
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 10, 2023

GENERATION INCOME PROPERTIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation)

001-40771
(Commission
File Number)

47-4427295
(IRS Employer
Identification No.)

**401 East Jackson Street, Suite 3300
Tampa, Florida**
(Address of Principal Executive Offices)

33602
(Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, par value \$0.01 per share

Trading Symbol(s)
GIPR

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Warrants to purchase Common Stock

GIPRW

The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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. ☐

Explanatory Note

In this Current Report on Form 8-K/A, the terms "we", "us", "our" and the "Company" refer to Generation Income Properties, Inc. and its consolidated subsidiaries, unless the context indicates otherwise.

On August 14, 2023, we filed a Current Report on Form 8-K (the "Original Form 8-K"), to report that on August 10, 2023, Generation Income Properties, Inc. and its operating partnership, Generation Income Properties, L.P. ("GIP Operating Partnership"), entered into an Agreement of Purchase and Sale (the "Purchase Agreement") with Modiv Inc. and certain affiliates thereof (collectively, "Modiv"), pursuant to which GIP Operating Partnership purchased from Modiv a portfolio of 13 net leased properties (the "Modiv Portfolio"). The Modiv Portfolio consists of eleven (11) retail properties and two (2) office properties. As disclosed in the Original 8-K, the transactions contemplated by the Purchase Agreement closed on August 10, 2023. The properties comprising the Modiv Portfolio are located across seven states and aggregate approximately 200,000 rentable square feet. We are amending the Original Form 8-K to provide the historical financial statements required by Item 9.01(a) of Form 8-K and to provide the pro forma financial information required by Item 9.01(b) of Form 8-K, which financial statements and pro forma information were not included in the Original Form 8-K as permitted by Item 9.01(a)(3) and Item 9.01(b)(2) of Form 8-K. This amendment reports no other updates or amendments to the Original Form 8-K.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

The following financial statements of the acquired Modiv Portfolio are attached hereto as Exhibit 99.3 and incorporated by reference herein:

- Report of Independent Registered Public Accounting Firm
- Audited Combined Statement of Revenues and Certain Operating Expenses of the Modiv Portfolio for the year ended December 31, 2022 and the unaudited six months ended June 30, 2023
- Notes to Combined Statements of Revenues and Certain Operating Expenses

(b) Pro Forma Financial Information.

The following unaudited pro forma financial information for the Company is attached as Exhibit 99.4 and incorporated by reference herein:

- Unaudited Pro Forma Consolidated Statement of Operations for the Company for the year ended December 31, 2022 and the unaudited six months ended June 30, 2023, giving effect to the acquisition of the Modiv Portfolio as if such acquisition occurred on January 1, 2022
- Unaudited Pro Forma Balance Sheet for the Company as of December 31, 2022 and June 30, 2023
- Unaudited Pro Forma Statement of Taxable Operating Results and Cash to be Made Available by Operations for the Company as of December 31, 2022 and June 30, 2023 as if the acquisition of the Modiv Portfolio occurred on January 1, 2022
- Notes to Unaudited Pro Forma Consolidated Financial Statements

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
23.1*	Consent of MaloneBailey, LLP
99.3*	Financial Statements of the Modiv Portfolio.
99.4*	Unaudited Pro Forma Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*Filed herewith

Forward-Looking Statements

This Current Report on Form 8-K may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. Words such as “anticipate,” “estimate,” “expect,” “intend,” “plan,” and “project” and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Such statements are based on management’s current expectations and are subject to a number of risks and uncertainties, many of which are beyond management’s control, that could cause actual results to differ materially from those described in the forward-looking statements, including without limitation the risk that the expected benefits of the acquisition of the Modiv Portfolio will not be realized or will not be realized within the expected time periods, as well as risks relating to general economic conditions, market conditions, interest rates, and other factors. Investors are cautioned that there can be no assurance actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Please refer to the risks detailed from time to time in the reports we file with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC, as well as other filings on Form 10-Q and periodic filings on Form 8-K, for additional factors that could cause actual results to differ materially from those stated or implied by such forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

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 hereunto duly authorized.

GENERATION INCOME PROPERTIES, INC.

Date: September 8, 2023

By: /s/ Allison Davies
Allison Davies
Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-11 and Form S-8 (Nos. 333-235707 and 333-261098) of Generation Income Properties, Inc. of our report dated September 8, 2023 with respect to the combined financial statements of the Modiv Portfolio for the year ended December 31, 2022 included in this Form 8-K/A.

/s/ *MaloneBailey, LLP*
www.malonebailey.com
Houston, Texas
September 8, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Generation Income Properties, Inc.

Opinion on the Financial Statements

We have audited the accompanying combined statement of revenue and certain operating expenses of the Modiv Portfolio for the year ended December 31, 2022, and the related notes to the combined financial statements (collectively referred to as the “financial statements”). In our opinion, the financial statements presents fairly, in all material respects, the results of operations of the Modiv Portfolio for the year ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statement was prepared for the purpose of complying with the provisions of Article 3-14 of Regulation S-X (for inclusion in this Form 8-K of Generation Income Properties, Inc.) and is not intended to be a complete presentation of the Property’s revenues and expenses.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ MaloneBailey, LLP

www.malonebailey.com

We have served as the Company’s auditor since 2015.

Houston, Texas

September 8, 2023

COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Six Months Ended June 30, 2023 and Twelve Months Ended December 31, 2022

	Six months ended June 30, 2023 (unaudited)	Twelve months ended December 31, 2022
Revenues		
Rental revenue	\$ 1,929,259	\$ 3,882,618
Total revenues	1,929,259	3,882,618
Certain Expenses		
Building expenses	\$ 427,289	\$ 458,294
Real estate taxes	268,584	569,730
Insurance expense	39,438	71,845
General and administrative expense	44,033	75,115
Total expenses	779,344	1,174,984
Revenues in excess of certain expenses	\$ 1,149,915	\$ 2,707,634

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

Modiv Portfolio
NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Six Months Ended June 30, 2023 (unaudited) and Twelve Months Ended December 31, 2022

(1) Organization

On August 10, 2023, Generation Income Properties, Inc. (the “Company”) and its operating partnership, Generation Income Properties, L.P. (“GIP Operating Partnership”), entered into an Agreement of Purchase and Sale (the “Purchase Agreement”) with Modiv Inc. and certain affiliates thereof (collectively, “Modiv”), pursuant to which GIP Operating Partnership purchased from Modiv a portfolio of 13 net leased properties (the “Modiv Portfolio”). The acquisition of the Modiv Portfolio closed on August 10, 2023. The Modiv Portfolio consists of eleven (11) retail properties and two (2) office properties. The properties comprising the Modiv Portfolio are located across seven states and aggregate approximately 200,000 rentable square feet, summarized below:

State	# of Properties	Square Feet	% of Total Square Feet	Annual Base Rent	% of Total Annual Base Rent
California	3	44,331	22 %	\$ 987,125	28 %
Florida	1	33,118	16 %	835,346	24 %
Georgia	1	10,906	5 %	103,607	3 %
Maine	2	18,126	9 %	205,404	6 %
Ohio	3	27,078	13 %	246,275	7 %
Pennsylvania	1	9,100	5 %	86,004	2 %
Texas	2	59,026	30 %	1,010,040	30 %
	13	201,685	100 %	\$ 3,473,801	100 %

The purchase price paid for the Modiv Portfolio was \$42 million, excluding estimated transaction costs and expenses of \$1.9 million and subject to prorations and credits as set forth in the Purchase Agreement. An amount equal to \$30 million of the Purchase Price was paid in cash and \$12 million was paid in shares of a newly issued series of preferred stock of the Company designated as Series A Redeemable Preferred Stock. The cash portion of the purchase price was financed with a combination of (i) cash on hand, (ii) a new \$21.0 million secured debt facility from Valley National Bank (Valley), and (iii) a \$12.0 million preferred equity investment by LC2-NNN Pref, LLC, a Florida limited liability company and affiliate of Loci Capital Partners (“LC2”). The investment by LC2 was made into a special purpose subsidiary of GIP Operating Partnership named GIP VB SPE, LLC, a Delaware limited liability company (“GIP SPE”), and each of the properties in the Modiv Portfolio was transferred in a separate newly formed special purpose subsidiary of GIP SPE. As a result of the foregoing transactions, GIP SPE serves as a holding company for the various indirect subsidiaries of the Company that hold the properties included in the Modiv Portfolio plus the eight previously owned properties held by the Company that were already financed through loans with Valley.

(2) Basis of Presentation

The accompanying statements of revenues and certain operating expenses (the “Historical Summary”) has been prepared for the purpose of complying with the provisions of Article 3-14 of Regulation S-X promulgated by the United States Securities and Exchange Commission (the “SEC”), which requires certain information with respect to real estate operations be included with certain filings with the SEC. The Historical Summary includes the historical revenues and operating expenses of Modiv, exclusive of interest expense, depreciation and amortization expense, and other nonrecurring owner specific expenses, which may not be comparable to the corresponding amounts reflected in the future operations of Modiv.

In the opinion of management, all adjustments necessary for a fair presentation of such Historical Summary have been included. Such adjustments consisted of normal recurring items.

(3) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(4) Significant Accounting Policies

Revenue Recognition

The operations of the Modiv Portfolio consist of rental revenue earned under the leases of the buildings in the portfolio which provide for noncontingent annual rent escalations and charges to the tenant for real estate taxes and certain operating expenses.

Rental revenue for the leases is recognized by amortizing the aggregate lease payments on a straight-line basis over the terms of the lease. All leases are accounted for as operating leases.

(5) Future Minimum Rentals

The aggregate annual minimum base rent to be received is as follows:

June 30, 2023	
2023 (six months remaining) \$	1,784,354
2024 \$	3,568,708
2025 \$	3,525,538
2026 \$	3,285,479
2027 \$	2,277,798
Thereafter \$	5,650,878
\$	20,092,755

(6) Tenant Concentrations

Tenant	# of Leases	Square Feet	% of Total Square Feet	Annual Base Rent	% of Total Annual Base Rent
City of San Antonio (PreK)	1	50,000	25 %	\$ 924,000	27 %
Dollar General	8	82,157	42 %	984,798	28 %
Dollar Tree Stores, Inc.	1	10,906	5 %	103,607	3 %
exp U.S. Services Inc.	1	33,118	16 %	835,346	24 %
General Services Administration (GSA)	1	11,014	5 %	257,050	7 %
Walgreens	1	14,490	7 %	369,000	11 %
	13	201,685	100 %	\$ 3,473,801	100 %

Generation Income Properties Inc.
Overview to Unaudited Pro Forma Consolidated Financial Statements

On August 10, 2023, Generation Income Properties, Inc. (the “Company”) and its operating partnership, Generation Income Properties, L.P. (“GIP Operating Partnership”), entered into an Agreement of Purchase and Sale (the “Purchase Agreement”) with Modiv Inc. and certain affiliates thereof (collectively, “Modiv”), pursuant to which GIP Operating Partnership purchased from Modiv a portfolio of 13 net leased properties (the “Modiv Portfolio”). The acquisition of the Modiv Portfolio closed on August 10, 2023. The Modiv Portfolio consists of eleven (11) retail properties and two (2) office properties.

The purchase price paid for the Modiv Portfolio was \$42 million, excluding estimated transaction costs and expenses of \$1.9 million and subject to prorations and credits as set forth in the Purchase Agreement. An amount equal to \$30 million of the purchase price was paid in cash and \$12 million was paid in shares of a newly issued series of preferred stock of the Company designated as Series A Redeemable Preferred Stock. The cash portion of the purchase price was financed with a combination of (i) cash on hand, (ii) a new \$21.0 million secured debt facility from Valley National Bank (Valley”), and (iii) a \$12.0 million preferred equity investment by LC2-NNN Pref, LLC, a Florida limited liability company and affiliate of Loci Capital Partners (“LC2”). The investment by LC2 was made into a special purpose subsidiary of GIP Operating Partnership named GIP VB SPE, LLC, a Delaware limited liability company (“GIP SPE”), and each of the properties in the Modiv Portfolio was transferred in a separate newly formed special purpose subsidiary of GIP SPE. As a result of the foregoing transactions, GIP SPE serves as a holding company for the various indirect subsidiaries of the Company that hold the properties included in the Modiv Portfolio plus the eight previously owned properties held by the Company that were already financed through loans with Valley.

The accompanying unaudited pro forma consolidated financial statements have been derived from the Company's historical consolidated financial statements. The unaudited pro forma consolidated balance sheet as of June 30, 2023 is presented to reflect pro forma adjustments as if the Company's acquisition on August 10, 2023 of the Modiv Portfolio was completed on January 1, 2023. The unaudited pro forma consolidated statements of operations for the twelve months ended December 31, 2022 and for the six months ended June 30, 2023, are presented as if the acquisition of the Modiv Portfolio on August 10, 2023 was completed on January 1, 2022. Pro forma adjustments include only adjustments that give effect to events that are (1) directly attributable to the transaction and (2) factually supportable regardless of whether they have a continuing impact or are nonrecurring.

We have based the unaudited pro forma adjustments on available information and assumptions that we believe are reasonable. The following unaudited pro forma consolidated financial statements are presented for informational purposes only and are not necessarily indicative of what our actual consolidated financial position would have been as of June 30, 2023, assuming the transaction and adjustments reflected therein had been consummated on January 1, 2023, and what our actual consolidated results of operations would have been for the twelve months ended December 31, 2022 or for the six months ended June 30, 2023, assuming the transaction and adjustments reflected therein had been completed on January 1, 2022, and additionally are not indicative of our consolidated future financial condition, results of operations, or cash flows, and should not be viewed as indicative of our future consolidated financial condition, results of operations, or cash flows.

The following unaudited pro forma consolidated financial statements should be read in conjunction with our historical audited consolidated financial statements as of December 31, 2022 included in our Annual Report on Form 10-K filed on March 28, 2023, our historical unaudited financial statements as of June 30, 2023 included in our Quarterly Report on Form 10-Q filed on August 14, 2023, the “Cautionary Note Regarding Forward-Looking Statements” contained in those filings, and the “Risk Factors” sections contained in those filings.

Generation Income Properties Inc.
Pro Forma Consolidated Balance Sheet
June 30, 2023

	Historical (unaudited) (a)	Pro Forma Adjustments (unaudited)	Pro Forma (unaudited)
Assets			
Investments in real estate			
Land	\$ 12,577,544	\$ 7,982,005 (b)	\$ 20,559,549
Building and site improvements	39,772,590	29,413,921 (b)	69,186,511
Tenant improvements	907,382	1,306,203 (b)	2,213,585
Acquired lease intangible assets	4,387,526	5,764,759 (b)	10,152,285
Less: accumulated depreciation and amortization	(6,441,616)	(1,027,479)	(7,469,095)
Net real estate investments	\$ 51,203,426	\$ 43,439,409	\$ 94,642,835
Investment in tenancy-in-common	1,247,679	-	1,247,679
Cash and cash equivalents	2,105,392	2,031,499 (g)	4,136,891
Restricted cash	34,500	-	34,500
Deferred rent asset	319,528	13,264	332,792
Prepaid expenses	533,446	(174,303) (c)	359,143
Accounts receivable	125,299	-	125,299
Escrow deposits and other assets	285,287	(100,000) (c)	185,287
Right of use asset, net	6,190,529	-	6,190,529
Total Assets	\$ 62,045,086	\$ 45,209,869	\$ 107,254,955
Liabilities and Equity			
Liabilities			
Accounts payable	\$ 242,855	\$ 422,661 (c)	\$ 665,516
Accrued expenses	379,508	-	379,508
Accrued expense - related party	506,000	-	506,000
Acquired lease intangible liabilities, net	537,618	548,944 (b)	1,086,562
Insurance payable	239,301	-	239,301
Deferred rent liability	232,550	-	232,550
Lease liability, net	6,365,937	-	6,365,937
Other payable - related party	2,262,300	-	2,262,300
Loan payable - related party	1,500,000	4,000,000 (d)	5,500,000
Mortgage loans, net of unamortized debt issuance costs	34,958,848	20,545,531 (b)	55,504,379
Total liabilities	\$ 47,224,917	\$ 25,517,136	\$ 72,742,053
Redeemable Non-Controlling Interests	\$ 6,343,042	\$ 10,215,555 (e)	\$ 16,558,597
Stockholders' Equity			
Preferred Stock, \$0.01 par value, 2,400,000 shares issued and outstanding at June 30, 2023	\$ -	\$ 24,000 (f)	\$ 24,000
Common stock, \$0.01 par value, 100,000,000 shares authorized; 2,617,538 shares issued and outstanding at June 30, 2023	\$ 26,175	\$ -	\$ 26,175
Additional paid-in capital	18,870,576	11,074,591 (f)	29,945,167
Accumulated deficit	(10,839,825)	(1,621,413)	(12,461,238)
Total Generation Income Properties, Inc. Stockholders' equity	\$ 8,056,926	\$ 9,477,178	\$ 17,534,104
Non-Controlling Interest	\$ 420,201	\$ -	\$ 420,201
Total equity	\$ 8,477,127	\$ 9,477,178	\$ 17,954,305
Total Liabilities and Equity	\$ 62,045,086	\$ 45,209,869	\$ 107,254,955

- (a) Historical unaudited financial information obtained from the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2023.
 - (b) The Company records the assets acquired and liabilities assumed related to the acquisition at fair value in accordance with Accounting Standards Codification Section 805, Business Combinations (as disclosed in the Company's Annual Report on Form 10-K), as if the acquisition was completed on January 1, 2023. The Properties qualified as asset acquisitions.
 - (c) Reflects impact of closing costs and prorations.
 - (d) On July 21, 2023, GIP Operating Partnership amended and restated its previously disclosed Secured Promissory Note, dated October 14, 2022, payable to Brown Family Enterprises, LLC, and the related Security Agreement dated October 14, 2022 to reflect an increase in the Note and the loan evidenced thereby from \$1.5 million to \$5.5 million and extend the maturity date thereof from October 14, 2024 to October 14, 2026.
 - (e) \$12 million preferred equity investment by LC2-NNN Pref, LLC, net of issuance costs and including deferred interest for the six months ended June 30, 2023, less redemptions of non-controlling interest paid concurrent with transaction of \$2.5 million.
 - (f) \$12 million in shares of a newly issued series of preferred stock of the Company designated as Series A Redeemable Preferred Stock, net of issuance costs and preferred stock dividends for the six months ended June 30, 2023.
 - (g) Reflects the pro forma net impact of the adjustments above.
-

Generation Income Properties Inc.
Pro Forma Consolidated Statements of Operations
For the Six Months Ended June 30, 2023

	Historical (unaudited) ^(a)	Pro Forma Adjustments (unaudited) ^(b)	Pro Forma (unaudited)
Revenue			
Rental income	\$ 2,645,457	\$ 1,967,368 ^(c)	\$ 4,612,825
Other income	20,460	-	20,460
Total revenue	\$ 2,665,917	\$ 1,967,368	\$ 4,633,285
Expenses			
General and administrative expense	\$ 703,136	\$ 44,033	\$ 747,169
Building expenses	633,855	735,311	1,369,166
Depreciation and amortization	1,115,551	1,027,479 ^(d)	2,143,030
Interest expense, net	935,961	960,458 ^(e)	1,896,419
Compensation costs	634,006	-	634,006
Total expenses	\$ 4,022,509	\$ 2,767,281	\$ 6,789,791
Operating loss	(1,356,592)	(799,913)	(2,156,505)
Other expense	(506,000)	-	(506,000)
Income on investment in tenancy-in-common	29,411	-	29,411
Dead deal expense	(109,569)	-	(109,569)
Net loss	\$ (1,942,750)	\$ (799,913)	\$ (2,742,663)
Less: Net income attributable to non-controlling interests	256,279	821,500 ^(f)	1,077,779
Net loss attributable to Generation Income Properties, Inc.	\$ (2,199,029)	\$ (1,621,413)	\$ (3,820,442)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	2,578,678		2,578,678
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (0.85)		\$ (1.48)

(a) Historical unaudited financial information obtained from the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2023.

(b) Reflects operating results attributable to the Modiv Portfolio for the six months ended June 30, 2023.

(c) The Company recognizes rental revenue for operating leases on a straight-line basis over the life of the related lease, including any rent steps. In addition, the Company records acquired above-market and below-market leases at their fair value and recognizes the related amortization over the lives of the related leases as an adjustment to rental revenue.

(d) Reflects depreciation and amortization expense on the Modiv Portfolio during the six months ended June 30, 2023. The Company records depreciation and amortization on a straight-line basis over the estimated useful lives.

(e) Reflects the pro forma interest expense for the six months ended June 30, 2023, using an interest rate of 7.47% per year for the mortgage loans and 7.00% for the loan with Brown Family Enterprises, net of loan cost amortization.

(f) Reflects the pro forma noncontrolling interest expense using a rate of 15.5% per year for the six months ended June 30, 2023.

Generation Income Properties Inc.
Pro Forma Consolidated Statements of Operations
For the Twelve Months Ended December 31, 2022

	Historical ^(a)	Pro Forma Adjustments ^(b) (unaudited)	Pro Forma (unaudited)
Revenue			
Rental income	\$ 5,394,778	\$ 3,937,137 ^(c)	\$ 9,331,915
Other income	37,684	-	37,684
Total revenue	\$ 5,432,462	\$ 3,937,137	\$ 9,369,599
Expenses			
General and administrative expense	\$ 1,647,987	\$ 75,115	\$ 1,723,102
Building expenses	1,208,192	1,099,869	2,308,061
Depreciation and amortization	2,110,975	2,054,957 ^(d)	4,165,932
Interest expense, net	1,620,237	1,920,916 ^(e)	3,541,153
Compensation costs	1,310,796	-	1,310,796
Total expenses	\$ 7,898,187	\$ 5,150,857	\$ 13,049,044
Operating loss	(2,465,725)	(1,213,720)	(3,679,445)
Income on investment in tenancy-in-common	37,298	-	37,298
Dead deal expense	(174,722)	-	(174,722)
Loss on debt extinguishment	(144,029)	-	(144,029)
Net loss	<u>\$ (2,747,178)</u>	<u>\$ (1,213,720)</u>	<u>\$ (3,960,898)</u>
Less: Net income attributable to non-controlling interests	490,462	1,643,000 ^(f)	2,133,462
Net loss attributable to Generation Income Properties, Inc.	<u>\$ (3,237,640)</u>	<u>\$ (2,856,720)</u>	<u>\$ (6,094,360)</u>
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	2,313,112		2,313,112
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (1.40)		\$ (2.63)

(a) Historical financial information obtained from the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

(b) Reflects operating results attributable to the Modiv Portfolio for the twelve months ended December 31, 2022.

(c) The Company recognizes rental revenue for operating leases on a straight-line basis over the life of the related lease, including any rent steps. In addition, the Company records acquired above-market and below-market leases at their fair value and recognizes the related amortization over the lives of the related leases as an adjustment to rental revenue.

(d) Reflects depreciation and amortization expense on the Modiv Portfolio during the twelve months ended December 31, 2022. The Company records depreciation and amortization on a straight-line basis over the estimated useful lives.

(e) Reflects the pro forma interest expense for the twelve months ended December 31, 2022, using an interest rate of 7.47% per year for the mortgage loans and 7.00% for the loan with Brown Family Enterprises, net of loan cost amortization.

(f) Reflects the pro forma noncontrolling interest expense using a rate of 15.5% per year for the twelve months ended December 31, 2022.

Generation Income Properties Inc.
Pro Forma Unaudited Statements of Taxable Operating Results and Cash to be Made Available by Operations
For the Year Ended December 31, 2022 and Six Months Ended June 30, 2023

The following represents an estimate of the taxable operating results and cash to be made available by operations of the Company based upon the unaudited pro forma consolidated statements of operations for the year ended December 31, 2022 and the six months ended June 30, 2023. These estimated results do not purport to represent the results of operations for the Company in the future and were prepared based on the assumptions outlined in the unaudited pro forma consolidated statements of operations, which should be read in conjunction with this statement.

For the Six Months Ended June 30, 2023

	Pro Forma (unaudited)
Net loss attributable to Generation Income Properties, Inc.	\$ (3,820,442)
Net book depreciation and amortization in excess of tax depreciation and amortization	952,296
Estimated taxable operating loss	\$ (2,868,146)
Adjustments:	
Depreciation and amortization	2,143,030
Amortization of debt issuance costs	93,838
Amortization of Above/below market leases	76,706
Amortization of above market ground lease	(366)
Restricted stock unit compensation	167,687
Non-cash ground lease expense	42,133
Income on investment in tenancy-in-common	(29,411)
Dead deal expense	109,569
Loss on debt extinguishment	-
Write-off of deferred financing cost	-
Net book depreciation and amortization in excess of tax depreciation and amortization	(952,296)
Estimated cash to be made available from operations	<u>\$ (1,217,256)</u>

For the Year Ended December 31, 2022

	Pro Forma (unaudited)
Net loss attributable to Generation Income Properties, Inc.	\$ (6,094,360)
Net book depreciation and amortization in excess of tax depreciation and amortization	1,904,591
Estimated taxable operating loss	\$ (4,189,769)
Adjustments:	
Depreciation and amortization	4,165,932
Amortization of debt issuance costs	191,146
Amortization of above/below market leases	255,206
Amortization of above market ground lease	(592)
Restricted stock unit compensation	421,882
Non-cash ground lease expense	71,672
Income on investment in tenancy-in-common	(37,298)
Dead deal expense	174,722
Loss on debt extinguishment	144,029
Write-off of deferred financing cost	252,256
Net book depreciation and amortization in excess of tax depreciation and amortization	(1,904,591)
Estimated cash to be made available from operations	<u>\$ (455,405)</u>

