

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 28, 2021

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))

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

Title of each class	Trading Symbol(s)	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 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.

Item 1.01. Entry into Material Definitive Agreement.

The information discussed under Items 2.01 and 2.03 of this Current Report on Form 8-K is incorporated by reference into this Item 1.01.

Item 2.01. Completion of Acquisition or Disposition of Assets.

Colorado Property

On December 28, 2021, Generation Income Properties, L.P., the operating partnership (the “Operating Partnership”) of Generation Income Properties, Inc. (the “Company”), through a single purpose limited liability company (the “Colorado SPE”) of which the Company owns 100% of the membership interests, completed the acquisition of a 30,700 square-foot, single-tenant retail property in Grand Junction, Colorado (the “Colorado Property”). The Operating Partnership entered into a Purchase and Sale Agreement, dated October 28, 2021, with OREOF19 BR, LLC, a Delaware limited liability company, for the purchase of the Colorado Property at a purchase price of approximately \$4,700,000, excluding transaction costs (the “Colorado Purchase and Sale Agreement”), which was amended on December 10, 2021 (the “Colorado First Amendment”). Pursuant to an Assignment and Assumption of Purchase and Sale Agreement, effective as of December 23, 2021 (the “Colorado Assignment Agreement”), the Operating Partnership assigned, and the Colorado SPE assumed, all of the Operating Partnership’s right, title and interest in and under the Colorado Purchase and Sale Agreement and Colorado First Amendment, giving the Colorado SPE the right to acquire the Colorado Property pursuant to the Colorado Purchase and Sale Agreement. The seller of the Colorado Property is not affiliated with the Company or any of the Company’s affiliates. The purchase price of the Colorado Property and related transaction costs were funded using cash on hand of approximately \$2,350,000 from the Company’s initial public offering, which closed in September 2021, and approximately \$2,350,000 of debt financing, as discussed below in Item 2.03.

The Colorado Property is 100% leased to Best Buy Stores, L.P., a Virginia limited partnership, pursuant to a lease, dated as of February 27, 2006, between TOYS R US as landlord, and Best Buy Stores, L.P., as tenant, as amended by that certain first amendment to lease, dated May 19, 2021 (the “Colorado Lease”). The obligations of Best Buy Stores, L.P. under the Colorado Lease are guaranteed by Best Buy Co., Inc., a Minnesota corporation, pursuant to a Guaranty, dated February 27, 2006 (the “Best Buy Guaranty”). The term of the Colorado Lease in effect at the time of acquisition commenced on May 1, 2021 and ended on March 31, 2022. The first extended lease term of the Colorado Lease commenced on April 1, 2022 and ends on March 31, 2027, with a second option to renew for a five-year term. Under the Colorado Lease, Best Buy Stores, L.P. is responsible for operating expenses, real estate taxes, insurance, repairs, maintenance and capital expenditures, in addition to base rent. In connection with the acquisition of the Colorado Property, the Colorado SPE entered into an Assignment and Assumption of Lease, Security Deposit and Guaranty (“Assignment and Assumption of Colorado Lease”) with the seller of the Colorado Property, dated December 28, 2021, pursuant to which the seller assigned and the Colorado SPE assumed all of the seller’s rights and obligations under the Colorado Lease and related Best Buy Guaranty.

The following table provides certain information about the Colorado Property and the Colorado Lease:

<u>Property Type</u>	<u>Property Location</u>	<u>Lease Expiration Date</u>	<u>Rentable Square Feet</u>	<u>Annualized Base Rent in 2022</u>	<u>Tenant Renewal Options(1)</u>
Retail	Grand Junction, Colorado	3/31/2027	30,700	\$353,061	One, five-year renewal option remaining

(1) Annualized base rent escalates to \$388,368 upon exercise of the renewal option commencing April 1, 2027.

The foregoing descriptions of the Colorado Purchase and Sale Agreement, Colorado First Amendment, Colorado Assignment Agreement, Colorado Lease, Best Buy Guaranty, and Assignment and Assumption of Colorado Lease are only summaries and are qualified in their entirety by reference to the complete text of such documents, which are attached as Exhibits.

Illinois Property

On January 7, 2022, the Operating Partnership of the Company, through a single purpose limited liability company (the “Illinois SPE”) of which the Company owns 100% of the membership interests, completed the acquisition of a 10,900 square-foot, single-tenant medical retail property in Chicago, Illinois (the “Illinois Property”). The Operating Partnership entered into a Purchase and Sale Agreement, dated October 27, 2021, with Elliott Bay Healthcare Realty, LLC, a Delaware limited liability company, for the purchase of the Illinois Property at a purchase price of approximately \$3,100,000, excluding transaction costs (the “Illinois Purchase and Sale Agreement”), which was amended on December 10, 2021 (the “Illinois First Amendment”). Pursuant to an Assignment and Assumption of Purchase

and Sale Agreement, effective as of December 23, 2021 (the “Illinois Assignment Agreement”), the Operating Partnership assigned, and the Illinois SPE assumed, all of the Operating Partnership’s right, title and interest in and under the Illinois Purchase and Sale Agreement and Illinois First Amendment, giving the Illinois SPE the right to acquire the Illinois Property pursuant to the Illinois Purchase and Sale Agreement. Elliott Bay Healthcare Realty, LLC and the Illinois SPE entered into a Second Amendment to the Illinois Purchase and Sale Agreement, dated January 3, 2022 (the “Illinois Second Amendment”). The seller of the Illinois Property is not affiliated with the Company or any of the Company’s affiliates. The Operating Partnership funded the purchase price of the Illinois Property and related transaction costs using cash on hand of approximately \$1,550,000 from the Company’s initial public offering, which closed in September 2021, and approximately \$1,550,000 of debt financing, as discussed below in Item 2.03.

The Illinois Property is 100% leased to WSKC Dialysis Services, Inc., an Illinois corporation, pursuant to a lease, dated as of January 24, 2006, as amended on August 16, 2016, and on November 13, 2020, between Elliott Bay Healthcare Realty, LLC, as landlord, and WSKC Dialysis Services, Inc., as tenant (the “Illinois Lease”). The obligations of WSKC Dialysis Services, Inc. under the Illinois Lease are guaranteed by Fresenius Medical Care Holdings, Inc., a New York corporation, pursuant to a Guaranty, dated January 24, 2006 (the “Fresenius Guaranty”). The current term of the Illinois Lease at the time of acquisition commenced on November 1, 2021 and expires on October 31, 2026, with one remaining 5-year renewal option. Under the Illinois Lease, WSKC Dialysis Services, Inc. is responsible for operating expenses, real estate taxes, insurance, repairs, maintenance and capital expenditures (excluding the exterior of the premises and certain HVAC repairs), in addition to base rent. In connection with the acquisition of the Illinois Property, the Illinois SPE entered into an Assignment and Assumption of Lease, Security Deposit and Guaranty (“Assignment and Assumption of Illinois Lease”) with the seller of the Illinois Property, dated January 7, 2022, pursuant to which the seller assigned and the Illinois SPE assumed all of the seller’s rights and obligations under the Illinois Lease and related Fresenius Guaranty.

The following table provides certain information about the Illinois Property and the Illinois Lease:

Property Type	Property Location	Lease Expiration Date	Rentable Square Feet	Annualized Base Rent in 2022 ⁽¹⁾	Tenant Renewal Options
Medical-Retail	Chicago, Illinois	10/31/2026	10,900	\$228,902	One, five-year renewal options remaining

(1) Annualized base rent increases at each anniversary of the commencement of the current term to approximately \$233,479, \$238,149, and \$242,912, respectively.

The foregoing descriptions of the Illinois Purchase and Sale Agreement, Illinois First Amendment, Illinois Assignment Agreement, Illinois Second Amendment, Illinois Lease, Fresenius Guaranty, and Assignment and Assumption of Illinois lease are only summaries and are qualified in their entirety by reference to the complete text of such documents, which are attached as Exhibits.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Financing of Colorado Property

The Operating Partnership partially financed the acquisition of the Colorado Property with its existing Master Credit Facility with American Momentum Bank (the “Lender”), dated October 26, 2021 (the “Credit Facility”). In connection with the acquisition of the Property, the Colorado SPE entered into a loan agreement and related promissory note on December 28, 2021, for \$2,350,000 pursuant to the Credit Facility (the “Colorado Loan”). The Colorado Loan accrues 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 annum. The Colorado Loan has an interest-only payment term for twenty-four months commencing January 28, 2022, and all interest and principal outstanding is due and payable in full on December 28, 2023. The Colorado Loan permits full or partial prepayment without penalty. The Colorado Loan is secured by the Colorado Property and the associated rental income. Payment is guaranteed by the Operating Partnership and David Sobelman, the Company’s Chairman, President and Chief Executive Officer. The Colorado Loan also provides that as of December 31, 2022 and continuing on the same date of each year thereafter, the Colorado SPE, as borrower, shall have achieved and maintain a debt service coverage ratio of not less than 1.50 to 1.00 over the remaining term of the Colorado Loan. If, on any such date, the debt service coverage ratio is less than 1.50 to 1.00, the Colorado SPE shall be obligated to pay to the Lender, within ten (10) days after receipt of written notice thereof, a prepayment of principal in an amount such that after giving effect to such prepayment of principal and re-amortization of the Colorado Loan, the debt service coverage ratio shall once again be equal to or greater than 1.50 to 1.00. The Colorado Loan also contains other customary affirmative covenants, negative covenants and events of default.

The foregoing description of the Colorado Loan is only a summary and is qualified in its entirety by reference to the complete text of the promissory note, loan agreement, and guaranty, which are attached hereto as Exhibits.

Financing of Illinois Property

The Operating Partnership partially financed the acquisition of the Illinois Property with its Credit Facility. In connection with the acquisition of the Illinois Property, the Illinois SPE entered into a loan agreement and related promissory note on January 7, 2022, for \$1,550,000 pursuant to the Credit Facility (the "Illinois Loan"). The Illinois Loan accrues 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 annum. The Illinois Loan has an interest-only payment term for twenty-four months commencing January 2022, and all interest and principal outstanding is due and payable in full in December 2023. The Illinois Loan permits full or partial prepayment without penalty. The Illinois Loan is secured by the Illinois Property and the associated rental income. Payment is guaranteed by the Operating Partnership and David Sobelman, the Company's Chairman, President and Chief Executive Officer. The Illinois Loan also provides that as of December 31, 2022 and continuing on the same date of each year thereafter, the Illinois SPE, as borrower, shall have achieved and maintain a debt service coverage ratio of not less than 1.50 to 1.00 over the remaining term of the Illinois Loan. If, on any such date, the debt service coverage ratio is less than 1.50 to 1.00, the Illinois SPE shall be obligated to pay to the Lender, within ten (10) days after receipt of written notice thereof, a prepayment of principal in an amount such that after giving effect to such prepayment of principal and re-amortization of the Illinois Loan, the debt service coverage ratio shall once again be equal to or greater than 1.50 to 1.00. The Illinois Loan also contains other customary affirmative covenants, negative covenants and events of default.

The foregoing description of the Illinois Loan is only a summary and is qualified in its entirety by reference to the complete text of the Promissory Note, the Loan Agreement, and the Guaranty, which are attached hereto as Exhibits.

Item 7.01. Regulation FD Disclosure.

The Company issued a press release on January 4, 2022, announcing the completion of the acquisition of the Colorado Property and on January 11, 2022, announcing the completion of the acquisition of the Illinois Property. A copy of such press releases are attached hereto as Exhibits 99.1 and 99.2 and incorporated herein by reference.

The information in this Item 7.01 and the related information in Exhibits 99.1 and 99.2 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section and shall not be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended or the Exchange Act except as set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

The historical financial statements listed in Item 9.01(a) present the results of operations of each of the Colorado Property and the Illinois Property during periods prior to their acquisition by us and exclude, as permitted by Rule 3-14 of Regulation S-X, items of expense which we expect may not be comparable to our expected future operations.

(a) Financial Statements of Businesses Acquired.

The following financial statements of the Colorado Property are attached hereto as Exhibit 99.3 and incorporated by reference herein:

Independent Auditor's Report
Statement of Revenues and Certain Operating Expenses for the for the nine months ended September 30, 2021 (audited)
Notes to Statement of Revenues and Certain Operating Expenses

The following financial statements of the Illinois Property are attached hereto as Exhibit 99.4 and incorporated by reference herein:

Independent Auditor's Report
Statement of Revenues and Certain Operating Expenses for the for the year ended December 31, 2021 (audited)
Notes to Statement of Revenues and Certain Operating Expenses

(b) Pro Forma Financial Information.

The Unaudited Pro Forma Consolidated Statement of Operations for the Company giving effect to the acquisitions of each of the Colorado Property and the Illinois Property as if such acquisitions occurred on January 1, 2021 is attached as Exhibit 99.5 and incorporated by reference herein.

The Unaudited Pro Forma Balance Sheet for the Company giving effect to the acquisitions of the Illinois Property as if the acquisition occurred on December 31, 2021 is attached as Exhibit 99.5 and incorporated by reference herein.

The Unaudited Pro Forma Statement of Taxable Operating Results and Cash to be Made Available by Operations for the Company giving effect to the acquisitions of the Colorado and Illinois Property as if such acquisitions occurred on January 1, 2021 is attached as Exhibit 99.5 and incorporated by reference herein.

(c) *Exhibits*

The exhibits filed as part of this Current Report on Form 8-K are identified in the Exhibit Index immediately following the signature page of this report. Such Exhibit Index is incorporated herein by reference.

Exhibit Index

Exhibit No.	Description
10.1	<u>Purchase and Sale Agreement, dated October 28, 2021, between Generation Income Properties, LP and OREOF19 BR, LLC. (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.2	<u>First Amendment to Purchase and Sale Agreement, effective as of December 10, 2021, between Generation Income Properties, LP and OREOF19 BR, LLC. (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.3	<u>Assignment and Assumption of Purchase and Sale Agreement, effective as of December 23, 2021, by and between Generation Income Properties, LP and GIPCO 585 24 1/2 ROAD, LLC. (incorporated by reference to Exhibit 10.3 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.4	<u>Lease Agreement, dated as of February 27, 2006, between OREOF19 BR, LLC, as landlord, and Best Buy Stores, L.P., as tenant, as amended by that certain first amendment to lease, dated May 19, 2021. (incorporated by reference to Exhibit 10.4 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.5	<u>Guaranty, dated February 27, 2006, by Best Buy Co., Inc. in favor of OREOF BR, LLC. (incorporated by reference to Exhibit 10.5 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.6	<u>Purchase and Sale Agreement, dated October 27, 2021, between Generation Income Properties, LP and Elliott Bay Healthcare Realty, LLC. (incorporated by reference to Exhibit 10.6 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.7	<u>First Amendment to Purchase and Sale Agreement, dated December 10, 2021, between Generation Income Properties, LP and Elliott Bay Healthcare Realty, LLC. (incorporated by reference to Exhibit 10.7 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.8	<u>Assignment and Assumption of Purchase and Sale Agreement, effective as of December 23, 2021, by and between Generation Income Properties, LP and GIPIL 3134 W 76th Street, LLC. (incorporated by reference to Exhibit 10.8 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.9	<u>Second Amendment to Purchase and Sale Agreement, effective as of January 3, 2022, between Elliott Bay Healthcare Realty, LLC and GIPIL 3134 W 76th Street, LLC. (incorporated by reference to Exhibit 10.9 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.10	<u>Lease Agreement, dated as of January 24, 2006, between Elliott Bay Healthcare Realty, LLC, as landlord, and WSKC Dialysis Services, Inc., as tenant, as amended on August 16, 2016, and on November 13, 2020.</u>
10.11	<u>Assignment and Assumption of Lease, Security Deposit and Guaranty, dated December 28, 2022, by and between OREOF19 BR, LLC and GIPCO 585 24 1/2 Road, LLC.</u>
10.12	<u>Promissory Note, dated December 28, 2021, issued by GIPCO 585 24 1/2 ROAD, LLC, as borrower, in favor of American Momentum Bank, as lender, Guaranty, dated January 24, 2006, by Fresenius Medical Care Holdings, Inc. in favor of Elliott Bay Healthcare Realty, LLC. (incorporated by reference to Exhibit 10.12 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.13	<u>Loan Agreement, dated December 28, 2021, by and between GIPCO 585 24 1/2 ROAD, LLC and American Momentum Bank, Guaranty, dated January 24, 2006, by Fresenius Medical Care Holdings, Inc. in favor of Elliott Bay Healthcare Realty, LLC. (incorporated by reference to Exhibit 10.13 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.14	<u>Absolute Guaranty of Payment and Performance, dated December 28, 2021, by David Sobelman and Generation Income Properties, LP in favor of American Momentum Bank. (incorporated by reference to Exhibit 10.14 of the Company's Form 10-Q filed on May 16, 2022).</u>
10.15	<u>Promissory Note, dated [December 28, 2021], issued by GIPIL 3134 W 76th Street, LLC, as borrower, in favor of American Momentum Bank, as lender. (incorporated by reference to Exhibit 10.15 of the Company's Form 10-Q filed on May 16, 2022).</u>

- 10.16 [Loan Agreement, dated January 7, 2021, by and between GIPIL 3134 W 7th Street, LLC and American Momentum Bank. \(incorporated by reference to Exhibit 10.16 of the Company's Form 10-Q filed on May 16, 2022\).](#)
- 10.17 [Absolute Guaranty of Payment and Performance, dated \[December 28, 2021\], by David Sobelman and Generation Income Properties, LP in favor of American Momentum Bank. \(incorporated by reference to Exhibit 10.17 of the Company's Form 10-Q filed on May 16, 2022\).](#)
- 99.1 [Press Release dated January 4, 2022.](#)
- 99.2 [Press Release dated January 11, 2022.](#)
- 99.3* [Financial Statements of the Colorado Property.](#)
- 99.4* [Financial Statements of the Illinois Property.](#)
- 99.5* [Unaudited Pro Forma Consolidated Financial Statements.](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith

** Certain schedules have been omitted from this Exhibit pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish a copy of the omitted schedule to the U.S. Securities and Exchange Commission or its staff upon request.

SIGNATURE

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.

By: /s/ Allison Davies

Allison Davies
Chief Financial Officer

Date: May 19, 2022

FOR IMMEDIATE RELEASE

Contact: ir@gipreit.com

GENERATION INCOME PROPERTIES ANNOUNCES EXPANSION OF PORTFOLIO WITH CLOSING OF \$4.7 MILLION ACQUISITION

Tampa, FL, January 4th, 2022 – Generation Income Properties, Inc. (NASDAQ: GIPR) (“GIP” or the “Company”) announced the closing of an approximately 30,000 SF single-tenant retail building in Grand Junction, Colorado for total consideration of approximately \$4.7 million on December 28th, 2021. The building is occupied by Best Buy (NYSE: BBY), which currently holds an investment grade credit rating of BBB on the Standard & Poor’s scale. There is approximately 5.5 years remaining on the building’s current lease term, with the option for the tenant to renew for one (1) five (5) – year period, and annualized base rental income of \$353,000.

The Company funded the acquisition with approximately 50% cash and 50% debt. “We are pleased to add another credit-quality asset to our portfolio in a high-growth market,” noted David Sobelman, President and Chief Executive Officer of GIP, “This transaction highlights our continued focus on acquisitions and expanding our portfolio with high quality tenants across the US.”

About Generation Income Properties

Generation Income Properties, Inc., located in Tampa, Florida, is an internally managed real estate corporation formed to acquire and own, directly and jointly, real estate investments focused on retail, office and industrial net lease properties located primarily in major United States cities. The Company intends to elect to be taxed as a real estate investment trust. Additional information about Generation Income Properties, Inc. can be found at the Company’s corporate website: www.gipreit.com.

Forward-Looking Statements

This press release, whether or not expressly stated, may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. The words "believe," "intend," "expect," "plan," "should," "will," "would," and similar expressions and all statements, which are not historical facts, are intended to identify forward-looking statements. These statements reflect the Company's expectations regarding future events and economic performance and are forward-looking in nature and, accordingly, are subject to risks and uncertainties. Such forward-looking statements include risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements which are, in some cases, beyond the Company's control which could have a material adverse effect on the Company's business, financial condition, and results of operations. These risks and uncertainties include our limited operating history, potential changes in the economy in general and the real estate market in particular, the COVID-19 pandemic, and other risks and uncertainties that are identified from time to time in our SEC filings, including those identified in our registration statement on Form S-11 (File No. 333-235707), which are available at www.sec.gov. The occurrence of any of these risks and uncertainties could have a material adverse effect on the Company's business, financial condition, and results of operations. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Any forward-looking statement made by us herein speaks only as of the date on which it is made. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof, except as may be required by law.

FOR IMMEDIATE RELEASE

Contact: ir@gipreit.com

GENERATION INCOME PROPERTIES CONTINUES TO ADD TO PORTFOLIO WITH CLOSING OF \$3.1 MILLION CHICAGO ASSET

Tampa, FL, January 10th, 2021 – Generation Income Properties, Inc. (NASDAQ: GIPR) (“GIP” or the “Company”) announced the closing of an approximately 11,000 SF medical building in Chicago, Illinois for total consideration of approximately \$3.1 million on January 7th, 2021. The building is occupied by Fresenius Medical Care (NYSE: FMS), which currently holds an investment grade credit rating of BBB- on the Standard & Poor's scale. The tenant has approximately 5 years remaining on its current lease term, with the option for the tenant to extend for two (2) consecutive five (5)-year periods, and annualized base rent of approximately \$224,000.

The Company funded the acquisition with approximately 50% cash and 50% debt. David Sobelman, President and Chief Executive Officer of GIP noted, “Adding another major market, investment grade asset to our portfolio with the proceeds from our IPO, is a testament to the discipline we have to identify, underwrite and perform on our acquisitions process for our shareholders”.

About Generation Income Properties

Generation Income Properties, Inc., located in Tampa, Florida, is an internally managed real estate corporation formed to acquire and own, directly and jointly, real estate investments focused on retail, office and industrial net lease properties located primarily in major United States cities. The Company intends to elect to be taxed as a real estate investment trust. Additional information about Generation Income Properties, Inc. can be found at the Company’s corporate website: www.gipreit.com.

Forward-Looking Statements:

This press release, whether or not expressly stated, may contain “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995. The words “believe,” “intend,” “expect,” “plan,” “should,” “will,” “would,” and similar expressions and all statements, which are not historical facts, are intended to identify forward-looking statements. These statements reflect the Company's expectations regarding future events and economic performance and are forward-looking in nature and, accordingly, are subject to risks and uncertainties. Such forward-looking statements include risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements which are, in some cases, beyond the Company's control which could have a material adverse effect on the Company's business, financial condition, and results of operations. These risks and uncertainties include our limited operating history, potential changes in the economy in general and the real estate market in particular, the COVID-19 pandemic, and other risks and uncertainties that are identified from time to time in our SEC filings, including those identified in our registration

statement on Form S-11 (File No. 333-235707), which are available at www.sec.gov. The occurrence of any of these risks and uncertainties could have a material adverse effect on the Company's business, financial condition, and results of operations. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Any forward-looking statement made by us herein speaks only as of the date on which it is made. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof, except as may be required by law.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statement

We have audited the accompanying statement of revenue and certain operating expenses of the retail building located in Grand Junction, Colorado (the "Property") for the nine months ended September 30, 2021 and the related notes to the financial statement (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Property for the nine months ended September 30, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 statement, 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 statement. 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 statement. 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 statement 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 statement 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

May 19, 2022

COLORADO PROPERTY
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Nine Months Ended September 30, 2021

Nine Months Ended
September 30, 2021

Revenue		
Rental revenue	\$	321,424
Expenses		
Building expenses	\$	43,227
Total expenses		<u>43,227</u>
Revenues in excess of certain operating expenses	\$	<u><u>278,197</u></u>

COLORADO PROPERTY
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Nine Months Ended September 30, 2021

(1) Organization

On December 28, 2021, Generation Income Properties, Inc. ("GIPR") acquired a 30,700 square foot single retail tenant property located in Grand Junction, Colorado from OREOF19 BR, LLC (the "Seller"). The acquisition was purchased for \$4,700,000 and financed with a \$2,350,000 promissory note and the balance with cash on hand. GIPR assumed the Seller's interest, as lessor, in a lease with Best Buy (NYSE: BBY). As of December 28, 2021, the Best Buy Property lease had a remaining lease term of approximately 5.3 years, with one available 5-year tenant renewal option.

(2) Basis of Presentation

The accompanying statement 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 the Seller, 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 the Seller.

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 Seller's operations consist of rental revenue earned under the leases of the retail building 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. The lease is accounted for as operating lease.

(5) Rental Revenue

The aggregate annual minimum cash to be received is as follows for the years subsequent to December 31, 2021, including the period from October 1, 2021 to December 31, 2021, as listed below.

Future Minimum Base Rent Payments	
	As of September 30, 2021
2021	\$ 88,265
2022	353,061
2023	353,061
2024	353,061
2025	353,061
2026	353,061
Thereafter	2,030,104
	\$ 3,883,674

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 statement of revenue and certain operating expense of the medical-retail building located in Chicago, Illinois (the "Property") for the year ended December 31, 2021 and the related notes to the financial statement (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the results of operations of the Property for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 statement, 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 statement. 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 statement. 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 statement 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 statement 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

May 19, 2022

ILLINOIS PROPERTY
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Year Ended December 31, 2021

Twelve Months Ended
December 31, 2021

Revenue		
Rental revenue	\$	295,957
Expenses		
Building expenses		73,424
Total expenses		<u>73,424</u>
Revenues in excess of certain operating expenses	\$	<u><u>222,533</u></u>

ILLINOIS PROPERTY
NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES
For the Year Ended December 31, 2021

(1) Organization

On January 7, 2022, GIPR acquired a 10,900 square foot single tenant medical retail property located in Chicago, Illinois from Elliott Bay Healthcare Realty, LLC (the "Seller"). The acquisition was purchased for \$3,100,000 and financed with a \$1,550,000 promissory note and the balance with cash on hand. GIPR assumed the Seller's interest, as lessor, in a lease with Fresenius Medical Care (NYSE: FMS). The Fresenius Property lease has a remaining lease term of approximately 4.8 years, with one 5-year tenant renewal option.

(2) Basis of Presentation

The accompanying statement 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 the Belpre Seller, 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 the Seller.

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 Seller's operations consist of rental revenue earned under the lease of the office building which provide for noncontingent annual rent escalations and charges to the tenant for real estate taxes and certain operating expenses.

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

(5) Rental Revenue

The aggregate annual minimum cash to be received is as follows for the years subsequent to December 31, 2021, as listed below.

Future Minimum Base Rent Payments	
	As of December 31, 2021
2022	\$ 225,162
2023	229,665
2024	234,258
2025	238,943
2026	202,427
	\$ 1,130,455

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

The accompanying unaudited pro forma consolidated financial statements have been derived from our historical consolidated financial statements as presented in the Company's Form 10-K as of December 31, 2021. The unaudited pro forma consolidated balance sheet as of December 31, 2021, is presented to reflect pro forma adjustments as if the Company's acquisition on January 7, 2022, of the Illinois Property was acquired on December 31, 2021. The Pro Forma Adjustments Illinois Property column represents the fair value purchase price allocation of the assets acquired, including acquisition costs, in connection with the acquisition of the Illinois Property. The unaudited pro forma consolidated statements of operations for the twelve months ended December 31, 2021, are presented as if the acquisitions of the Colorado Property and Illinois Property on December 28, 2021, and January 7, 2022, respectively, were completed on January 1, 2021. 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.

The following unaudited pro forma consolidated financial statements should be read in conjunction with our historical audited consolidated financial statements as of December 31, 2021, the "Cautionary Note Regarding Forward-Looking Statements" contained in those filings, and the "Risk Factors" sections contained in those filings.

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 December 31, 2021 assuming the transactions and adjustments reflected therein had been consummated on December 31, 2021 and what our actual consolidated results of operations would have been for the twelve months ended December 31, 2021 assuming the transactions and adjustments reflected therein had been completed on December 31, 2021, 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.

GENERATION INCOME PROPERTIES INC.
Pro Forma Consolidated Balance Sheet
(Unaudited)

	<u>Historical</u>	<u>Pro Forma Adjustments Illinois Property</u>	<u>Pro Forma</u>
Assets			
Investment in real estate			
Property	\$ 41,025,309	\$ 2,885,732	\$ 43,911,041
Tenant improvements	482,701	55,041	537,742
Acquired lease intangible assets	3,304,014	276,013	3,580,027
Less accumulated depreciation and amortization	(3,512,343)	-	(3,512,343)
Total investments	41,299,681	3,216,786	44,516,467
Investment in tenancy-in-common	725,082	-	725,082
Cash and cash equivalents	10,589,576	(1,646,922)	8,942,654
Restricted cash	34,500	-	34,500
Deferred rent asset	156,842	-	156,842
Prepaid expenses	237,592	-	237,592
Deferred financing costs	-	-	-
Accounts receivable	88,661	-	88,661
Escrow deposit and other assets	288,782	-	288,782
Total Assets	\$ 53,420,716	\$ 1,569,864	\$ 54,990,580
Liabilities and Stockholders' Equity			
Liabilities			
Accounts payable	\$ 201,627	\$ -	201,627
Accounts payable - related party	100	-	100
Accrued expenses	134,816	-	134,816
Acquired lease intangible liability, net	577,388	19,864	597,252
Insurance payable	33,359	-	33,359
Deferred rent liability	228,938	-	228,938
Mortgage loans, net of unamortized discount	28,969,295	1,550,000	30,519,295
Total liabilities	30,145,523	1,569,864	31,715,387
Redeemable Non-Controlling Interest	9,621,159	-	9,621,159
Stockholders' Equity			
Common stock, \$0.01 par value, 100,000,000 shares authorized; 2,172,950 shares issued and outstanding	21,729	-	21,729
Additional paid-in capital	19,051,929	-	19,051,929
Accumulated deficit	(5,419,624)	-	(5,419,624)
Total Generation Income Properties, Inc. stockholders' equity	13,654,034	-	13,654,034
Total Liabilities and Stockholders' Equity	\$ 53,420,716	\$ 1,569,864	\$ 54,990,580

The accompanying notes are an integral part of this unaudited pro forma consolidated financial statement.

GENERATION INCOME PROPERTIES INC.
Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2021
(unaudited)

	Historical	Pro Forma Adjustments Colorado Property	Pro Forma Adjustments Illinois Property	Pro Forma
Revenue				
Rental income	\$ 3,854,846	\$ 427,921	\$ 289,751	\$ 4,572,518
Other Income	45,250	-	-	45,250
Total revenue	3,900,096	427,921	289,751	4,617,768
Expenses				
General, administrative and organizational costs	1,111,029	-	-	1,111,029
Building expenses	768,182	57,637	67,019	892,838
Depreciation and amortization	1,508,340	98,693	176,660	1,783,693
Interest expense, net	1,310,950	91,270	61,778	1,463,998
Compensation costs	849,701	-	-	849,701
Total expenses	5,548,202	247,600	305,457	6,101,259
Operating income (loss)	(1,648,106)	180,321	(15,706)	(1,483,491)
Gain on investment in tenancy-in-common	12,495	-	-	12,495
Gain on disposal of property	923,178	-	-	923,178
Net Income (loss)	\$ (712,433)	\$ 180,321	\$ (15,706)	\$ (547,818)
Less: Net income attributable to non-controlling interest	530,049	-	-	530,049
Net Income (loss) attributable to Generation Income Properties, Inc.	\$ (1,242,482)	\$ 180,321	\$ (15,706)	\$ (1,077,867)
Total Weighted Average Shares of Common Stock Outstanding – Basic	1,067,599			1,067,599
Total Weighted Average Shares of Common Stock Outstanding – Diluted	1,067,599			1,067,599
Basic Loss Per Share Attributable to Common Stockholder	\$ (1.16)			\$ (1.01)
Diluted Loss Per Share Attributable to Common Stockholder	\$ (1.16)			\$ (1.01)

The accompanying notes are an integral part of this unaudited pro forma consolidated financial statement.

GENERATION INCOME PROPERTIES INC.
Pro Forma Statement of Taxable Operating Results and Cash to be Made Available by Operations
(unaudited)

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 statement of operations for the year ended December 31, 2021. 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 statement of operations, which should be read in conjunction with this statement.

Net loss attributable to common stockholders	(1,077,867)
Net book depreciation and amortization in excess of tax depreciation and amortization	390,569
Estimated taxable operating loss	<u>(687,298)</u>
Adjustments:	
Depreciation and amortization	1,783,693
Amortization of debt issuance costs	146,641
Amortization of below market leases	(167,092)
Common stock issued for services	112,432
Restricted stock unit compensation	201,690
Equity in earnings on investment in tenancy-in-common	(12,495)
Gain on sale of property	(923,178)
Net book depreciation and amortization in excess of tax depreciation and amortization	<u>(390,569)</u>
Estimated cash to be made available from operations	<u><u>63,824</u></u>

The accompanying notes are an integral part of this unaudited pro forma consolidated financial statement.