58,452,166, \$57,823,894.

In September 2021, we closed an underwritten public offering of 1,665,000 units at a price to the public of \$10 per unit generating net proceeds of \$13.8 million including issuance costs incurred during the years ended December 31, 2021 and 2020.

On October 26, 2021, we entered into a Commitment Letter with American Momentum Bank (the "Lender") for a \$25 million master commitment credit facility (the "Facility") to be used for the acquisition of income producing real estate properties. Borrowings under the Facility will accrue interest at a variable rate equal to the Wall Street Journal Prime rate, adjusted monthly, subject to a floor interest rate of 3.25% per year. On May 9, 2022, we amended the Facility with the Lender, by entering into a new Facility, to increase the available borrowings from \$25.0 million to \$50.0 million to be used for the acquisition of income producing real estate properties under the same terms as provided by the agreement entered into on October 26, 2021. The new Commitment Letter will become effective contingent upon the Company completing a future capital raise of \$25.0 million or more, and prior to such time, the current Commitment Letter will remain in place. On

September 9, 2022, we and the Lender combined the prior commitment letters entered into in October 2021 and May 2022 into a single Commitment Letter, and have amended the rate index used for borrowing to be a variable rate equal to the 30-Day CME Term SOFR Rate, plus a margin of 2.40%, adjusted monthly, subject to a floor interest rate of 3.25% per year. All other terms under the prior commitment letters remained materially the same. As of September 30, 2023 and December 31, 2022, we did not have an outstanding balance on the Facility.

On April 1, 2022, we entered into two mortgage loan agreements with an aggregate balance of \$13.5 million to refinance seven of our properties. The loan agreements consist of one loan in the amount of \$11.4 million secured by six properties and allocated to each property based on each property's appraised value, and one loan in the amount of \$2.1 million on the property previously held in the

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tenancy-in-common investment at an interest rate of 3.85% from April 1, 2022 through and until March 31, 2027. In conjunction with the LC2 Investment to purchase the remaining interest in the tenancy-in-common interest discussed above, we the Company assumed the original \$2.1 million loan on the property with a remaining balance as of September 30, 2023 of \$2,079,178 and recognized a discount of \$383,767. Effective April 1, 2027 and through the maturity date of March 31, 2032, the interest rate adjusts to the 5-year Treasury plus 2.5% and is subject to a floor of 3.85%. Our CEO entered into a guarantee agreement pursuant to which he guaranteed the payment obligations under the promissory notes if they become due as a result of certain "bad-boy" provisions, individually and on behalf of the Operating Partnership.

On August 10, 2023, we GIP13, LLC, a Delaware limited liability company and wholly owned subsidiary of GIP SPE ("GIP Borrower"), entered into a \$21.0 million loan agreement Loan Agreement with Valley National Bank ("Valley") pursuant to which Valley made a loan to the Company in the amount of \$21.0 million to finance the acquisition of the Modiv Portfolio. The outstanding principal amount of the loan bears interest at an annual rate for each 30-day interest period equal to the compounded average of the secured overnight financing rate published by Federal Reserve Bank of New York for the thirty-day period prior to the last day of each 30-day interest rate for the applicable interest rate period plus 3.25%, with interest

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payable monthly after each 30-day interest period. However, we the Company entered into an interest rate swap to fix the interest rate at 7.47% per annum. Payments of interest and principal in the amount of approximately \$156,000 are due and payable monthly, with all remaining principal and accrued but unpaid interest due and payable on a maturity date of August 10, 2028. The loan may generally be prepaid at any time without penalty in whole or in part, provided that there is no return of loan fees and prepaid financing fees. The loan is secured by first mortgages and assignments of rents in the properties comprising the Modiv Portfolio and eight other properties held by subsidiaries of GIP SPE that had outstanding loans with Valley. All of the mortgaged properties cross collateralize the loan, and the loan is guaranteed by the Operating Partnership

and the subsidiaries of the Company that hold the properties subject to the acquisition of that comprise the Modiv Portfolio. The loan agreement requires a minimum debt-service coverage ratio 1.50:1 also provides for customary events of default and other customary affirmative and negative covenants that are applicable to GIP Borrower and its subsidiaries, including reporting covenants and restrictions on a trailing twelve-month basis, tested as investments, additional indebtedness, liens, sales of December 31, 2024 properties, certain mergers, and annually thereafter. Our certain management changes. The Company's President and CEO also entered into a personal, full recourse guarantee with a \$7,500,000 cap.

Our President and CEO has also personally guaranteed the repayment of the \$10.9 million \$10.7 million due under the 7-11 - Washington, DC; Starbucks-South Starbucks - South Tampa, FL; and Pratt & Whitney-Huntsville, vacant - Huntsville, AL loan as well as the \$1.3 million loan secured by the Company's Sherwin-Williams - Tampa, FL property. In addition, our President and CEO has also provided a guaranty of the Borrower's Company's nonrecourse carveout liabilities and obligations in favor of the lender for the GSA and PRA Holdings, Inc. - Norfolk, VA mortgage loans ("Bayport loans") with an aggregate principal amount of \$12,005,274. \$11.8 million.

During the three and nine months ended September 30, 2023 March 31, 2024, we incurred a guarantee guaranty fee expense to our President and CEO of \$81,022 and \$196,304, respectively, \$97,898 recorded to interest expense. A guaranty fee expense and \$57,641 and \$57,641 was of \$60,493 incurred during the three and nine months ended September 30, 2022 March 31, 2023.

On August 9, 2022, we entered a Redemption Agreement with a unit holder. As such, we recorded an other payable - related party in the amount of \$2,912,300 upon execution of the Redemption Agreement entered into July 20, 2022 and has since made the first and second installment payments of \$325,000 each on September 13, 2022 and March 8, 2023, respectively, and third payment of \$452,460 on September 14, 2023 \$1,554,920 to date with a remaining balance of \$1,809,840 \$1,357,380 outstanding as of September 30, 2023 March 31, 2024.

On October 14, 2022, we entered into a loan transaction that is evidenced by a secured non-convertible promissory note to Brown Family Enterprises, LLC, a preferred equity partner and therefore a related party, for \$1.5 million that is due on October 14, 2024, and bears a fixed interest rate of 9%, simple interest. Interest is payable monthly. On July 21, 2023, the Company amended and restated the promissory note to reflect an increase in the loan to \$5.5 million and extend the maturity date thereof from October 14, 2024 to October 14, 2026. Except for the increase in the amount of the Loan and Note and the extension of the maturity date thereof, no changes were made to the original note. The loan may be repaid without penalty at any time. The loan is secured by the Operating Partnership's equity interest in its current direct subsidiaries that hold real estate assets pursuant to the terms of a security agreement between the Operating Partnership and Brown Family Enterprises, LLC. On July 21, 2023, we amended and restated the loan and the related security agreement with Brown Family Enterprises, LLC to reflect an increase in the note and the loan evidenced thereby from \$1.5 million to \$5.5 million and extend the maturity date thereof from October 14, 2024 to October 14, 2026. Except for the increase in the amount of the loan and note and the extension of the maturity date thereof, no changes were made to the original note and security agreement.

We currently obtain the capital required to primarily invest in and manage a diversified portfolio of commercial net lease real estate investments and conduct our operations from the proceeds of equity offerings, debt financings, preferred minority interest obtained from third parties, issuance of Operating Partnership units and from any undistributed funds from our operations.

We anticipate that As a result of our recurring losses, our projected cash needs, and our current liquidity, substantial doubt exists about the Company's ability to continue as a going concern one year after the date that these financial statements are issued. The Company's ability to continue as a going concern is contingent upon successful execution of management's plan to improve the Company's liquidity and profitability. Our current and anticipated liquidity is less than the principal balance of these obligations. As a result of our recurring losses, our projected cash on hand needs, and availability under our current liquidity, substantial doubt exists about the Facility combined with the revenue generated from investment properties and proceeds from debt arrangements will Company's ability to provide sufficient liquidity to meet future funding commitments for at least the next 12 months from the date the financial statements are issued. months.

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As of September 30, 2023 and December 31, 2022, we had total current liabilities which consists of accounts payable, accrued expenses, and insurance payable of \$1,531,077 and \$714,354, respectively.

Outstanding mortgage loans payable consisted of the following as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively:

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7-Eleven Corporation & Starbucks Corporation		Washington, D.C., Tampa, FL, and Huntsville, AL		\$ 11,287,500	(a) 4.17%	3/6/2030	\$ 10,705,459	\$ 10,757,239	1.25
General Services Administration-Navy & Vacant Unit	Norfolk, VA	8,260,000	3.50%	9/30/2024	7,281,369	7,341,804	1.25		
PRA Holdings, Inc.	Norfolk, VA	5,216,749	3.50%	10/23/2024	4,520,121	4,562,722	1.25		
Sherwin Williams Company	Tampa, FL	1,286,664	3.72% (b)	8/10/2028	1,278,844	1,286,664	1.20		

General	Ma	9	3	3/	9	9	1.5	Manteo, NC	928,728	(c)	3.85%	(d)	3/31/2032	908,118	913,958	1.50			
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Irby	Pla	9	(3	3/	9	9	1.5	Plant City , FL	928,728	(c)	3.85%	(d)	3/31/2032	908,118	913,958	1.50		
Construction	nt	2	c	.	d	31	1	2											
	City	8)	8)	/2	9	8											
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La-Z-Boy Inc.	Roc	2	3	3/	2	-	1.5	Rockford, IL	2,100,000		3.85%	(d)	3/31/2032	2,053,584	2,066,604	1.50			
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Best Buy Co.,	Gra	2	(3	3/	2	2	1.5	Grand Junction, CO	2,552,644	(c)	3.85%	(d)	3/31/2032	2,495,997	2,512,050	1.50		
Inc.	nd	,	c	.	d	31	,	,											
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Fresenius Medical Care Holdings, Inc.	Chicago, IL	Chi cag o, IL	1 3 3/ 1 1 1.5	1,727,108	(c) 3.85%	(d) 3/31/2032	1,688,781	1,699,642	1.50
Starbucks Corporation	Tampa, FL	Tam pa, FL	1 (3 (3/ 1 1 1.5	1,298,047	(c) 3.85%	(d) 3/31/2032	1,269,241	1,277,404	1.50
Kohl's Corporation	Tucson, AZ	Tuc son, AZ	3 3 3/ 3 3 1.5	3,964,745	(c) 3.85%	(d) 3/31/2032	3,878,651	3,901,694	1.50
City of San Antonio (PreK)	San Antonio, TX	San Ant onio , TX	6 (7 (8/ 6 - 1.5	6,444,000	(e) 7.47%	(b) 8/10/2028	6,394,286	6,416,362	1.50

Dollar General	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
Market	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
	Bakersfield, CA	2,428,000	(e)	7.47%	(b)	8/10/2028	2,409,212	2,417,587	1.50
Dollar General	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
Market	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
	Big Spring, TX	635,000	(e)	7.47%	(b)	8/10/2028	630,086	632,277	1.50
Dollar General	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
Market	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
	Castalia, OH	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
Dollar General	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
Market	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
	East Wilton, ME	726,000	(e)	7.47%	(b)	8/10/2028	720,382	722,886	1.50
Dollar General	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
Market	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50
	Lakeside, OH	567,000	(e)	7.47%	(b)	8/10/2028	562,612	564,568	1.50

Dollar General	Litchfield, ME	624,000	(e)	7.47%	(b)	8/10/2028	619,171	621,324	1.50
Dollar General	Mount Gilead, OH	533,000	(e)	7.47%	(b)	8/10/2028	528,876	530,714	1.50
Dollar General	Thomsontown, PA	556,000	(e)	7.47%	(b)	8/10/2028	551,698	553,615	1.50
Dollar Tree Stores, Inc.	Morrow, GA	647,000	(e)	7.47%	(b)	8/10/2028	641,993	644,225	1.50
exp U.S. Services Inc.	Maitland, FL	2,950,000	(e)	7.47%	(b)	8/10/2028	2,927,172	2,937,348	1.50

General	Vac	1	7	8/	1	-	1.5	Vacaville, CA	1,293,000	(e)	7.47%	(b)	8/10/2028	1,282,995	1,287,454	1.50		
Services	avill	,	(.	(10	,											
Administration	e,	2	e	4	b	/2	2											
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Walgreens	San	3	(7	(8/	3	-	1.5	Santa Maria,	3,041,000	(e)	7.47%	(b)	8/10/2028	3,015,430	3,027,958	1.50
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- (a) Loan subject to prepayment penalty
- (b) Fixed via interest rate swap
- (c) One loan in the amount of \$11.4 million secured by six properties and allocated to each property based on each property's appraised value.
- (d) Adjustment effective April 1, 2027 equal to 5-year Treasury plus 2.5% and subject to a floor of 3.85%
- (e) One loan in the amount of \$21.0 million secured by 13 properties and allocated to each property based on each property's appraised value.

We amortized debt issuance costs during the three months ended September 30, 2023 March 31, 2024 and 2022 2023 to interest expense of \$46,260 approximately \$47,780 and \$27,758, \$28,865, respectively. We amortized The Company did not pay any debt issuance costs during the nine three months ended September 30, 2023 March 31, 2024 and 2022 to

interest expense of \$103,990 and \$89,364, respectively. We paid debt issuance costs of \$376,877 during the three and nine months ended September 30, 2023 and \$330,177 during the three and nine months ended September 30, 2022. 2023.

Each promissory note mortgage loan requires us the Company to maintain certain debt service coverage ratios as noted above. In addition, two mortgage loans, one encumbered by seven six properties and requiring a 1.50 DSCR, requires us and another stand alone mortgage loan requiring a 1.50 DSCR, require the Company to maintain a 54% loan to fair market stabilized value ratio. Fair market stabilized value shall be determined by the lender by reference to acceptable guides and indices or appraisals from time to time at its discretion. As of September 30, 2023 March 31, 2024, we were in compliance with all covenants. covenants, with the exception of one project level DSCR covenant for 2510 Walmer Ave. Our Bayport Credit Union loan covenant requires project level, property level and portfolio level DSCR minimum testing. At the project-level, 2510 Walmer Ave tested at a 1.17:1 DSCR, compared with the 1.25:1 project level minimum DSCR, driven by its vacancy since January 2023. According to the governing loan document, failing to meet DSCR coverage requirements is a technical default triggering the risk of forfeiture of the property, accelerating the repayment of the remaining outstanding balance of the loan at the lender's discretion. All other DSCR covenants tested compliant and the lender has indicated no intention of action. Additionally, a new lease was executed for 2510 Walmer Ave. on March 28, 2024 and will restore the property to full occupancy upon commencement on May 1, 2024.

Minimum required principal payments on our debt as of September 30, 2023 March 31, 2024 are as follows:

			Total as of Septem ber 30, 2023				
				Mortgage Loans	Other Payable - Related Party	Loan Payable - Related Party	Total as of March 31, 2024
	Mort gage	Other Payable	Loan Payable				
	Loans	Related Party	Related Party				
2023 (3 months remaining)	308 \$,28	-	-	308,281			
2024	12, 780 ,77 6	1,809, 840	-	14,590, 616			

2024 (9 months remaining)					12,459,324	1,357,380	-	13,816,704
2025	926,633	-	-	926,633	926,633	-	-	926,633
2026	976,467	-	5,500,000	6,476,467	976,467	-	5,500,000	6,476,467
2027	1,033,322	-	-	1,033,322	1,033,322	-	-	1,033,322
2028					21,341,791	-	-	21,341,791
Thereafter	42,426,687	-	-	42,426,687	21,086,357	-	-	21,086,357
	\$ 452,166	\$ 1,809,840	\$ 5,500,000	\$ 65,762,006	\$ 57,823,894	\$ 1,357,380	\$ 5,500,000	\$ 64,681,274

On February 8, 2023, we entered into new Amended and Restated Limited Liability Company Agreements for the Norfolk, Virginia properties, GIPVA 2510 Walmer Ave, LLC ("GIPVA 2510") and GIPVA 130 Corporate Blvd, LLC ("GIPVA 130"), in which we, as the sole member of GIPVA 2510 and GIPVA 130, admitted a new preferred member, Brown Family Enterprises, LLC, through the issuance of preferred membership interests in the form of Class A Preferred Units of GIPVA 2510 and GIPVA 130. GIPVA 2510 and GIPVA 130 (the "Virginia SPEs") hold our Norfolk, Virginia properties. In addition, both of the Virginia SPEs and Brown Family Enterprises, LLC entered into Unit Purchase Agreements in which GIPVA 2510 issued and sold 180,000 Class A Preferred Units at a price of \$10.00 per unit for an aggregate price of \$1,800,000, and GIPVA 130 issued and sold 120,000 Class A Preferred Units at a price of \$10.00 per unit for an aggregate price of \$1,200,000. The Operating Partnership is the general manager of the subsidiary while Brown Family Enterprises, LLC is a preferred equity member. Pursuant to the agreement, we are required to pay the preferred equity member a 7% IRR paid on a monthly basis and will share in 16% of the equity in each of the Virginia SPEs upon a capital transaction resulting in distributable proceeds. After 24 months, Brown Family Enterprises, LLC has the right to redeem the preferred equity at redemption value. Because of the redemption right, the non-controlling interest is presented as temporary equity at an aggregated redemption value of \$3,000,000 as of **September 30, 2023** **March 31, 2024**.

The cash portion In connection with the acquisition of the Modiv Portfolio, the Operating Partnership and LC2 entered into an Amended and Restated Limited Liability Company Agreement for GIP SPE (the “GIP SPE Operating Agreement”) pursuant to which LC2 made a \$12.0 million initial capital contribution to GIP SPE, together with a commitment to make an additional \$2.1 million contribution upon the satisfactory completion of the acquisition of a tenant-in-common interest held by a third party in the Company’s Rockford, Illinois property (the “LC2 Investment”). The Company completed the acquisition of such tenant-in-common interest on September 7, 2023, for a purchase price of \$1.3 million and LC2 made the additional \$2.1 million capital contribution on September 11, 2023. LC2 made the LC2 Investment in exchange for the Portfolio Purchase was financed, in part, with the proceeds of the sale of the Preferred Interest a preferred equity interest in GIP SPE (the “Preferred Interest”). The Preferred Interest has a cumulative accruing distribution preference of 15.5% per year, compounded monthly, a portion of which in the amount of 5% per annum (compounded monthly) is deemed to be the “current preferred return,” and the remainder of which in the amount of 10.5% per annum (compounded monthly) is deemed to be the “accrued preferred return.” The GIP SPE operating agreement provides that operating distributions by GIP SPE will be made first to LC2 to satisfy any accrued but unpaid current preferred return, with the balance being paid to the Operating Partnership, unless the “annualized debt yield” of GIP SPE is less than 10%, in which case the balance will be paid to LC2. For this purpose, “annualized debt yield” is calculated as the sum of senior debt and LC2 Investment divided by the trailing three-month annualized adjusted net operating income (as defined in the GIP SPE Operating Agreement) of GIP SPE. The GIP SPE Operating Agreement also provides that distributions from capital transactions will be paid first to LC2 to satisfy any accrued but unpaid preferred return, then to LC2 until the “Make-Whole Amount” (defined as the amount equal to 1.3 times the LC2 Investment) is reduced to zero, and then to the Operating Partnership.

The Preferred Interest is required to be redeemed in full by GIP SPE the Company on or before August 10, 2025, provided that for a redemption amount equal to the Operating Partnership may greater of (i) the amount of the LC2 Investment plus the accrued preferred return, and (ii) the Make-Whole Amount. Upon a failure to timely redeem the Preferred Interest, the preferred return will accrue at an increased rate of 18% per annum, compounded monthly. The Company will have the right to extend the redemption date Mandatory Redemption Date for two consecutive 12-month extension periods, subject provided that (i) LC2 is paid an extension fee of 0.01% of the outstanding amount of the LC2 Investment for each such extension, (ii) the preferred return is increased from 15.5% to satisfaction 18% of certain conditions which the accrued preferred return is increased from 10.5% to 13%, (iii) the trailing 6-month annualized adjusted net operating income (as defined in the GIP SPE Operating Agreement) is in excess of \$5.0 million, (iv) GIP SPE and payment its subsidiaries’ senior debt is extended through the end of the extension period, and there are no defaults under the GIP SPE Operating Agreement.

Under the GIP SPE Operating Agreement, GIP SPE is also required to pay to Loci Capital, an increased return on affiliate of LC2, an equity fee of 1.5% of the LC2 Investment, with 1% having been paid upon the execution and delivery of the GIP

SPE Operating Agreement and the 0.5% payable upon redemption of the LC2 Investment.

Due to the redemption right, the Preferred Interest and additional fees. See Note 7 “Non-Controlling Interests – LC2-NNN Pref, LLC” to our consolidated financial statements for more information.

The cash portion is presented as temporary equity at redemption value of the purchase price for the Portfolio Purchase was also financed, in part, with a new \$21.0 million secured debt facility from Valley National Bank. Payments of interest and principal under the loan agreement in the amount of approximately \$156,000 are due and payable monthly, with all remaining principal and \$14,100,000 plus accrued but unpaid preferred interest due and payable of \$1,288,726 as of March 31, 2024.

Each of the preferred members described above may redeem their interest on or after the Redemption date (second year anniversary of the closing of the acquisition), at the discretion of such preferred member, as applicable, all or a portion thereof, of such preferred member's pro-rata share of the redemption value in the form of the units of the Operating Partnership (“GIP LP Units”). Such GIP LP Units shall be subject to all such restrictions, such as with respect to transferability, as reasonably imposed by the Operating Partnership. The number of GIP LP Units issued to any preferred member shall be determined by dividing the total amount of the redemption value that such preferred member shall receive in GIP LP Units by a 15% discount of the average 30-day market price of Generation Income Properties, Inc. common stock. GIP LP Units shall then be convertible into common stock of Generation Income Properties, Inc. on a maturity date 1:1 basis in accordance with the partnership agreement of August 10, 2028. To secure a fixed interest rate on this new debt, we entered into an interest rate swap agreement fixing the interest rate Operating Partnership. Additionally, the Operating Partnership has the right to 7.47% based on 1-month SOFR plus 3.25%. The loan agreement requires redeem the borrower to maintain a minimum debt-service coverage ratio preferred equity at redemption value with cash after the second year anniversary of 1.50:1 on a trailing twelve-month basis, tested as the closing of December 31, 2024, and annually thereafter. The loan agreement also provides for customary events of default and other customary affirmative and negative covenants, including reporting covenants and restrictions on investments, additional indebtedness, liens, sales of properties, certain mergers, and certain management changes. See Note 9 “Mortgage Loans” to our consolidated financial statements for more information. the acquisition.

The primary objective of our financing strategy is to maintain financial flexibility using retained cash flows, long-term debt and common and perpetual preferred stock to finance our growth. We intend to have a lower-leveraged portfolio over the long-term after we have acquired an initial substantial portfolio of diversified investments. During the period when we are acquiring our current portfolio, we will employ greater leverage on individual assets (that will also result in greater leverage of the current portfolio) in order to quickly build a diversified portfolio of assets.

Cash from Operating Activities

Net cash provided by operating activities was \$18,537 \$25,977 and \$275,717 net cash used in operating activities was \$850,964 for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The change is due to the doubling of the number of the Company's income generating assets through the 13 property Modiv acquisition.

Cash from Investing Activities

Net cash used in investing activities was \$33,314,973 and \$13,279,054 during the nine three months ended September 30, 2023 and 2022, respectively. The increase is primarily due March 31, 2024 was \$0. Net cash used in investing activities was \$50,000 during the three months ended March 31, 2023 related to the acquisition of properties. an escrow deposit for a property purchase.

Cash from Financing Activities

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Net cash provided by used in financing activities was \$33,916,112 during \$1,487,603 and \$80,387 for the nine three months ended September 30, 2023 March 31, 2024 and net cash provided by financing activities was \$5,001,430 during the nine months ended September 30, 2023. 2023, respectively. The increase change is primarily due to several factors comprising the debt increase of mortgage principal repayments driven by the Modiv acquisition in August 2023, the increase in distributions to non-controlling interests, and equity financing to acquire several properties. dividend payments on both preferred and common stock.

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Non-GAAP Financial Measures

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Our reported results are presented in accordance with U.S. generally accepted accounting principles ("GAAP"). We also disclose funds from operations ("FFO"), adjusted funds from operations ("AFFO"), core funds from operations ("Core FFO") and core adjusted funds of operations ("Core AFFO") all of which are non-GAAP financial measures. We believe these non-GAAP financial measures are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs.

FFO and related measures do not represent cash generated from operating activities and are not necessarily indicative of cash available to fund cash requirements; accordingly, they should not be considered alternatives to net income or loss as a performance measure or cash flows from operations as reported on our statement of cash flows as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures.

We compute FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude non-recurring or extraordinary items (as defined by GAAP), net gains from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets, and real estate related depreciation and amortization, including the pro rata share of such adjustments of unconsolidated subsidiaries. We then adjust FFO for non-cash revenues and expenses such as amortization of deferred financing costs, above and below market lease intangible amortization, straight line rent adjustment where the Company is both the lessor and lessee, and non-cash stock compensation to calculate Core AFFO.

FFO is used by management, investors, and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers primarily because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. We believe that AFFO is an additional useful supplemental measure for investors to consider because it will help them to better assess our operating performance without the distortions created by other non-cash revenues or expenses. FFO and AFFO may not be comparable to similarly titled measures employed by other companies. We believe that Core FFO and Core AFFO are useful measures for management and investors because they further remove the effect of non-cash expenses and certain other expenses that are not directly related to real estate operations. We use each as measures of our performance when we formulate corporate goals.

As FFO excludes depreciation and amortization, gains and losses from property dispositions that are available for distribution to stockholders and non-recurring or extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs, providing a perspective not immediately apparent from net income or loss. However, FFO should not be viewed as an alternative measure of our operating performance since it does not reflect either depreciation and amortization costs or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties which could be significant economic costs and could materially impact our results from operations. Additionally, FFO does not reflect distributions paid to redeemable non-controlling interests.

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The following tables reconcile net income (net loss), which we believe is the most comparable GAAP measure, to FFO, Core FFO, AFFO and Core AFFO:

Three Months Ended September	Nine Months Ended September	
30,	30,	Three Months Ended March 31,

	2023	2022	2023	2022	2024	2023
	(1,213,	(512,1	(3,156,	(1,874,		
Net loss	\$ 265)	\$ 17)	\$ 015)	\$ 327)	\$ (1,879,096)	\$ (1,190,353)
			506,63			
Other expense	639	-	9	-	-	506,000
Gain on derivative valuation, net					(380,550)	-
	981,41	561,5	2,096,	1,551,		
Depreciation and amortization	9	10	970	079	1,226,605	557,550
	(231,20	49,39	(552,4	(323,2		
Funds From Operations	\$ 7)	\$ 3	\$ 06)	\$ 48)	\$ (1,033,041)	\$ (126,803)
Amortization of debt issuance costs		27,75	103,99			
	46,260	8	0	89,364	47,780	28,865
	119,38	110,8	287,06	328,91		
Non-cash stock compensation	0	69	7	3	94,935	90,648
Adjustments to Funds From Operations	165,64	138,6	391,05	418,27		
	0	27	7	7	142,715	119,513
						-
Core Funds From Operations	\$ (65,567)	\$ 188,0	\$ (161,3	\$ 95,029	\$ (890,326)	\$ (7,290)
	(1,213,	(512,1	(3,156,	(1,874,		
Net loss	\$ 265)	\$ 17)	\$ 015)	\$ 327)	\$ (1,879,096)	\$ (1,190,353)
			506,63			
Other expense	639	-	9	-	-	506,000
Gain on derivative valuation, net					(380,550)	-
	981,41	561,5	2,096,	1,551,		
Depreciation and amortization	9	10	970	079	1,226,605	557,550
Amortization of debt issuance costs		27,75	103,99			
	46,260	8	0	89,364	47,780	28,865
Above and below-market lease amortization, net		(26,29	(81,95	(76,47		
	20,398	7)	7)	8)	67,786	(26,297)
		13,20				
Straight line rent, net	20,942	3	61,383	29,263	4,764	18,738

	1,069,6	576,1	2,687,	1,593,		
Adjustments to net loss	\$ 58	\$ 74	\$ 025	\$ 228	\$ 966,385	\$ 1,084,856
Adjusted Funds From Operations	(143,60	64,05	(468,9	(281,0		
	\$ 7)	\$ 7	\$ 90)	\$ 99)	\$ (912,711)	\$ (105,497)
		45,66	109,56	153,03		
Dead deal expense	\$ -	\$ 0	\$ 9	\$ 1		
				144,02		
Loss on debt extinguishment	-	-	-	9		
Write off of deferred financing costs		137,5		137,52		
	-	22	-	2		
Loss on held for sale asset valuation					\$ 1,058,994	\$ -
	119,38	110,8	287,06	328,91		
Non-cash stock compensation	0	69	7	3	94,935	90,648
Adjustments to Adjusted Funds From Operations	119,38	294,0	396,63	763,49		
	\$ 0	\$ 51	\$ 6	\$ 5	\$ 1,153,929	\$ 90,648
Core Adjusted Funds From Operations	358,1	(72,35	482,39			
	\$ (24,227)	\$ 08	\$ 4)	\$ 6	\$ 241,218	\$ (14,849)
	(1,213,	(512,1	(3,156,	(1,874,		
Net loss	\$ 265)	\$ 17)	\$ 015)	\$ 327)		
Net income attributable to non-controlling interests	(425,63	(126,8	(681,9	(386,9		
	7)	03)	16)	47)		
Net loss attributable to Generation Income Properties, Inc.	(1,638,	(638,9	(3,837,	(2,261,		
	\$ 902)	\$ 20)	\$ 931)	\$ 274)		
	(190,00		(190,0			
Preferred stock dividends	0)	-	00)	-		
Net loss attributable to common shareholders	(1,828,	(638,9	(4,027,	(2,261,		
	\$ 902)	\$ 20)	\$ 931)	\$ 274)		

Critical Accounting Policies

Our financial statements are affected by the accounting policies used and the estimates and assumptions made by management during their preparation. See our unaudited audited consolidated financial statements included herein for a summary of our significant accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to make disclosures under this item.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Principal Accounting Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management, with the participation of our CEO and CFO, Principal Accounting Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2023 March 31, 2024. Based on that evaluation, our management, including our CEO and CFO, Principal Accounting Officer, concluded that our disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

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(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting that occurred during the three months ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There are no material legal proceedings that are required to be disclosed in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to There have been no material changes from the other information set forth risk factors previously disclosed in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Factors of the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, which could materially affect our business, financial condition and/or results of operations. Except as set forth below and to the extent additional factual information disclosed elsewhere in this Quarterly Report on Form 10-Q relates to such risk factors, there have been no material changes to the risk factors described in the “Risk Factors” section in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. The risk factors set forth below update certain risks associated with (i) our business and properties to reflect the issuance of the Preferred Interest to LC2 and (ii) our debt financing to reflect the terms of additional debt incurred by us, in each case during the quarter covered by this report, and should be read together with, the risk factors described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. The risks as described in our Annual Report on Form 10-K and below are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or results of operations.

Risks Related to Our Business and Properties

The Amended and Restated Limited Liability Company Agreement for GIP SPE, entered into by the Operating Partnership and LC2, contains provisions that could significantly impede our operations and our ability to efficiently manage our business and that could materially and adversely affect our financial condition, results of operations and cash flows, the trading price of our common stock and our ability to pay dividends to our common stockholders in the future.

LC2 has substantial rights under the Amended and Restated Limited Liability Company Agreement for GIP SPE (the “GIP SPE Operating Agreement”). GIP SPE is a subsidiary of our Operating Partnership, which holds, directly and indirectly, 21 of our properties, including the properties comprising the Portfolio Purchase and eight of our other properties (collectively, the “Properties”). Under the GIP SPE Operating Agreement, the following actions, among others, require the approval of LC2:

- the adoption and approval of annual operating budgets for the operations and improvements of the Properties;
- acquiring additional real property or any interest therein;
- selling, leasing, assigning, pledging, conveying, exchanging, encumbering or otherwise disposing of all or a material portion of the assets of GIP SPE or any of its Properties, subject to certain exceptions;
- amending or waiving any provision of, or otherwise modifying the GIP SPE Operating Agreement;
- amending, extending or materially modifying any existing lease relating to any of the Properties or entering into a new lease with respect to any of the Properties;
- admitting, including by assignment of economic rights or permitting encumbrances of membership interests in GIP SPE, any member other than by means of a transfer permitted by the GIP SPE Operating Agreement;
- merging or consolidating GIP SPE with or into another entity, reorganizing GIP SPE, or making a binding commitment to do any of the foregoing;
- making an assignment for the benefit of creditors, filing a petition in bankruptcy, petitioning or applying to any tribunal for the appointment of a custodian, receiver or any trustee for GIP SPE, or a substantial part of any of its properties

assets, or commencing any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction;

- voluntarily dissolving or liquidating GIP SPE;
- causing GIP SPE to loan any of its funds;
- except as specifically provided in the agreement, engaging in any Capital Transaction (as defined in the GIP SPE Operating Agreement), financing or any Approved Loan (as defined in the GIP SPE Operating Agreement), or executing or otherwise entering into any loan, guaranty, indemnity or similar agreement by GIP SPE or modifying in any material

nature, extending, renewing, changing or prepaying in whole or in part any borrowing, financing, refinancing, indemnity or similar agreement, or making any commitments to borrow funds;

- causing GIP SPE to make, revoke or modify any tax election; and
- making any change to GIP SPE's accounting practices or policies that could be material to either GIP SPE or its members.

GIP SPE's Preferred Interest has a cumulative accruing distribution preference of 15.5% per year, compounded monthly, a portion of which, in the amount of 5% per annum, is deemed to be the "current preferred return," and the remainder of which, in the amount of 10.5% per annum, is deemed to be the "accrued preferred return." The GIP SPE Operating Agreement provides that operating distributions by GIP SPE will be made first to LC2 to satisfy any accrued but unpaid current preferred return, with the balance being paid to the Operating Partnership, subject to certain exceptions. The GIP SPE Operating Agreement also provides that distributions from capital transactions will be paid first to LC2 to satisfy any accrued but unpaid preferred return, then to LC2 until the "Make-Whole Amount" (defined as an amount equal to 1.3 times the LC2 Investment) is reduced to zero, and then to the Operating Partnership.

LC2's rights under the GIP SPE Operating Agreement may significantly impede our ability to operate our business and manage our Properties. Furthermore, these rights may prevent us from engaging in transactions, including change of control or financing transactions, that otherwise would be attractive to us. The foregoing could adversely affect our financial condition, results of operations and cash flows, the market value of our common stock and our ability to pay dividends to our common stockholders in the future.

Risks Associated with Debt Financing

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to you.

We make acquisitions and operate our business in part through the utilization of leverage pursuant to loan agreements with various financial institutions. These loan agreements contain standard affirmative and negative covenants, including prohibitions on additional liens on the collateral, financial reporting obligations and maintenance of insurance, in addition to Debt Service Coverage Ratios ("DSCR") covenants. For example, our \$21.0 million debt facility with Valley National Bank, which we used to finance a part of the cash purchase price for the Portfolio Purchase, requires the Company to maintain a minimum DSCR of 1.50:1 on a trailing twelve-month basis, tested as of December 31, 2024, and annually thereafter. Loan

documents we enter into, including those under our debt facility with Valley National Bank, may contain covenants that limit our ability to further mortgage the property, discontinue insurance coverage, or replace our property manager as well as reporting covenants and restrictions on investments, additional indebtedness, liens, sales of properties, certain mergers, and certain management changes. These covenants, as well as any future covenants we may enter into through further loan agreements, could limit our operational flexibility and/or could inhibit our financial flexibility in the future and prevent distributions to stockholders.

Lenders may be able to recover against our other properties under our mortgage loans.

In financing our acquisitions, we will seek to obtain secured nonrecourse loans. However, only recourse financing may be available, in which event, in addition to the property securing the loan, the lender would have the ability to look to our other assets for satisfaction of the debt if the proceeds from the sale or other disposition of the property securing the loan are insufficient to fully repay it. We entered into a loan agreement with Valley National Bank to finance a portion of the cash purchase price for the Portfolio Purchase. The loan agreement is secured by first mortgages and assignments of rents in the properties comprising the Portfolio Purchase and eight other properties held by subsidiaries of GIP SPE that had outstanding loans with Valley National Bank at that time. All of the mortgaged properties cross-collateralize the loan with Valley National Bank, and the loan is guaranteed by the Operating Partnership and our subsidiaries that hold the properties that comprise the Portfolio Purchase. To the extent lenders require us to cross-collateralize our properties, or provisions in our loan documents contain cross-default provisions, a default under a single loan agreement could subject multiple properties to foreclosure. Foreclosures of one or more of our properties could have a material adverse effect on us. Also, in order to facilitate the sale of a property, we may allow the buyer to purchase the property subject to an existing loan whereby we remain responsible for the debt.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Sales of Unregistered Securities.

None, other than as disclosed in the Current Report on Form 8-K filed on August 14, 2023.

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None.

(b) Use of Proceeds.

On September 2, 2021, we entered into an Underwriting Agreement with Maxim Group LLC on behalf of itself and as representative of the underwriters named therein (the “Underwriting Agreement”), pursuant to which the Company issued and sold, in an underwritten public offering (the “Public Offering”), 1,500,000 units consisting of one share of common stock, \$0.01 par value per share (“Common Stock”), and one warrant exercisable for one share of Common Stock (the “Investor Warrants”). The units were sold to the public at the price of \$10.00 per unit and were offered by the Company pursuant to the registration statement on Form S-11 (File No. 333-235707), which was declared effective on September 2, 2021 (the “Registration Statement”). The shares of Common Stock and Investor Warrants comprising the units began

separate trading 31 days from the date the registration statement was declared effective. On September 8, 2021, the Public Offering closed, resulting in gross proceeds to the Company of approximately \$15,000,000, before deducting the underwriting discounts and commissions and estimated offering expenses. The Company also granted to the underwriter a 30-day option to purchase up to an additional 225,000 units. On September 30, 2021, the underwriters partially exercised the over-allotment option and purchased an additional 165,000 units, generating gross proceeds of \$1,650,000. The Company received total net proceeds in the Public Offering of approximately \$13.8 million after deducting underwriting discounts and commissions and other expenses of approximately \$2.9 million incurred during the years ended December 31, 2021 and 2020. None of the underwriting discounts and commissions or offering expenses were incurred or paid, directly or indirectly, to any of our directors or officers or their associates or to persons owning 10% or more of our common stock or to any of our affiliates.

The Investor Warrants issued in the Public Offering entitle the holder to purchase one share of common stock at a price equal to \$10.00 upon the first separate trading day of the warrants for a period of five years. The Investor Warrants may be exercised on a cashless basis if there is no effective registration statement available for the resale of the shares of common stock underlying such warrants. In addition, after 120 days after the Investor Warrants are issued, any Investor Warrant may be exercised on a cashless basis for 10% of the shares of common stock underlying the Investor Warrant if the volume-weighted average trading price of the Company's shares of common stock on Nasdaq is below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days.

The Company agreed to an underwriting discount of 9% of the public offering price of the Units sold in the Public Offering. In addition, the Company issued to Maxim Group LLC (or its designee) warrants to purchase 149,850 shares of Common Stock, which is equal to an aggregate of 9% of the number of shares of Common Stock sold in the Public Offering (the "Representative's Warrants"). The Representative's Warrants have an exercise price equal to \$12.50, which is 125% of the offering price in the Public Offering. The Representative's Warrants may be exercised on a cashless basis and will be exercisable six months following the closing date and until September 2, 2026.

As of March 31, 2024, the Company has used \$1.1 million proceeds from the Public Offering to date for repayment of related party debt.

There has been no material change in the planned use of proceeds from the Public Offering as described in our final prospectus, dated September 2, 2021 and filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act.

As of September 30, 2023, the Company has used all of the proceeds from the Public Offering.

(c) Repurchases. None.

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None None.

(b) None 34

(c) During the three months ended September 30, 2023, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

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Item 6. Exhibits

The following documents are filed as a part of this report or are incorporated herein by reference.

EXHIBIT NUMBER	DESCRIPTION
2.1^	Agreement of Purchase and Sale, dated August 10, 2023, among Modiv Inc., Generation Income Properties, Inc., Generation Income Properties, L.P., and each entity identified as a "Selling Entity" therein (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed August 14, 2023).
2.2	Tenant in Common Purchase Agreement, dated September 7, 2023 between GIPIL 525 S Perryville Rd., LLC and Sunnyridge MHP, LLC (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed September 13, 2023).
3.1	Articles of Amendment and Restatement of Generation Income Properties, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Form 1-A/A filed on January 28, 2016).
3.1.1	Articles of Amendment to Amended and Restated Articles of Incorporation. (incorporated by reference to Exhibit 2.1 to the Company's Form 1-U filed on October 9, 2020.)

- 3.2 [Bylaws of Generation Income Properties, Inc. \(incorporated by reference to Exhibit 2.2 of the Company's Form 1-A filed on September 16, 2015\)](#)
- 3.3 [Articles Supplementary for the Series A Redeemable Preferred Stock of Generation Income Properties, Inc. \(incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed August 14, 2023\)](#)
- 4.1 [Form of Stock Certificate \(incorporated by reference to Exhibit 3.3 of the Company's Form 1-A filed on September 16, 2015\)](#)
- 4.2 [Amended and Restated Agreement of Limited Partnership of Generation Income Properties, L.P. \(incorporated by reference to Exhibit 6.2 of the Company's Form 1-A POS filed on March 29, 2018\)](#)
- 4.2.1 [First Amendment to Amended and Restated Agreement of Limited Partnership of Generation Income Properties, L.P. \(incorporated by reference from Exhibit 4.4 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021\)](#)
- 4.2.2 [Second Amendment to Amended and Restated Agreement of Limited Partnership of Generation Income Properties, L.P. \(incorporated by reference to Exhibit 4.5 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021\)](#)
- 4.3 [Common Stock Purchase Warrant, dated April 17, 2019. \(incorporated by reference from Exhibit 4.6 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021\)](#)
- 4.4 [Common Stock Purchase Warrant dated November 12, 2020 \(incorporated by reference to Exhibit 4.7 to the Company's Amendment No. 5 to Registration Statement on Form S-11 filed on April 12, 2021\)](#)
- 4.5 [Representative's Warrant, dated September 8, 2021 \(incorporated by reference from Exhibit 4.1 from Form 8-K filed on September 9, 2021\)](#)
- 4.6 [Form of Investor Warrant \(incorporated by reference from Exhibit 4.2 from Form 8-K filed on September 9, 2021\)](#)
- 4.7 [Warrant Agent Agreement, dated September 2, 2021 between the Company and VStock Transfer, LLC \(incorporated by reference from Exhibit 4.3 from Form 8-K filed on September 9, 2021\)](#)
- 4.8 [Description of Securities \(incorporated by reference to Exhibit 4.8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed on March 18, 2022\)](#)
- 10.1 [Second Amended and Restated Secured Promissory Note, Limited Liability Company Agreement of GIPVA 130 Corporate Blvd, LLC, dated July 21, 2023 February 08, 2023 \(incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed July 26, 2023 February 9, 2023\)](#)
- 10.2 [Amended Unit Purchase Agreement, GIPVA 130 Corporate Blvd, LLC and Restated Security Agreement, Brown Family Enterprises, dated July 21, 2023 February 08, 2023 \(incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed July 26, 2023 February 9, 2023\)](#)

- 10.3 [Third Amendment to Second Amended and Restated Limited Partnership Liability Company Agreement of Generation Income Properties, L.P., GIPVA 2510 Walmer Ave, LLC, dated August 10, 2023](#) (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed August 14, 2023).
- 10.4 [Registration Rights Agreement, dated August 10, 2023](#) (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed August 14, 2023).
- 10.5^ [Loan Agreement, dated August 10, 2023, between GIP13, LLC and Valley National Bank February 08, 2023](#) (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed August 14, 2023 February 9, 2023).
- 10.6 10.4 [Promissory Note, Unit Purchase Agreement, GIPVA 2510 Walmer Ave, LLC and Brown Family Enterprises, dated August 10, 2023, payable by GIP13, LLC to Valley National Bank February 08, 2023](#) (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed August 14, 2023 February 9, 2023).
- 10.7^ 10.5 [Amended Unit Issuance Agreement and Restated Liability Company Amendment to Contribution and Subscription Agreement, of GIP VB SPE, LLC, dated August 10, 2023, between Generation Income Properties, L.P., and LC2-NNN Pref, LMB Owenton I LLC, dated February 07, 2023](#) (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed August 14, 2023).

- 10.8^ [Agreement Providing Representations and Warranties, dated August 10, 2023, between Generation Income Properties, L.P. and LC2-NNN Pref, LLC](#) (incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K filed August 14, 2023).
- 10.9 [Redemption Agreement with Brown Family Enterprises, LLC dated August 8, 2023 for GIPNC 201 Etheridge Road, LLC](#) (incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K filed August 14, 2023).
- 10.10 [Redemption Agreement with Richard N. Hornstrom dated August 8, 2023 for GIPIL 525 S Perryville Rd, LLC](#) (incorporated by reference to Exhibit 10.8 of the Company's Current Report on Form 8-K filed August 14, 2023).
- 10.11 [Redemption Agreement with Richard N. Hornstrom dated August 8, 2023 for GIPFL 702 Tillman Place, LLC](#) (incorporated by reference to Exhibit 10.9 of the Company's Current Report on Form 8-K filed August 14, 2023 February 9, 2023).
- 10.12 [Redemption Agreement with Stephen J. Brown dated August 8, 2023 for GIPFL 702 Tillman Place, LLC](#) (incorporated by reference to Exhibit 10.10 of the Company's Current Report on Form 8-K filed August 14, 2023).
- 10.13 [Separation and Release Agreement, dated October 3, 2023 between Generation Income Properties, Inc. and Allison Davies](#) (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed October 4, 2023).

31.1*	Rule 13a – 14(a) Certification of the Principal Executive Officer
31.2*	Rule 13a – 14(a) Certification of the Principal Financial Officer
32.1*	Written Statement of the Principal Executive Officer, Pursuant to 18 U.S.C. § 1350
32.2*	Written Statement of the Principal Financial Officer, Pursuant to 18 U.S.C. § 1350
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

^ Certain exhibits and schedules to this exhibit have been omitted pursuant to Item 601(a)(5) and/or Item 601(b)(2) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission. 35

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized:

GENERATION INCOME PROPERTIES, INC.

Date: November 14, 2023 May 20, 2024

By: /s/ David Sobelman

David Sobelman

Chief Executive Officer and Chair of the
Board

(Principal Executive Officer)

Date: November 14, 2023 May 20, 2024

By: /s/ Allison Davies Ron Cook

Allison Davies Ron Cook

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, David Sobelman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Generation Income Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has

materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David Sobelman

November 14, 2023 May 20, 2024

David Sobelman

Chief Executive Officer

(Principal Executive Officer)

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

**Certification of Chief Principal Financial and Accounting Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Allison Davies, Ron Cook, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Generation Income Properties, Inc.;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and

procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 14, 2023 May 20, 2024

/s/ Allison Davies Ron Cook

Allison Davies Ron Cook

Chief Financial Officer VP Accounting and
Finance

(Principal Financial and Accounting Officer)

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Executive Officer of Generation Income Properties, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on **November 14, 2023** **May 20, 2024** (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David Sobelman

David Sobelman

Chief Executive Officer

(Principal Executive Officer)

November 14, 2023 **May 20, 2024**

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Written Statement of the Chief Principal Financial and Accounting Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chief Principal Financial and Accounting Officer of Generation Income Properties, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on November 14, 2023 May 20, 2024 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Allison Davies Ron Cook

Allison Davies Ron Cook

Chief Financial Officer VP Accounting and Finance

(Principal Financial and Accounting Officer)

November 14, 2023 May 20, 2024

A signed original of this document has been provided to Generation Income Properties, Inc. and will be retained by Generation Income Properties, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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