

**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 March 31, 2023

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 2,615,857 shares of Common Stock, par value \$0.01 per share, outstanding as of May 8, 2023.

GENERATION INCOME PROPERTIES, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

Generation Income Properties, Inc. Consolidated Balance Sheets

(unaudited)

	As of March 31, 2023	As of December 31, 2022
Assets		
Investments in real estate		
Land	\$ 12,577,544	\$ 12,577,544
Building and site improvements	39,760,694	39,764,890
Tenant improvements	907,382	907,382
Acquired lease intangible assets	4,677,928	4,677,928
Less: accumulated depreciation and amortization	(6,176,672)	(5,623,318)
Net real estate investments	\$ 51,746,876	\$ 52,304,426
Investment in tenancy-in-common	1,232,670	1,218,268
Cash and cash equivalents	2,737,145	3,718,496
Restricted cash	34,500	34,500
Deferred rent asset	305,645	288,797
Prepaid expenses	542,574	132,642
Accounts receivable	151,218	96,063
Escrow deposits and other assets	210,296	184,241
Right of use asset, net	6,211,513	6,232,662
Total Assets	\$ 63,172,437	\$ 64,210,095
Liabilities and Equity		
Liabilities		
Accounts payable	\$ 119,516	\$ 173,461
Accrued expenses	263,621	365,624
Accrued expense - related party	506,000	128,901
Acquired lease intangible liabilities, net	613,676	639,973
Insurance payable	338,047	46,368
Deferred rent liability	156,075	251,798
Lease liability, net	6,370,726	6,356,288
Other payable - related party	2,262,300	2,587,300
Loan payable - related party	1,500,000	1,500,000
Mortgage loans, net of unamortized debt issuance costs of \$688,516 and \$717,381 at March 31, 2023 and December 31, 2022, respectively	35,111,116	35,233,878
Total liabilities	\$ 47,241,077	\$ 47,283,591
Redeemable Non-Controlling Interests	\$ 6,326,737	\$ 5,789,731
Stockholders' Equity		
Common stock, \$0.01 par value, 100,000,000 shares authorized; 2,610,885 and 2,501,644 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	26,108	25,016
Additional paid-in capital	19,099,595	19,307,518
Accumulated deficit	(9,958,363)	(8,640,796)
Total Generation Income Properties, Inc. Stockholders' Equity	\$ 9,167,340	\$ 10,691,738
Non-Controlling Interest	\$ 437,283	\$ 445,035
Total equity	\$ 9,604,623	\$ 11,136,773
Total Liabilities and Equity	\$ 63,172,437	\$ 64,210,095

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,	
	2023	2022
Revenue		
Rental income	\$ 1,326,707	\$ 1,181,935
Other income	10,332	-
Total revenue	\$ 1,337,039	\$ 1,181,935
Expenses		
General and administrative expense	\$ 344,147	\$ 341,680
Building expenses	313,600	253,391
Depreciation and amortization	557,550	430,893
Interest expense, net	469,210	330,294
Compensation costs	351,287	279,742
Total expenses	\$ 2,035,794	\$ 1,636,000
Operating loss	(698,755)	(454,065)
Other expense	(506,000)	-
Income on investment in tenancy-in-common	14,402	8,552
Net loss	\$ (1,190,353)	\$ (445,513)
Less: Net income attributable to non-controlling interests	127,214	129,963
Net loss attributable to Generation Income Properties, Inc.	\$ (1,317,567)	\$ (575,476)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	2,541,477	2,196,056
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (0.52)	\$ (0.26)

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

Generation Income Properties, Inc. Consolidated Statements of Changes in Equity
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholders' Equity	Non- Controlling Interest	Total Equity	Redeemable Non- Controlling Interest
	Shares	Amount						
Balance, December 31, 2021	2,172,950	\$ 21,729	\$ 19,051,929	\$ (5,403,156)	\$ 13,670,502	\$ 469,712	\$ 14,140,214	\$ 9,134,979
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
Balance, March 31, 2022	2,247,768	\$ 22,477	\$ 18,804,217	\$ (5,978,632)	\$ 12,848,062	\$ 464,654	\$ 13,312,716	\$ 10,260,329
Balance, December 31, 2022	2,501,644	\$ 25,016	\$ 19,307,518	\$ (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
Balance, March 31, 2023	2,610,885	\$ 26,108	\$ 19,099,595	\$ (9,958,363)	\$ 9,167,340	\$ 437,283	\$ 9,604,623	\$ 6,326,737

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,
2023 **2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$	(1,190,353)	\$	(445,513)
Adjustments to reconcile net loss to cash used in operating activities				
Depreciation		421,987		316,901
Amortization of acquired lease intangible assets		135,563		113,992
Amortization of debt issuance costs		28,865		33,673
Amortization of below market leases		(26,114)		(23,841)
Amortization of above market ground lease		(183)		(43)
Restricted stock unit compensation		90,648		93,926
Non-cash ground lease expense		21,149		7,247
Income on investment in tenancy-in-common		(14,402)		(8,553)
Changes in operating assets and liabilities				
Accounts receivable		(55,155)		(6,753)
Other assets		23,945		(83,704)
Deferred rent asset		(16,848)		(17,522)
Prepaid expenses		(409,932)		(257,117)
Accounts payable		(53,945)		(106,911)
Accrued expenses		275,096		145,290
Lease liability		14,438		9,620
Deferred rent liability		(95,723)		18,808
Net cash used in operating activities	\$	(850,964)	\$	(210,500)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of land, buildings, other tangible and intangible assets	\$	-	\$	(12,775,600)
Escrow (deposit) return for purchase of properties		(50,000)		75,000
Net cash used in investing activities	\$	(50,000)	\$	(12,700,600)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from issuance of redeemable non-controlling interest	\$	3,000,000	\$	1,109,570
Redemption of redeemable non-controlling interests		(2,479,299)		-
Repayment on other payable - related party		(325,000)		-
Mortgage loan borrowings		-		6,250,000
Mortgage loan repayments		(151,627)		(146,254)
Debt issuance costs		-		(78,878)
Stock issuance costs		-		(6,091)
Deferred financing costs		-		(165)
Insurance financing borrowings		352,307		288,693
Insurance financing repayments		(60,628)		(33,359)
Distribution on non-controlling interests		(118,661)		(119,241)
Dividends paid on common stock		(297,479)		(334,799)
Net cash (used in) provided by financing activities	\$	(80,387)	\$	6,929,476
Net decrease in cash and cash equivalents	\$	(981,351)	\$	(5,981,624)
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	\$	2,771,645	\$	4,642,452

CASH TRANSACTIONS

Interest paid	\$	469,191	\$	284,569
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NON-CASH TRANSACTIONS

Stock issued for cashless exercise of Investor Warrants	\$	106	\$	277
Deferred distribution on redeemable non-controlling interests		16,305		15,780
Recognition of ROU asset and lease liability for ground lease related to property acquisition	\$	-	\$	6,304,334

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 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 March 31, 2023 owned 90% 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% 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 March 31, 2023, the Company, the Operating Partnership, and their controlled subsidiaries on a consolidated basis owned 12 properties and held a partial interest in one additional property through a tenancy-in-common investment.

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. The results for the three months ended March 31, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023.

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 that sums to the total of those amounts at the end of the periods presented on the Company's accompanying Consolidated Statements of Cash Flows:

	As of March 31, 2023	As of March 31, 2022
Cash and cash equivalents	\$ 2,737,145	\$ 4,607,952
Restricted cash	34,500	34,500
Cash and cash equivalents and restricted cash	<u>\$ 2,771,645</u>	<u>\$ 4,642,452</u>

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 \$175,466 and \$271,189 of prepaid rent as of March 31, 2023 and December 31, 2022, 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 uncollectability exists with respect to any tenant charges, 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 months ended March 31, 2023 or 2022.

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 years. Tenant improvements are amortized over the lease terms of the tenants, which is generally between 2 and 10 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. There were no impairments in the Company's investments in real estate during the three months ended March 31, 2023 or 2022.

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 the equity method of accounting, other than a temporary decline, must be recognized in the period in which the loss occurs. If the Company identifies events or circumstances that indicate that the value of the Company's investment may be impaired, it evaluates the investment by calculating the estimated fair value of the investment by discounting estimated future cash flows over the expected term of the investment. There were no impairments in the Company's investment in tenancy-in-common during the three months ended March 31, 2023 or 2022.

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 months ended March 31, 2023 and 2022.

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 March 31, 2023 or 2022. At March 31, 2023, the Company's tax returns for the years 2019 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. As of the three months ended March 31, 2023 and 2022, all potentially dilutive securities were excluded because the effect was anti-dilutive.

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 did not acquire any properties during the three months ended March 31, 2023. The Company acquired three properties during the three months ended March 31, 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 months ended March 31, 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 Lease Intangible Assets, net

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

	As of March 31, 2023	As of December 31, 2022
Acquired lease intangible assets	\$ 4,677,928	\$ 4,677,928
Accumulated amortization	(1,658,133)	(1,522,570)
Acquired lease intangible assets, net	\$ 3,019,795	\$ 3,155,358

The amortization for lease intangible assets for the three months ended March 31, 2023 and 2022 was \$135,563 and \$113,992, respectively. The future amortization for acquired lease intangible assets, net for subsequent years ending December 31 is listed below:

	As of March 31, 2023
2023 (9 months remaining)	\$ 407,391
2024	542,954
2025	509,815
2026	489,884
2027	394,952
Thereafter	674,799
	<u>\$ 3,019,795</u>

Note 5 – Acquired lease intangible liabilities, net

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

	As of March 31, 2023	As of December 31, 2022
Acquired lessor lease intangible liabilities	\$ 965,216	\$ 965,216
Accumulated accretion to rental income	(395,972)	(369,858)
Acquired lessor lease intangible liabilities, net	<u>\$ 569,244</u>	<u>\$ 595,358</u>
Acquired lessee lease intangible liabilities	\$ 45,207	\$ 45,207
Accumulated amortization to offset building expenses	(775)	(592)
Acquired lessee lease intangible liabilities, net	<u>\$ 44,432</u>	<u>\$ 44,615</u>

The amortization for acquired lessor lease intangible liabilities for the three months ended March 31, 2023 and 2022 was \$26,114 and \$23,841, respectively. The future amortization for Acquired Lessor Lease Intangible Liabilities, net for subsequent years ending December 31 is listed below:

	As of March 31, 2023
2023 (9 months remaining)	\$ 79,074
2024	105,188
2025	105,188
2026	93,907
2027	93,907
Thereafter	91,980
	<u>\$ 569,244</u>

The amortization for acquired lessee lease intangible liabilities for the three months ended March 31, 2023 and 2022 was \$183 and \$43, respectively. The future amortization for acquired lessee lease intangible liabilities, net for subsequent years ending December 31 is listed below:

	As of March 31, 2023
2023 (9 months remaining)	\$ 549
2024	732
2025	732
2026	732
2027	732
Thereafter	40,955
	<u>\$ 44,432</u>

Note 6 – 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 also 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 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 three months ended March 31, 2023 and 2022:

	2023	2022
Rental income		
Fixed and in-substance fixed lease income	\$ 1,203,924	\$ 1,085,741
Variable lease income	79,821	71,253
Other related lease income, net:		
Amortization of below-market leases	26,114	23,841
Straight line rent revenue	16,848	1,100
Total rental income	\$ 1,326,707	\$ 1,181,935

For the three months ended March 31, 2023 and 2022, we had four tenants that each account for more than 10% of our annual rental revenue as indicated below:

	2023	2022
General Services Administration - Norfolk, VA & Manteo, NC	23 %	22 %
PRA Holdings, Inc. - Norfolk, VA	16 %	16 %
Pratt & Whitney Automation, Inc. - Huntsville, AL	15 %	15 %
Kohl's Corporation - Tucson, AZ	17 %	Less than 10%

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 March 31, 2023
2023 (9 months remaining)	\$ 3,543,139
2024	4,785,452
2025	4,635,711
2026	4,513,724
2027	3,919,118
Thereafter	5,210,921
	\$ 26,608,065

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 \$16,000 for the three months ended March 31, 2023 and 2022, 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 and \$14,387 for the three months ended March 31, 2023 and 2022, respectively.

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

	As of March 31, 2023	
2023 (9 months remaining)	\$	174,525
2024		244,077
2025		245,111
2026		245,111
2027		245,111
Thereafter		21,820,644
Total undiscounted liability	\$	22,974,579
Present value discount		(16,603,853)
Lease liability	\$	6,370,726
Discount rate		4.58 %
Term Remaining		61 years

Note 7 – Non-Controlling Interests

Redeemable Non-Controlling Interests (Temporary Equity)

As part of the Company's acquisition of a property for approximately \$1,737,800 in Manteo, NC, one of the Company's operating subsidiaries entered into a preferred equity agreement with Brown Family Trust on February 11, 2021 pursuant to which the Company's subsidiary received a capital contribution of \$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% IRR on a monthly basis. After 24 months, the Brown Family Trust has the right to redeem and the Operating Partnership has the right to call the preferred equity at redemption value. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value of \$500,000 as of March 31, 2023. Distributable operating funds are distributed first to Brown Family Trust until the unpaid preferred return is paid off and then to the Company.

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 is presented as temporary equity at redemption value of \$1,024,429 as of March 31, 2023. Distributable operating funds are distributed first to Irby Prop Partners until the unpaid preferred return is paid off and then to the Company.

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 is presented as temporary equity at redemption value of \$692,738 as of March 31, 2023. Distributable operating funds are distributed first to Richard Hornstrom until the unpaid preferred return is paid off and then to the Company.

On February 8, 2023, the Operating Partnership 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 the Operating Partnership, 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 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 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, 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 as of March 31, 2023.

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.

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. 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, reducing the current balance of the other payable - related party to \$2,262,300 as of March 31, 2023. 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 the three months ended March 31, 2023, we accrued \$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.

As part of the Company's acquisition of one property on January 14, 2022 for approximately \$2,264,000 in Tampa, FL, the Operating Partnership entered into a contribution agreement with LMB Owenton I LLC that resulted in the issuance of 110,957 GIP LP Units at \$10.00 per share for a total value of \$1,109,570. After 24 months, the contribution agreement allows for the investor 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 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 determined this equity should be classified as temporary equity at redemption value. On February 7, 2023, the Operating Partnership entered into a Unit Issuance Agreement and Amendment to Contribution and Subscription Agreement with LMB Owenton I LLC in which the Operating Partnership and LMB Owenton I LLC agreed to delay the Contributor's right to require the redemption of the Contributor's GIP LP Units in the Operating Partnership until after 36 months on January 14th, 2025 and for a reduced redemption price of \$7.15 per 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 of 157,771 GIP LP Units in the Operating Partnership at redemption value of \$1,109,570 as of March 31, 2023.

Non-Controlling Interest (Permanent Equity)

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 March 31, 2023, the Company owned 90% of the common units in the Operating Partnership and outside investors owned 10%. The following table reflects the Company's redeemable non-controlling interests and non-controlling interest during the three months ended March 31, 2023 and 2022:

	Brown Family Trust and Brown Family Enterprises, LLC	Irby Prop Partners	Richard Hornstrom	LMB Owenton I LLC	GIP LP (Former Greenwal, L.C. and Riverside Crossing, L.C. Members)	Total Redeemable Non-Controlling Interest	Non-Controlling Interest - Former GIP Fund 1 Members
Balance, December 31, 2021	\$ 500,000	\$ 976,756	\$ 659,972	\$ -	\$ 6,998,251	\$ 9,134,979	\$ 469,712
Issuance of Redeemable Operating Partnership Units for property acquisition	-	-	-	1,109,570	-	1,109,570	-
Distribution on Non-Controlling Interest	(11,260)	(19,001)	(13,087)	(15,269)	(56,686)	(115,303)	(3,938)
Net income (loss) for the quarter	11,260	28,370	19,498	15,269	56,686	131,083	(1,120)
						10,260,32	
Balance, March 31, 2022	<u>\$ 500,000</u>	<u>\$ 986,125</u>	<u>\$ 666,383</u>	<u>\$ 1,109,570</u>	<u>\$ 6,998,251</u>	<u>\$ 9</u>	<u>\$ 464,654</u>
Balance, December 31, 2022	\$ 500,000	\$ 1,014,748	\$ 686,114	\$ 1,109,570	\$ 2,479,299	\$ 5,789,731	\$ 445,035
Issuance of Redeemable Non-Controlling Interest	3,000,000	-	-	-	-	3,000,000	-
Redemption of Redeemable Non-Controlling Interests	-	-	-	-	(2,479,299)	(2,479,299)	-
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)
Balance, March 31, 2023	<u>\$ 3,500,000</u>	<u>\$ 1,024,429</u>	<u>\$ 692,738</u>	<u>\$ 1,109,570</u>	<u>\$ -</u>	<u>\$ 6,326,737</u>	<u>\$ 437,283</u>

Note 8 – Equity

Authorized Equity

The Company is authorized to issue up to 100,000,000 shares of common stock and 10,000,000 of undesignated preferred stock. No preferred shares have been issued as of the date of this report. Holders of the Company's common stock are entitled to receive dividends when authorized by the Company's Board of Directors.

Issuance of Equity Securities for Cash

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.

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.

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

On 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.

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% 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, may be exercised on a cashless basis and became exercisable six months following the closing date and until September 2, 2026.

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 was at any time below the then-effective exercise price of the Investor Warrant for 10 consecutive trading days. During the three months ended March 31, 2023, 106,480 Investor Warrants were exercised on a cashless basis resulting in the issuance of 10,648 shares of common stock. During the three months ended March 31, 2022, 276,760 warrants were exercised on a cashless basis resulting in the issuance of 27,676 shares of common stock. See Note 12 Subsequent Events for Investor Warrants exercised after March 31, 2023.

The Company has 996,420 and 1,638,090 warrants outstanding and exercisable as of March 31, 2023 and March 31, 2022, respectively, as summarized below. Investor Warrants issued on September 8 and 28, 2021 became exercisable on a cashless basis on January 6 and 28, 2022, respectively.

Issue Date	As of March 31, 2023
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	581,570
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
	<u>996,420</u>

	Warrants	Weighted Average Price	Weighted Average Remaining Life
As of December 31, 2022	1,102,900	\$ 11.25	3.7
Exercised	(106,480)	10.00	-
As of March 31, 2023	<u>996,420</u>	<u>\$ 11.38</u>	<u>3.5</u>
Warrants exercisable	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	(276,760)	10.00	-
As of March 31, 2022	<u>1,638,090</u>	<u>\$ 10.84</u>	<u>4.5</u>
Warrants exercisable	1,638,090	\$ 10.84	4.5

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

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 March 31, 2023, 171,590 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 three months ended March 31, 2023 and 2022:

	2023	2022
Number of Shares Outstanding at beginning of period	58,502	23,167
Restricted Shares Issued	98,593	47,142
Restricted Shares Vested	(45,857)	(10,500)
Number of Shares Outstanding at end of period	<u>111,238</u>	<u>59,809</u>

The Company recorded stock based compensation expense of \$90,648 and \$93,926 during the three months ended March 31, 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 distributions to common stockholders and Operating Partnership unit holders:

Authorized Date	Record Date	Per Share/Unit
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.

Note 9 – Mortgage Loans

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

Mortgage Loans Secured By (Tenant-Location)	Loan Amount	Interest Rate	Maturity Date	Debt Service Coverage Ratios ("DSCR") Required		
				2023	2022	
7-11 - Washington, DC; Starbucks-South Tampa, FL; and Pratt & Whitney-Huntsville, Alabama	\$ 11,287,500 ^(a)	4.17 %	3/6/2030	\$ 10,906,937	\$ 10,957,829	1.25
GSA - Norfolk, Virginia	8,260,000	3.50 %	9/30/2024	7,518,613	7,578,304	1.25
PRA Holdings, Inc. - Norfolk, Virginia	5,216,749	3.50 %	10/23/2024	4,687,418	4,728,462	1.25
Sherwin-Williams - Tampa, Florida	1,286,664	3.72 % ^(b)	8/10/2028	1,286,664	1,286,664	1.20
GSA - Manteo, North Carolina	928,728 ^(c)	3.85 % ^(d)	3/31/2032	928,728	928,728	1.50
Irby Construction - Plant City, Florida	928,728 ^(c)	3.85 % ^(d)	3/31/2032	928,728	928,728	1.50
Best Buy - Grand Junction, Colorado	2,552,644 ^(c)	3.85 % ^(d)	3/31/2032	2,552,644	2,552,644	1.50
Fresenius - Chicago, Illinois	1,727,108 ^(c)	3.85 % ^(d)	3/31/2032	1,727,108	1,727,108	1.50
Starbucks - North Tampa, Florida	1,298,047 ^(c)	3.85 % ^(d)	3/31/2032	1,298,047	1,298,047	1.50
Kohls - Tucson, Arizona	3,964,745 ^(c)	3.85 % ^(d)	3/31/2032	3,964,745	3,964,745	1.50
	\$ 37,450,913			\$ 35,799,632	\$ 35,951,259	
			Less Debt Issuance Costs, net	(688,516)	(717,381)	
				\$ 35,111,116	\$ 35,233,878	

^(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%

The Company amortized debt issuance costs during the three months ended March 31, 2023 and 2022 to interest expense of approximately \$28,865 and \$33,673, respectively. The Company did not pay any debt issuance costs during the three months ended March 31, 2023 and paid \$78,878 during the three months ended March 31, 2022.

Each mortgage loan requires the Company to maintain certain debt service coverage ratios as noted above. In addition, one mortgage loan encumbered by six properties, requires 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 March 31, 2023, the Company was in compliance with all covenants.

On April 1, 2022, the Company entered into two mortgage loan agreements with an aggregate balance of \$13.5 million as of March 31, 2023 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 held in the tenancy-in-common investment at an interest rate of 3.85% from April 1, 2022 through and until March 31, 2027. 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.

The Company's President and CEO has personally guaranteed the repayment of the \$11.0 million due under the 7-11 - Washington, DC; Starbucks-South Tampa, FL; and Pratt & Whitney-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 guaranty of the Borrower'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 \$12,206,031. During the three months ended March 31, 2023, the Company incurred a guarantee fee expense to the Company's CEO of \$60,493 recorded to interest expense. No guaranty fee expense was incurred during the three months ended March 31, 2022.

On May 9, 2022, the Operating Partnership amended the current Commitment Letter with American Momentum Bank (the "Lender"), 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 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, 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 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 March 31, 2023 and December 31, 2022, the Company did not have an outstanding balance on the Facility.

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 \$2,912,300 upon execution of the Redemption Agreement entered into July 20, 2022 and made the first and second installment payments of \$325,000 each on September 13, 2022 and March 8, 2023, respectively, with a remaining balance of \$2,262,300 outstanding as of March 31, 2023.

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.

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

	Mortgage Loans	Other Payable - Related Party	Loan Payable - Related Party	Total as of March 31, 2023
2023 (9 months remaining)	\$ 633,897	\$ 452,460	\$ -	\$ 1,086,357
2024	12,427,090	1,809,840	1,500,000	15,736,930
2025	546,280	-	-	546,280
2026	568,514	-	-	568,514
2027	591,656	-	-	591,656
Thereafter	21,032,195	-	-	21,032,195
	<u>\$ 35,799,632</u>	<u>\$ 2,262,300</u>	<u>\$ 1,500,000</u>	<u>\$ 39,561,932</u>

Note 10 – 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 made the first and second installment payments of \$325,000 on September 13, 2022 and March 8, 2023 with a remaining balance of \$2,262,300 outstanding as of March 31, 2023. 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.

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. 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 March 31, 2023.

Note 11 – Tenancy-in-Common Investment

On August 13, 2021, the Company entered into 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 to one of the Company's subsidiaries for \$650,000. The remainder of the purchase price of the property was funded by Sunny Ridge of \$1.2 million and debt financing of approximately \$2.7 million. Richard Hornstrom owns 50% of Sunny Ridge and also contributed \$600,000 of \$950,000 redeemable non-controlling 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 guaranty 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 March 31, 2023, the Company was in compliance with all covenants.

In conjunction with the refinancing of the debt, the Company contributed \$455,888 to the TIC increasing the Company's ownership to 50% interest and reducing Sunny Ridge's interest to 50%. The Rockford, IL property was accounted for under the equity method and as of March 31, 2023 it had a value of \$1,232,670.

The condensed income statements for the three months ended March 31, 2023 and 2022 are as follows:

	Three Months ended March 31,	
	2023	2022
Total revenue	\$ 93,139	\$ 93,139
Total expenses	\$ 64,335	\$ 69,924
Net income	\$ 28,804	\$ 23,215
GIP, LP's Share	\$ 14,402	\$ 8,552

The condensed balance sheets of the tenant in common investment as of March 31, 2023 and December 31, 2022, respectively, are as follows:

	As of March 31, 2023		As of December 31, 2022	
Net real estate investments	\$	4,473,616	\$	4,503,120
Deferred rent asset		6,764		7,132
Prepaid expenses		4,300		343
Due from related party		52,429		21,710
Total Assets	\$	4,537,109	\$	4,532,305
Accounts payable and accrued expenses	\$	8,275	\$	6,738
Prepaid rent		30,550		30,550
Acquired lease intangible liabilities, net		33,703		35,561
Mortgage loan, net of unamortized debt issuance costs		2,088,437		2,088,116
Total Liabilities	\$	2,160,965	\$	2,160,965
GIP, LP	\$	1,232,670	\$	1,218,268
SUNNY RIDGE MHP, LLC		1,143,474		1,153,072
Total Tenants in Common Equity	\$	2,376,144	\$	2,371,340
Total Liabilities and Tenants in Common Equity	\$	4,537,109	\$	4,532,305

Note 12 – Subsequent Events

On April 3, 2023, the Company announced that our Board of Directors authorized a distribution of \$0.039 per share monthly cash distribution for shareholders of record of our common stock as of April 15, 2022, May 15, 2022, and June 15, 2022. April distributions were paid on May 1, 2023 and the Company expects to pay May and June distributions on or about May 30, 2023 and June 30, 2023, respectively. The Operating Partnership common unit holders received the same distribution.

On April 3, 2023, the Operating Partnership elected to exercise its right to terminate the previously disclosed Purchase and Sale Agreement with Harbor Terrace Limited Partnership to acquire an approximately 48,000 square foot single-tenant retail building in Overland Park, Kansas for total consideration of \$8,200,000 per its findings during the inspection period.

Subsequent to March 31, 2023 but before the filing of this Quarterly Report on Form 10-Q, 49,720 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, 4,972 shares of common stock were issued upon exercise.

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.

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 March 31, 2023 owned 90% 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% 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 March 31, 2023:

- *Creditworthy Tenants.* Approximately 62% of our portfolio's annualized base rent ("ABR") as of March 31, 2023 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, PRA Holdings, Inc., Pratt and Whitney, and Kohl's Corporation and contributed approximately 66% of our portfolio's annualized base rent.
- *% Leased.* Our portfolio is 93% leased and occupied.
- *Contractual Rent Growth.* Approximately 100% of the leases in our current portfolio (based on ABR as of March 31, 2023) 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 \$15.05.

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 March 31, 2023:

Property Type	Location	Rentable Square Feet	Tenant	S&P Credit Rating ⁽¹⁾	Remaining Term (Yrs)	Options (Number x Yrs)	Contractual Rent Escalations ⁽⁶⁾	ABR ⁽²⁾	ABR per Sq. Ft.
Retail	Washington, D.C	3,000	7-Eleven Corporation	A	3.0	2 x 5	Yes	\$ 129,804	\$ 43.27
Retail	Tampa, FL	2,200	Starbucks Corporation	BBB+	4.9	4 x 5	Yes	\$ 200,750	\$ 91.25
Industrial	Huntsville, AL	59,091	Pratt & Whitney Automation, Inc. ⁽⁵⁾	A-	5.8	2 x 5	Yes	\$ 684,996	\$ 11.59
Office	Norfolk, VA	49,902	General Services Administration-Navy	AA+	5.5	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+	4.4	1 x 5	Yes	\$ 765,136	\$ 21.96
Retail	Tampa, FL	3,500	Sherwin Williams Company	BBB	5.3	5 x 5	Yes	\$ 126,788	\$ 36.23
Office	Manteo, NC	7,543	General Services Administration-FBI	AA+	5.9	1 x 5	Yes	\$ 161,346	\$ 21.39
Office	Plant City, FL	7,826	Irby Construction	BBB-	1.8	2 x 5	Yes	\$ 170,865	\$ 21.83
Retail	Grand Junction, CO	30,701	Best Buy Co., Inc.	BBB+	4.0	1 x 5	Yes	\$ 353,061	\$ 11.50
Medical-Retail	Chicago, IL	10,947	Fresenius Medical Care Holdings, Inc.	BBB-	3.6	2 x 5	Yes	\$ 228,902	\$ 20.91
Retail	Tampa, FL	2,642	Starbucks Corporation	BBB+	3.9	2 x 5	Yes	\$ 148,216	\$ 56.10
Retail	Tucson, AZ	88,408	Kohl's Corporation	BB+	6.8	7 x 5	Yes	\$ 823,962	\$ 9.32
Tenants - Consolidated Properties								\$ 4,720,749	\$ 14.62
		322,854							
Retail ⁽⁴⁾	Rockford, IL	15,288	La-Z-Boy Inc.	Not Rated	4.6	4 x 5	Yes	\$ 366,600	\$ 23.98
Tenants - All Properties								\$ 5,087,349	\$ 15.05
		338,142							

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

(2) Annualized cash base rental income in place as of March 31, 2023. 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) The Company's pro-rata share is 50% of the tenancy-in-common investment.

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

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

Distributions

From inception through March 31, 2023, we have distributed approximately \$2,953,234 to common stockholders.

Recent Developments

On April 3, 2023, we announced that our Board of Directors authorized a distribution of \$0.039 per share monthly cash distribution for shareholders of record of our common stock as of April 15, 2022, May 15, 2022, and June 15, 2022. April distributions were paid on May 1, 2023 and we expect to pay May and June distributions on or about May 30, 2023 and June 30, 2023, respectively. The Operating Partnership common unit holders received the same distribution.

Subsequent to March 31, 2023 but before the filing of this Quarterly Report on Form 10-Q, 49,720 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, 4,972 shares of common stock were issued upon exercise.

Results of Operations

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

Revenue

During the three months ended March 31, 2023, total revenue from operations was \$1,326,707 as compared to \$1,181,935 for the three months ended March 31, 2022. Revenue increased during the three months ended March 31, 2023 by \$144,772 from the acquisition of three additional properties during the three months ended March 31, 2022.

Operating Expenses

During the three months ended March 31, 2023, we incurred total operating expenses of \$2,035,794 as compared to \$1,636,000 for the three months ended March 31, 2022. Operating expenses increased by \$399,794 as follows:

	Three months ended March 31,		Change
	2023	2022	
General and administrative expense	344,147	341,680	2,467
Building expenses	313,600	253,391	60,209
Depreciation and amortization	557,550	430,893	126,657
Interest expense, net	469,210	330,294	138,916
Compensation costs	351,287	279,742	71,545
Total expenses	\$ 2,035,794	\$ 1,636,000	\$ 399,794

- General, administrative and organizational costs decreased by \$2,467 which is consistent with the three months ended March 31, 2022.
- Building expenses increased by \$60,209 due to an increase in tenant reimbursable expenses incurred by the Company on behalf of tenants from the acquisition of three additional properties during the three months ended March 31, 2022. Reimbursement revenues included in Rental income offset this Building expense.
- Depreciation and amortization increased by \$126,657 from the acquisition of three additional properties during the three months ended March 31, 2022.
- Interest expense, net increased by \$138,916 due to interest on the mortgage loans from the acquisition of three additional properties during the three months ended March 31, 2022 offset by the reduction in interest expense due from the mortgage loans refinanced in April 2022. The additional increase is a result of the guarantee fee expense to the Company's CEO of \$60,493 recorded to interest expense. No guaranty fee expense was incurred during the three months ended March 31, 2022.
- Compensation costs increased by \$71,545 primarily due to an increase in salary and bonus expense offset by a decrease in stock compensation expense.

Net loss

During the three months ended March 31, 2023 and 2022, we generated a net loss of \$1,190,353 and \$445,513, respectively.

Other expense

During the three months ended March 31, 2023, we accrued \$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.

Net income attributable to non-controlling interests

During the three months ended March 31, 2023 and 2022, net income attributable to non-controlling interest was \$127,214 and \$129,963, respectively. The variance is attributable to an increase from additional redeemable non-controlling interests issued offset by a decrease in the Operating Partnership unit holders who have redeemed their interest in 2022 and 2023.

Net loss attributable to common shareholders

During the three months ended March 31, 2023 and 2022, we generated a net loss attributable to our shareholders of \$1,317,567 and \$575,476, respectively.

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 March 31, 2023, we had total cash (unrestricted and restricted) of \$2,771,645, properties with a gross cost basis of \$56,913,125 and outstanding mortgage loans with a principal balance of \$35,799,632.

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 March 31, 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 as of March 31, 2023 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 held in the tenancy-in-common investment at an interest rate of 3.85% from April 1, 2022 through and until March 31, 2027. 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.

Our President and CEO has also personally guaranteed the repayment of the \$11.0 million due under the 7-11 - Washington, DC; Starbucks-South Tampa, FL; and Pratt & Whitney-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 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 \$12,206,031.

During the three months ended March 31, 2023, we incurred a guarantee fee expense to our President and CEO of \$60,493 recorded to interest expense. No guaranty fee expense was incurred during the three months ended March 31, 2022.

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 made the first and second installment payments of \$325,000 each on September 13, 2022 and March 8, 2023, respectively, with a remaining balance of \$2,262,300 outstanding as of March 31, 2023.

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. 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.

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 our current cash on hand and availability under the Facility combined with the revenue generated from investment properties and proceeds from debt arrangements will provide sufficient liquidity to meet future funding commitments for at least the next 12 months.

As of March 31, 2023 and December 31, 2022, we had total current liabilities which consists of accounts payable, accrued expenses, insurance payable of \$1,227,184 and \$714,354, respectively.

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

Mortgage Loans Secured By (Tenant-Location)	Loan Amount	Interest Rate	Maturity Date	2023		2022		Debt Service Coverage Ratios ("DSCR") Required
				\$		\$		
7-11 - Washington, DC; Starbucks-South Tampa, FL; and Pratt & Whitney-Huntsville, Alabama	\$ 11,287,500	(a) 4.17 %	3/6/2030	\$ 10,906,937		\$ 10,957,829		1.25
GSA - Norfolk, Virginia	8,260,000	3.50 %	9/30/2024	7,518,613		7,578,304		1.25
PRA Holdings, Inc. - Norfolk, Virginia	5,216,749	3.50 %	10/23/2024	4,687,418		4,728,462		1.25
Sherwin-Williams - Tampa, Florida	1,286,664	3.72 % ^(b)	8/10/2028	1,286,664		1,286,664		1.20
GSA - Manteo, North Carolina	928,728	3.85 % ^(d)	3/31/2032	928,728		928,728		1.50
Irby Construction - Plant City, Florida	928,728	3.85 % ^(d)	3/31/2032	928,728		928,728		1.50
Best Buy - Grand Junction, Colorado	2,552,644	3.85 % ^(d)	3/31/2032	2,552,644		2,552,644		1.50
Fresenius - Chicago, Illinois	1,727,108	3.85 % ^(d)	3/31/2032	1,727,108		1,727,108		1.50
Starbucks - North Tampa, Florida	1,298,047	3.85 % ^(d)	3/31/2032	1,298,047		1,298,047		1.50
Kohls - Tucson, Arizona	3,964,745	3.85 % ^(d)	3/31/2032	3,964,745		3,964,745		1.50
	\$ 37,450,913			\$ 35,799,632		\$ 35,951,259		
			Less Debt Issuance Costs, net	(688,516)		(717,381)		
				\$ 35,111,116		\$ 35,233,878		

(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%

We amortized debt issuance costs during the three months ended March 31, 2023 and 2022 to interest expense of approximately \$28,865 and \$33,673, respectively. We incurred debt issuance costs of \$78,878 for the three months ended March 31, 2022.

Each promissory note requires us to maintain certain debt service coverage ratios as noted above. In addition, one mortgage loan, encumbered by six properties and requiring a 1.50 DSCR, requires us 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 March 31, 2023, we were in compliance with all covenants.

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

	Mortgage Loans	Other Payable - Related Party	Loan Payable - Related Party	Total as of March 31, 2023
2023 (9 months remaining)	\$ 633,897	\$ 452,460	\$ -	\$ 1,086,357
2024	12,427,090	1,809,840	1,500,000	15,736,930
2025	546,280	-	-	546,280
2026	568,514	-	-	568,514
2027	591,656	-	-	591,656
Thereafter	21,032,195	-	-	21,032,195
	\$ 35,799,632	\$ 2,262,300	\$ 1,500,000	\$ 39,561,932

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 March 31, 2023.

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 used in operating activities was \$850,964 and \$210,500 for the three months ended March 31, 2023 and 2022, respectively. The change is primarily due to an increase in depreciation and amortization, deferred rent asset, prepaid expenses, accounts receivable and a decrease in the deferred rent liability offset by an increase in accrued expenses.

Cash from Investing Activities

Net cash used in investing activities during the three months ended March 31, 2023 was a \$50,000 escrow deposit paid to purchase a property. Net cash used in investing activities was \$12,700,600 during the three months ended March 31, 2022. The decrease in cash used in investing activities is due to the acquisition of three additional properties during the three months ended March 31, 2022 offset by a deposit paid to acquire a property.

Cash from Financing Activities

Net cash used in financing activities was \$80,387 for the three months ended March 31, 2023 and net cash provided by financing activities was \$6,929,476 for the three months ended March 31, 2022. The change is primarily related to the mortgage loan borrowings to acquire three additional properties during the three months ended March 31, 2022 offset by an increase in proceeds from issuance of redeemable non-controlling interest.

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

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.

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 March 31,	
	2023	2022
Net loss	\$ (1,190,353)	\$ (445,513)
Other expense	506,000	-
Depreciation and amortization	557,550	430,893
Funds From Operations	\$ (126,803)	\$ (14,620)
Amortization of debt issuance costs	28,865	33,673
Non-cash stock compensation	90,648	93,926
Adjustments to Funds From Operations	119,513	127,599
Core Funds From Operations	\$ (7,290)	\$ 112,979
Net loss	\$ (1,190,353)	\$ (445,513)
Other expense	506,000	-
Depreciation and amortization	557,550	430,893
Amortization of debt issuance costs	28,865	33,673
Above and below-market lease amortization, net	(26,297)	(23,884)
Straight line rent, net	18,738	(1,100)
Adjustments to net loss	\$ 1,084,856	\$ 439,582
Adjusted Funds From Operations	\$ (105,497)	\$ (5,931)
Non-cash stock compensation	\$ 90,648	\$ 93,926
Adjustments to Adjusted Funds From Operations	\$ 90,648	\$ 93,926
Core Adjusted Funds From Operations	\$ (14,849)	\$ 87,995
Net loss	\$ (1,190,353)	\$ (445,513)
Net income attributable to non-controlling interests	(127,214)	(129,963)
Net loss attributable to Generation Income Properties, Inc.	\$ (1,317,567)	\$ (575,476)

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 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 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, performed an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2023. Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures were effective as of March 31, 2023.

(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 March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

There have been no material changes from the risk factors previously disclosed in Item 1A. Risk Factors of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

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

(a) Sales of Unregistered Securities.

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, 2023, 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.

(c)None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

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

EXHIBIT NUMBER	DESCRIPTION
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)
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).
10.1	Second Amended and Restated Limited Liability Company Agreement of GIPVA 130 Corporate Blvd, LLC, dated February 08, 2023 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed February 9, 2023).
10.2	Unit Purchase Agreement, GIPVA 130 Corporate Blvd, LLC and Brown Family Enterprises, dated February 08, 2023 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed February 9, 2023).
10.3	Second Amended and Restated Limited Liability Company Agreement of GIPVA 2510 Walmer Ave, LLC, dated February 08, 2023 (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed February 9, 2023).
10.4	Unit Purchase Agreement, GIPVA 2510 Walmer Ave, LLC and Brown Family Enterprises, dated February 08, 2023 (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed February 9, 2023).
10.5	Unit Issuance Agreement and Amendment to Contribution and Subscription Agreement, Generation Income Properties, L.P., and 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 February 9, 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.

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: May 12, 2023

By: /s/ David Sobelman
David Sobelman
Chief Executive Officer and Chair of the Board
(Principal Executive Officer)

Date: May 12, 2023

By: /s/ Allison Davies
Allison Davies
Chief Financial Officer
(Principal Financial and Accounting Officer)

**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 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 is 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.

May 12, 2023

/s/ David Sobelman
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.

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

I, Allison Davies, 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 is 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.

May 12, 2023

/s/ Allison Davies
Allison Davies
Chief Financial Officer
(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 March 31, 2023 as filed with the Securities and Exchange Commission on May 12, 2023 (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)

May 12, 2023

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 Financial 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 Financial 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 March 31, 2023 as filed with the Securities and Exchange Commission on May 12, 2023 (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

Allison Davies

Chief Financial Officer

(Principal Financial and Accounting Officer)

May 12, 2023

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.
