

**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 June 30, 2022

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)

**401 E. Jackson Street
Suite 3300
Tampa, FL**

(Address of principal executive offices)

47-4427295

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

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 2,260,998 shares of Common Stock, par value \$0.01 per share, outstanding as of August 12, 2022.

GENERATION INCOME PROPERTIES, INC.

TABLE OF CONTENTS

	Page
PART I.	
FINANCIAL INFORMATION	3
Item 1.	
Financial Statements	3
Generation Income Properties, Inc. Consolidated Balance Sheets June 30, 2022 (unaudited) and December 31, 2021	3
Generation Income Properties, Inc. Consolidated Statements of Operations Three and Six Months Ended June 30, 2022 and 2021 (unaudited)	4
Generation Income Properties, Inc. Consolidated Statements of Changes in Equity for the Six Months Ended June 30, 2022 and 2021 (unaudited)	5
Generation Income Properties, Inc. Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2022 and 2021 (unaudited)	7
Notes to Unaudited Consolidated Financial Statements	8
Item 2.	
Management’s Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3.	
Quantitative and Qualitative Disclosures About Market Risk	34
Item 4.	
Controls and Procedures	34
PART II.	
OTHER INFORMATION	35
Item 1.	
Legal Proceedings	35
Item 1A.	
Risk Factors	35
Item 2.	
Unregistered Sales of Equity Securities and Use of Proceeds	35
Item 3.	
Defaults Upon Senior Securities	35
Item 4.	
Mine Safety Disclosures	36
Item 5.	
Other Information	36
Item 6.	
Exhibits	37
SIGNATURES	38

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

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

	As of June 30, 2022	As of December 31, 2021 (As corrected, see Note 2)
Assets		
Investments in real estate		
Land	\$ 12,577,544	\$ 9,443,445
Building and site improvements	39,695,210	31,581,864
Tenant improvements	907,382	482,701
Acquired lease intangible assets	4,677,928	3,304,014
Less: accumulated depreciation and amortization	(4,501,912)	(3,512,343)
Net real estate investments	\$ 53,356,152	\$ 41,299,681
Investment in tenancy-in-common	1,188,061	725,082
Cash and cash equivalents	3,649,084	10,589,576
Restricted cash	34,581	34,500
Deferred rent asset	197,364	156,842
Deferred financing costs	87,020	-
Prepaid expenses	256,817	237,592
Accounts receivable	94,797	88,661
Escrow deposits and other assets	159,969	288,782
Right of use asset, net	6,275,398	-
Total Assets	\$ 65,299,243	\$ 53,420,716
Liabilities and Equity		
Liabilities		
Accounts payable	\$ 21,769	\$ 201,727
Accrued expenses	398,710	134,816
Acquired lease intangible liabilities, net	692,567	577,388
Insurance payable	207,837	33,359
Deferred rent liability	286,931	228,938
Right of use liability, net	6,327,851	-
Mortgage loans, net of unamortized debt issuance costs of \$786,490 and \$637,693 at June 30, 2022 and December 31, 2021, respectively	35,455,512	28,969,295
Total liabilities	\$ 43,391,177	\$ 30,145,523
Redeemable Non-Controlling Interests	\$ 9,869,631	\$ 9,134,979
Stockholders' Equity		
Common stock, \$0.01 par value, 100,000,000 shares authorized; 2,257,787 and 2,172,950 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	22,577	21,729
Additional paid-in capital	18,584,981	19,051,929
Accumulated deficit	(7,025,510)	(5,403,156)
Total Generation Income Properties, Inc. Stockholders' equity	\$ 11,582,048	\$ 13,670,502
Non-Controlling Interest	\$ 456,387	\$ 469,712
Total equity	\$ 12,038,435	\$ 14,140,214
Total Liabilities and Equity	\$ 65,299,243	\$ 53,420,716

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 June 30, 2021		Six Months ended June 30, 2021	
	2022	(As corrected, see Note 2)	2022	(As corrected, see Note 2)
Revenue				
Rental income	\$ 1,378,562	\$ 988,190	\$ 2,560,497	\$ 1,925,078
Other income	541	-	541	-
Total revenue	\$ 1,379,103	\$ 988,190	\$ 2,561,038	\$ 1,925,078
Expenses				
General, administrative and organizational costs	\$ 472,736	\$ 251,825	\$ 814,416	\$ 440,242
Building expenses	325,201	163,722	578,592	344,275
Depreciation and amortization	558,676	397,186	989,569	776,697
Interest expense, net	375,627	337,432	705,921	692,421
Compensation costs	310,698	155,690	590,440	310,811
Total expenses	\$ 2,042,938	\$ 1,305,855	\$ 3,678,938	\$ 2,564,446
Operating loss	(663,835)	(317,665)	(1,117,900)	(639,368)
Income (loss) on investment in tenancy-in-common	(1,462)	-	7,090	-
Dead deal expense	(107,371)	-	(107,371)	-
Loss on debt extinguishment	(144,029)	-	(144,029)	-
Net loss	\$ (916,697)	\$ (317,665)	\$ (1,362,210)	\$ (639,368)
Less: Net income attributable to non-controlling interests	130,181	52,324	260,144	198,504
Net loss attributable to Generation Income Properties, Inc.	\$ (1,046,878)	\$ (369,989)	\$ (1,622,354)	\$ (837,872)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted				
	2,255,441	582,867	2,224,419	581,264
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (0.46)	\$ (0.63)	\$ (0.73)	\$ (1.44)

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	Accumulated	Stockholders'	Non-	Total Equity	Redeemable
	Shares	Amount	Paid-In	Deficit	Equity	Controlling		Non-
			Capital			Interest		Controlling
								Interest
Balance, December 31, 2020 (As corrected, see Note 2)	576,918	\$ 5,770	\$ 5,541,411	\$ (4,177,142)	\$ 1,370,039	\$ 486,180	\$ 1,856,219	\$ 8,198,251
Common stock issued for services	2,200	22	43,978	-	44,000	-	44,000	-
Restricted stock unit compensation	3,749	37	49,434	-	49,471	-	49,471	-
Issuance of Redeemable Non-Controlling Interest for property acquisition	-	-	-	-	-	-	-	500,000
Distribution on Non-Controlling Interest	-	-	-	-	-	-	-	(150,826)
Dividends paid on common stock	-	-	(114,373)	-	(114,373)	-	(114,373)	-
Net (loss) income for the quarter (As corrected, see Note 2)	-	-	-	(467,883)	(467,883)	(4,646)	(472,529)	150,826
Balance, March 31, 2021 (As corrected, see Note 2)	582,867	\$ 5,829	\$ 5,520,450	\$ (4,645,025)	\$ 881,254	\$ 481,534	\$ 1,362,788	\$ 8,698,251
Restricted stock unit compensation	-	-	50,278	-	50,278	-	50,278	-
Issuance of Redeemable Non-Controlling Interest for property acquisition	-	-	-	-	-	-	-	950,000
Distribution on Non-Controlling Interest	-	-	-	-	-	(2,748)	(2,748)	(56,400)
Net (loss) income for the quarter (As corrected, see Note 2)	-	-	-	(369,989)	(369,989)	(4,076)	(374,065)	56,400
Balance, June 30, 2021 (As corrected, see Note 2)	582,867	\$ 5,829	\$ 5,570,728	\$ (5,015,014)	\$ 561,543	\$ 474,710	\$ 1,036,253	\$ 9,648,251
Balance, December 31, 2021 (As corrected, see Note 2)	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 (As corrected, see Note 2)	-	-	-	(575,476)	(575,476)	(1,120)	(576,596)	131,083
Balance, March 31, 2022 (As corrected, see Note 2)	2,247,768	\$ 22,477	\$ 18,804,217	\$ (5,978,632)	\$ 12,848,062	\$ 464,654	\$ 13,312,716	\$ 10,260,329
Restricted stock unit compensation	357	4	124,114	-	124,118	-	124,118	-
Cashless exercise of warrants	9,662	96	(96)	-	-	-	-	-
Redemption of Redeemable Non-Controlling Interest	-	-	-	-	-	-	-	(406,652)
Distribution on Non-Controlling Interest	-	-	-	-	-	(3,938)	(3,938)	(118,556)
Dividends paid on common stock	-	-	(343,254)	-	(343,254)	-	(343,254)	-

Net (loss) income for the quarter				(1,046,878)	(1,046,878)	(4,329)	(1,051,207)	134,510
	<u>2,257,787</u>							
Balance, June 30, 2022	<u>7</u>	<u>\$ 22,577</u>	<u>\$ 18,584,981</u>	<u>\$ (7,025,510)</u>	<u>\$ 11,582,048</u>	<u>\$ 456,387</u>	<u>\$ 12,038,435</u>	<u>\$ 9,869,631</u>

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

Six Months Ended June 30,
2022 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (1,362,210)	\$ (639,368)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation	737,552	559,962
Amortization of acquired lease intangible assets	252,017	216,735
Amortization of debt issuance costs	61,606	63,922
Amortization of below market leases	(49,955)	(75,592)
Amortization of above market ground lease	(226)	-
Common stock issued for services	-	33,000
Restricted stock unit compensation	218,044	99,749
Non-cash ground lease expense	28,936	-
Income on investment in tenancy-in-common	(7,090)	-
Dead deal expense	107,371	-
Loss on debt extinguishment	144,029	-
Changes in operating assets and liabilities		
Accounts receivable	(6,136)	(20,018)
Other assets	(46,187)	(39,070)
Deferred rent asset	(40,522)	(5,624)
Prepaid expenses	(126,596)	(133,792)
Accounts payable	(179,958)	44,652)
Accrued expenses	60,568	(80,523)
Right of use liability	23,517	-
Deferred rent liability	57,993	(62,271)
Net cash used in operating activities	\$ (127,247)	\$ (38,238)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of land, buildings, other tangible and intangible assets	\$ (12,780,680)	\$ (3,530,810)
Escrow return for purchase of properties	75,000	-
Investment in tenancy-in-common	(455,889)	-
Net cash used in investing activities	\$ (13,161,569)	\$ (3,530,810)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from issuance of redeemable interest	\$ 1,109,570	\$ 1,450,000
Redemption of redeemable non-controlling interests	(203,326)	-
Mortgage loan borrowings	17,650,000	2,125,000
Mortgage loan repayments	(11,014,986)	(225,326)
Stock issuance costs	(6,091)	-
Deferred financing costs	(87,020)	(34,150)
Debt issuance costs	(354,432)	(39,991)
Insurance financing borrowings	288,693	277,059
Insurance financing repayments	(114,215)	(172,769)
Distribution on non-controlling interests	(241,735)	(209,974)
Dividends paid on common stock	(678,053)	(114,373)
Net cash generated from financing activities	\$ 6,348,405	\$ 3,055,476
Net decrease in cash and cash equivalents	\$ (6,940,411)	\$ (513,572)
Cash and cash equivalents and restricted cash - beginning of period	10,624,076	1,122,364
Cash and cash equivalents and restricted cash - end of period	\$ 3,683,665	\$ 608,792

CASH TRANSACTIONS

Interest Paid	\$ 624,470	\$ 629,147
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NON-CASH TRANSACTIONS

Stock issued for cashless exercise of Investor Warrants	\$ 373	
Stock issued for accrued liabilities	\$ -	\$ 11,000
Deferred distribution on redeemable non-controlling interests	\$ 31,734	\$ -
Right of use asset and liability for ground lease related to property acquisition	\$ 6,304,334	\$ -
Redemption of redeemable non-controlling interests accrued	\$ 203,326	\$ -

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 June 30, 2022 owned 83% 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.

As of June 30, 2022, the Company, the Operating Partnership, and their controlled subsidiaries on a consolidated basis owned 12 properties and held partial interests 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 18, 2022. The results for the three and six months ended June 30, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022.

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.

Immaterial Correction of Previously Issued Consolidated Financial Statements

Subsequent to the filing of the Company’s Form 10K for the fiscal year ended December 31, 2021, and Form 10Q for the quarterly period ended March 31, 2022, management of the Company identified an error in the application of Accounting Standards Codification (ASC) 480-10, Distinguishing Liabilities from Equity. Specifically, the Company incorrectly classified the partnership interest of GIP Fund 1, LLC in the Operating Partnership as Redeemable Non-Controlling Interests rather than Non-Controlling Interest within Equity. The Company has evaluated the effects of the resulting corrections detailed in the tables below on the previously issued consolidated financial statements, individually and in the aggregate, in accordance with the guidance in ASC 250, Accounting Changes and Error Corrections. Management has determined the effect of the error is immaterial to the Company’s previously issued consolidated financial statements as of December 31, 2021 and 2020, as of and for the three months ended March 31, 2022 and 2021, as of and for the three and six months ended June 30, 2021, and as of and for the three and nine months ended September 30, 2021, and the financial statement line items impacted by this error have been corrected. In addition, the impact of the error will be corrected prospectively in the Company’s subsequent quarterly and annual filings. The tables below reflect the sections of the Company’s condensed consolidated financial statements that were impacted by the error.

Condensed Balance Sheets

	As of December 31, 2021			As of December 31, 2021
	As Reported	Adjustment		As Corrected
Total Assets	\$ 53,420,716	\$ -		\$ 53,420,716
Liabilities and Equity				
Total liabilities	\$ 30,145,523	\$ -		\$ 30,145,523
Redeemable Non-Controlling Interests	\$ 9,621,159	\$ (486,180)		\$ 9,134,979
Accumulated Deficit	\$ (5,419,624)	\$ 16,468		\$ (5,403,156)
Stockholders' Equity	\$ 13,654,034	\$ 16,468		\$ 13,670,502
Non-Controlling Interest	\$ -	\$ 469,712		\$ 469,712
Total Equity	\$ 13,654,034	\$ 486,180		\$ 14,140,214
Total Liabilities and Equity	\$ 53,420,716	\$ -		\$ 53,420,716

	As of March 31, 2022			As of March 31, 2022
	As Reported	Adjustment		As Corrected
Total Assets	\$ 66,570,918	\$ -		\$ 66,570,918
Liabilities and Equity				
Total liabilities	\$ 42,997,873	\$ -		\$ 42,997,873
Redeemable Non-Controlling Interests	\$ 10,746,509	\$ (486,180)		\$ 10,260,329
Accumulated Deficit	\$ (6,000,158)	\$ 21,526		\$ (5,978,632)
Stockholders' Equity	\$ 12,826,536	\$ 21,526		\$ 12,848,062
Non-Controlling Interest	\$ -	\$ 464,654		\$ 464,654
Total Equity	\$ 12,826,536	\$ 486,180		\$ 13,312,716
Total Liabilities and Equity	\$ 66,570,918	\$ -		\$ 66,570,918

Condensed Income Statements

	Three Months ended June 30, 2021		
	As Reported	Adjustment	As Corrected
Total revenue	\$ 988,190	\$ -	\$ 988,190
Total expenses	1,305,855	-	1,305,855
Operating loss	\$ (317,665)	\$ -	\$ (317,665)
Net loss	\$ (317,665)	\$ -	\$ (317,665)
Less: Net income attributable to non-controlling interests	59,148	(6,824)	52,324
Net loss attributable to Generation Income Properties, Inc.	\$ (376,813)	\$ 6,824	\$ (369,989)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	582,867	582,867	582,867
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (0.65)	\$ 0.02	\$ (0.63)

	Six Months ended June 30, 2021		
	As Reported	Adjustment	As Corrected
Total revenue	\$ 1,925,078	\$ -	\$ 1,925,078
Total expenses	2,564,446	-	2,564,446
Operating loss	\$ (639,368)	\$ -	\$ (639,368)
Net loss	\$ (639,368)	\$ -	\$ (639,368)
Less: Net income attributable to non-controlling interests	209,974	(11,470)	198,504
Net loss attributable to Generation Income Properties, Inc.	\$ (849,342)	\$ 11,470	\$ (837,872)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	581,264	581,264	581,264
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (1.46)	\$ 0.02	\$ (1.44)

	Three Months ended September 30, 2021		
	As Reported	Adjustment	As Corrected
Total revenue	\$ 1,033,494	\$ -	\$ 1,033,494
Total expenses	1,305,594	-	1,305,594
Operating loss	\$ (272,100)	\$ -	\$ (272,100)
Net income	\$ 655,828	\$ -	\$ 655,828
Less: Net income attributable to non-controlling interests	199,716	561	200,277
Net income attributable to Generation Income Properties, Inc.	\$ 456,112	\$ (561)	\$ 455,551
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	939,559	939,559	939,559
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ 0.49	\$ (0.01)	\$ 0.48

	Nine Months ended September 30, 2021		
	As Reported	Adjustment	As Corrected
Total revenue	\$ 2,958,572	\$ -	\$ 2,958,572
Total expenses	3,870,040	-	3,870,040
Operating loss	\$ (911,468)	\$ -	\$ (911,468)
Net income	\$ 16,460	\$ -	\$ 16,460
Less: Net income attributable to non-controlling interests	409,690	(10,909)	398,781
Net loss attributable to Generation Income Properties, Inc.	\$ (393,230)	\$ 10,909	\$ (382,321)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	699,395	699,395	699,395
Basic & Diluted Loss Per Share Attributable to Common Stockholders	\$ (0.56)	\$ 0.01	\$ (0.55)

	Twelve Months ended December 31, 2021		
	As Reported	Adjustment	As Corrected
Total revenue	\$ 3,900,096	\$ -	\$ 3,900,096
Total expenses	5,548,202	-	5,548,202
Operating loss	\$ (1,648,106)	\$ -	\$ (1,648,106)
Net loss	\$ (712,433)	\$ -	\$ (712,433)
Less: Net income attributable to non-controlling interests	530,049	(16,468)	513,581
Net loss attributable to Generation Income Properties, Inc.	\$ (1,242,482)	\$ 16,468	\$ (1,226,014)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	1,067,599	1,067,599	1,067,599
	\$ (1.16)	\$ 0.01	\$ (1.15)
Basic & Diluted Loss Per Share Attributable to Common Stockholders	(1.16)	0.01	(1.15)

	Three Months ended March 31, 2022		
	As Reported	Adjustment	As Corrected
Total revenue	\$ 1,181,935	\$ -	\$ 1,181,935
Total expenses	1,636,000	-	1,636,000
Operating loss	\$ (454,065)	\$ -	\$ (454,065)
Net loss	\$ (445,513)	\$ -	\$ (445,513)
Less: Net income attributable to non-controlling interests	135,021	(5,058)	129,963
Net loss attributable to Generation Income Properties, Inc.	\$ (580,534)	\$ 5,058	\$ (575,476)
Total Weighted Average Shares of Common Stock Outstanding – Basic & Diluted	2,196,056	2,196,056	2,196,056
	\$ (0.26)	\$ 0.00	\$ (0.26)
Basic & Diluted Loss Per Share Attributable to Common Stockholders	(0.26)	0.00	(0.26)

Condensed Statements of Equity

	As of December 31, 2020		As of December 31, 2020	
	As Reported	Adjustment	As Corrected	
Redeemable Non-controlling Interest	\$ 8,684,431	\$ (486,180)	\$ 8,198,251	
Accumulated Deficit	(4,177,142)	-	(4,177,142)	
Stockholders' Equity	\$ 1,370,039	\$ -	\$ 1,370,039	
Non-Controlling Interest	-	486,180	486,180	
Total Equity	<u>\$ 1,370,039</u>	<u>\$ 486,180</u>	<u>\$ 1,856,219</u>	

	As of March 31, 2021		As of March 31, 2021	
	As Reported	Adjustment	As Corrected	
Redeemable Non-controlling Interest	\$ 8,684,431	\$ (486,180)	\$ 8,198,251	
Accumulated Deficit	(4,649,671)	4,646	(4,645,025)	
Stockholders' Equity	\$ 876,608	\$ 4,646	\$ 881,254	
Non-Controlling Interest	-	481,534	481,534	
Total Equity	<u>\$ 876,608</u>	<u>\$ 486,180</u>	<u>\$ 1,362,788</u>	

	As of June 30, 2021		As of June 30, 2021	
	As Reported	Adjustment	As Corrected	
Redeemable Non-controlling Interest	\$ 10,134,431	\$ (486,180)	\$ 9,648,251	
Accumulated Deficit	(5,026,484)	11,470	(5,015,014)	
Stockholders' Equity	\$ 550,073	\$ 11,470	\$ 561,543	
Non-Controlling Interest	-	474,710	474,710	
Total Equity	\$ 550,073	\$ 486,180	\$ 1,036,253	

	As of September 30, 2021		As of September 30, 2021	
	As Reported	Adjustment	As Corrected	
Redeemable Non-controlling Interest	\$ 9,605,028	\$ (486,180)	\$ 9,118,848	
Accumulated Deficit	(4,570,372)	10,909	(4,559,463)	
Stockholders' Equity	\$ 14,709,082	\$ 10,909	\$ 14,719,991	
Non-Controlling Interest	-	475,271	475,271	
Total Equity	\$ 14,709,082	\$ 486,180	\$ 15,195,262	

	As of December 31, 2021		As of December 31, 2021	
	As Reported	Adjustment	As Corrected	
Redeemable Non-controlling Interest	\$ 9,621,159	\$ (486,180)	\$ 9,134,979	
Accumulated Deficit	(5,419,624)	16,468	(5,403,156)	
Stockholders' Equity	\$ 13,654,034	\$ 16,468	\$ 13,670,502	
Non-Controlling Interest	-	469,712	469,712	
Total Equity	\$ 13,654,034	\$ 486,180	\$ 14,140,214	

	As of March 31, 2022		As of March 31, 2022	
	As Reported	Adjustment	As Corrected	
Redeemable Non-controlling Interest	\$ 10,746,509	\$ (486,180)	\$ 10,260,329	
Accumulated Deficit	(6,000,158)	21,526	(5,978,632)	
Stockholders' Equity	\$ 12,826,536	\$ 21,526	\$ 12,848,062	
Non-Controlling Interest	-	464,654	464,654	
Total Equity	\$ 12,826,536	\$ 486,180	\$ 13,312,716	

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.

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.

	As of June 30, 2022		As of December 31, 2021	
Cash and cash equivalents	\$	3,649,084	\$	10,589,576
Restricted cash		34,581		34,500
Cash and cash equivalents and restricted cash	\$	<u>3,683,665</u>	\$	<u>10,624,076</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 approximately \$236,800 and \$188,000 of prepaid rent as of June 30, 2022 and December 31, 2021, 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 collectability exists with respect to any tenant changes, the Company would recognize an adjustment to rental income. The Company's review of collectability of charges under its operating leases includes any accrued rental revenues related to the straight-line rents. There were no allowances for receivables recorded for the six months ended June 30, 2022 or 2021.

Certain leases also provide for additional rent based on tenants' sales volumes. These rents are recognized when determinable after the tenant exceeds a sales breakpoint.

Some of the Company's leases provide for reimbursement from tenants for certain common area maintenance ("CAM") expenses, insurance, and real estate taxes. The Company either bills or accrues estimated reimbursement revenues and expenses recognized as rental income and building expenses, respectively, in the period the recoverable costs are incurred and accrued.

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 in the Company's Consolidated Statements of Operations based on their fair values determined 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 Obligations

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 in the accompanying Consolidated Balance Sheets and are depreciated over the shorter of the useful life of the improvements or the lease term.

Under ASC 842, the Company recognizes Lease liabilities on its Consolidated Balance Sheets 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 operating lease liability.

Income Taxes

The Company intends to operate and be taxed as a real estate investment trust ("REIT") under Section 856 through 860 of the Internal Revenue Code ("Code"), commencing with the Company's taxable year ending December 31, 2021. 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.

The Company accounts for deferred income taxes using the asset and liability method and recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's financial statements or tax returns. Under this method, the Company determines deferred tax assets and liabilities based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Any increase or decrease in the deferred tax liability that results from a change in circumstances, and that causes the Company to change the Company's judgment about expected future tax consequences of events, is included in the tax provision when such changes occur. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards. A valuation allowance is provided if the Company believes it is more likely than not that all or some portion of the deferred tax asset will not be realized. Any increase or decrease in the valuation allowance that results from a change in circumstances, and that causes the Company to change its judgment about the realizability of the related deferred tax asset, is included in the tax provision when such changes occur.

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 judgement changes as a result of new information.

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 (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of warrants), and convertible debt, using the if-converted method. Diluted EPS excludes all potentially dilutive securities such as warrants, options and restricted stock units if their effect is anti-dilutive. As of six months ended June 30, 2022 and 2021, all potentially dilutive securities were excluded because the effect was anti-dilutive.

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 six months ended June 30, 2022 or 2021.

Impairments are determined using valuation techniques including a discounted cash flow analysis which is a Level 3 input and analysis of recent comparable sales transactions or 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 investments in 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 six months ended June 30, 2022 or 2021.

Note 3 – Investments in Real Estate

On January 7, 2022, the Company acquired an approximately 10,900 square foot single tenant medical-retail property leased to Fresenius Medical Care (NYSE: FMS) located in Chicago, Illinois. The acquisition was financed with a \$1,550,000 promissory note and the balance with cash on hand.

On January 14, 2022, the Company acquired an approximately 2,600 square foot single tenant retail property leased to Starbucks Coffee (NASDAQ: SBUX) located in Tampa, Florida. The acquisition was financed with the issuance of a redeemable non-controlling interest of \$1,109,570, debt of \$1,050,000 and the balance with cash on hand.

On March 9, 2022, the Company acquired a leasehold interest in a ground lease and corresponding assignment of an approximately 88,400 square foot single tenant retail property leased to Kohl's Corporation (NYSE: KSS) located in Tucson, Arizona. The acquisition was financed with a \$3,650,000 promissory note and the balance with cash on hand.

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

	Fresenius-Chicago, IL	Starbucks -Tampa, FL	Kohl's -Tucson, AZ	Total
Land	\$ 1,690,837	\$ 1,443,262	\$ -	\$ 3,134,099
Building and site improvements	1,194,895	700,859	6,153,408	8,049,162
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	\$ 3,216,786	\$ 2,277,455	\$ 7,483,747	\$ 12,977,988
Right of use asset	-	-	6,304,334	6,304,334
Less Acquired lease intangible liabilities	(19,864)	(13,497)	(131,999)	(165,360)
Less Right of use liability	-	-	(6,304,334)	(6,304,334)
Total real estate investments, net	<u>\$ 3,196,922</u>	<u>\$ 2,263,958</u>	<u>\$ 7,351,748</u>	<u>\$ 12,812,628</u>

On February 11, 2021, the Company acquired an approximately 7,500 square foot single tenant office property leased to the General Services Administration located in Manteo, North Carolina. The acquisition was financed with the issuance of a redeemable non-controlling interest of \$500,000 and, debt of \$1,275,000.

On April 21, 2021, the Company acquired an approximately 7,800 square foot single tenant office property leased to Irby Construction located in Plant City, Florida. The acquisition was financed with the issuance of a redeemable non-controlling interest of \$950,000, debt of \$850,000.

The following table details the properties acquired during the three and six months ended June 30, 2021:

	GSA-Manteo, NC	Irby Construction-Plant City, FL	Total
Land	\$ 341,949	\$ 1,212,213	\$ 1,554,162
Building and site improvements	1,807,066	423,611	2,230,677
Tenant improvements	-	-	-
Acquired lease intangible assets	100,379	121,509	221,888
Total real estate investments	\$ 2,249,394	\$ 1,757,333	\$ 4,006,727
Less Acquired lease intangible liabilities	(511,620)	-	(511,620)
Total real estate investments, net	<u>\$ 1,737,774</u>	<u>\$ 1,757,333</u>	<u>\$ 3,495,107</u>

Note 4 – Acquired Lease Intangible Assets, net

Acquired Lease Intangible Assets, net is comprised of the following:

	As of June 30, 2022	As of December 31, 2021
Acquired lease intangible assets	\$ 4,677,928	\$ 3,304,014
Accumulated amortization	(1,246,874)	(994,857)
Acquired lease intangible assets, net	<u>\$ 3,431,054</u>	<u>\$ 2,309,157</u>

The future amortization for Acquired Lease Intangible Assets, net for subsequent years ending December 31 is listed below:

	As of June 30, 2022
2022 (6 months remaining)	\$ 275,520
2023	542,954
2024	542,954
2025	509,815
2026	489,884
Thereafter	1,069,927
	<u>\$ 3,431,054</u>

Note 5 – Acquired Lease Intangible Liabilities, net

Acquired Lease Intangible Liabilities, net is comprised of the following:

	As of June 30, 2022	As of December 31, 2021
Acquired lessor lease intangible liabilities	\$ 965,216	\$ 845,063
Accumulated accretion to Rental income	(317,630)	(267,675)
Acquired lessor lease intangible liabilities, net	<u>\$ 647,586</u>	<u>\$ 577,388</u>
Acquired lessee lease intangible liabilities	\$ 45,207	\$ -
Accumulated amortization to offset Building expenses	(226)	-
Acquired lessee lease intangible liabilities, net	<u>\$ 44,981</u>	<u>\$ -</u>

The future amortization for Acquired Lessor Lease Intangible Liabilities, net for subsequent years ending December 31 is listed below:

	As of June 30, 2022
2022 (6 months remaining)	\$ 52,594
2023	105,188
2024	105,188
2025	105,188
2026	93,907
Thereafter	185,521
	<u>\$ 647,586</u>

The future amortization for Acquired Lessee Lease Intangible Liabilities, net for subsequent years ending December 31 is listed below:

	As of June 30, 2022
2022 (6 months remaining)	\$ 366
2023	732
2024	732
2025	732
2026	732
Thereafter	41,687
	<u>\$ 44,981</u>

Note 6 – 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 through the year 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 \$125,015 for the six months ended June 30, 2022. 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 Right of use liability, net was \$72,563 for the six months ended June 30, 2022.

The following table summarizes the undiscounted future cash flows for subsequent years ending December 31 attributable to the ground lease liability as of June 30, 2022 and provides a reconciliation to the Right of use liability included in the accompanying Consolidated Balance Sheets as June 30, 2022.

		As of June 30, 2022
2022 (6 months remaining)	\$	116,298
2023		232,701
2024		244,077
2025		245,111
2026		245,111
Thereafter		22,065,755
Total undiscounted liability	\$	23,149,053
Present value discount		(16,821,202)
Right of use liability	\$	6,327,851
Discount rate		4.58 %
Term		62 years

Note 7 – Non-Controlling Interests

Redeemable Non-Controlling Interests (Temporary Equity)

As part of the Company's acquisition of a building for approximately \$4,578,800 in Cocoa, FL, one of the Company's operating subsidiaries entered into a preferred equity agreement with Brown Family Trust on September 11, 2019 pursuant to which the Company's subsidiary received a capital contribution of \$1,200,000. Pursuant to the agreement, the Company was required to pay the preferred equity member a 10% internal rate of return ("IRR") on a monthly basis and redeem the entire amount due after 24 months at the option of the preferred equity member. The Operating Partnership, Generation Income Properties, LP, was the general manager of the subsidiary while Brown Family Trust was a preferred member. Because of the redemption right, the non-controlling interest was presented as temporary equity at redemption value. The Company redeemed the Brown Family Trust \$1,200,000 Redeemable Non-Controlling Interest upon the sale of the property in August 2021.

As part of the Company's acquisition of a building 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. Pursuant to the agreement, the Company will pay the preferred equity member a 9% IRR on a monthly basis and redeem the entire amount due after 24 months at the option of the preferred equity member. The Operating Partnership, Generation Income Properties, LP, is the general manager of the subsidiary while Brown Family Trust is a preferred member. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value. The current redemption amount is \$500,000. 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 building 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. Pursuant to the agreement, the Company will pay the preferred equity member a 12% total IRR with an 8% IRR paid on a monthly basis and the deferred IRR will be paid at the end of 24 months along with the entire \$950,000 amount due after 24 months at the option of the preferred equity member. The Operating Partnership, Generation Income Properties, LP, is the general manager of the subsidiary. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value. The current redemption amount is approximately \$995,600. Distributable operating funds are distributed first to the preferred equity partners until the unpaid preferred return is paid off and then to the Company.

As part of the Company's investment in a tenant in common entity for approximately \$724,800 in Rockford, IL, one of the Company's operating subsidiaries entered into a preferred equity agreement with preferred equity partner (Mr. Hornstrom) on August 2, 2021 pursuant to which the Company's subsidiary received a capital contribution of \$650,000. Pursuant to the agreement, the Company will pay the preferred equity member a 12% total IRR with an 8% IRR paid on a monthly basis and the deferred IRR will be paid at the end of 24 months along with the entire \$650,000 amount due after 24 months at the option of the preferred equity member. The Operating Partnership, Generation Income Properties, LP, is the general manager of the subsidiary. Because of the redemption right, the non-controlling interest is presented as temporary equity at redemption value. The current redemption amount is approximately \$672,900. Distributable operating funds are distributed first to the preferred equity partners until the unpaid preferred return is paid off and then to the Company.

Each of the preferred members described above may redeem their interest on or after the Redemption date (second year anniversary of the Closing), 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 Price in the form of GIPLP UNITS. Such GIPLP UNITS shall be subject to all such restrictions, such as with respect to transferability, as reasonably imposed by GIPLP. The number of GIPLP UNITS issued to any preferred member shall be determined by dividing the total amount of the Redemption Price that such preferred member shall receive in GIPLP UNITS by a 15% discount of the average 30-day market price of Generation Income Properties, Inc. 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 Generation Income Properties, L.P.

As part of the Company's acquisition of two buildings for approximately \$19,134,400 on September 30, 2019 in Norfolk, VA, 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 now are directly owned by the former members of the two entities. Beginning on the first anniversary of the closing, the contribution agreements allow 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 10,166.3 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 10,166.3 units at \$20 per unit for a total of \$203,326 and paid the unit holder on July 25, 2022. The redemption has been accrued for as of June 30, 2022 by reclass for the redemption amount from temporary equity to accrued expenses.

As part of the Company's acquisition of one building on January 14, 2022 for approximately \$2,264,000 in Tampa, FL, the Operating Partnership entered into a contribution agreement with one entity (LMB Owenton I LLC) that resulted in the issuance of 110,957 common units in the Operating Partnership at \$10.00 per share for a total value of \$1,109,570. Beginning on the second anniversary of the Closing, 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 their equity should be classified as temporary equity at redemption value.

Non-Controlling Interest (Permanent Equity)

As part of the Company's acquisition of one building on November 30, 2020 for \$1,847,700 in Tampa, FL, the Operating Partnership entered into a contribution agreement with one entity (GIP Fund 1, LLC) that resulted in the issuance of 24,309 common units in 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 common units now are directly owned by the former members of GIP Fund 1. Beginning on the first anniversary of the Closing, the contribution agreement allows for the investor to require the Operating Partnership to redeem, all or a portion of its 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 June 30, 2022, the Company owned 83% of the common units in the Operating Partnership and outside investors owned 17%.

The following table reflects the Company's Redeemable Non-Controlling Interests and Non-Controlling Interest:

	Brown Family Trust	Irby Prop Partners	Richard Hornstrom	LMB Owenton I LLC	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, 2020 (As corrected, see Note 2)	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 6,998,251	\$ 8,198,251	\$ 486,180
Issuance of Redeemable Operating Partnership Units for property acquisition	500,000	-	-	-	-	500,000	-
Distribution on Non-Controlling Interest	(37,104)	-	-	-	(113,722)	(150,826)	-
Net income (loss) for the quarter (As corrected, see Note 2)	37,104	-	-	-	113,722	150,826	(4,646)
Balance, March 31, 2021 (As corrected, see Note 2)	\$ 1,700,000	\$ -	\$ -	\$ -	\$ 6,998,251	\$ 8,698,251	\$ 481,534
Issuance of Redeemable Operating Partnership Units for property acquisition	-	950,000	-	-	-	950,000	-
Distribution on Non-Controlling Interest	(41,125)	(15,275)	-	-	-	(56,400)	(2,748)
Net income (loss) for the quarter (As corrected, see Note 2)	41,125	15,275	-	-	-	56,400	(4,076)
Balance, June 30, 2021 (As corrected, see Note 2)	\$ 1,700,000	\$ 950,000	\$ -	\$ -	\$ 6,998,251	\$ 9,648,251	\$ 474,710
Balance, December 31, 2021 (As corrected, see Note 2)	\$ 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 (As corrected, see Note 2)	11,260	28,370	19,498	15,269	56,686	131,083	(1,120)
Balance, March 31, 2022 (As corrected, see Note 2)	\$ 500,000	\$ 986,125	\$ 666,383	\$ 1,109,570	\$ 6,998,251	\$ 10,260,329	\$ 464,654
Redemption of Redeemable Non-Controlling Interest	-	-	-	-	(406,652)	(406,652)	-
Distribution on Non-Controlling Interest	(11,260)	(19,000)	(13,086)	(17,975)	(57,235)	(118,556)	(3,938)
Net income (loss) for the quarter	11,260	28,471	19,569	17,975	57,235	134,510	(4,329)
Balance, June 30, 2022	\$ 500,000	\$ 995,596	\$ 672,866	\$ 1,109,570	\$ 6,591,599	\$ 9,869,631	\$ 456,387

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.

Equity Issuances

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.

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"). 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 paid to the CEO 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 and cancelled and the CEO was paid during the three months ended March 31, 2022.

On September 30, 2021, the Company issued and sold as part of the underwriter's Over-Allotment Option an additional 165,000 Units. The units were sold to the public at the price of \$10.00 per unit and generated net proceeds of \$13.8 million, net of underwriter discounts and other financing costs incurred since inception. 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.

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

Warrants

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 six months ended June 30, 2022, 373,380 warrants were exercised on a cashless basis resulting in the issuance of 37,338 shares of common stock.

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.

The Company has 1,541,470 warrants outstanding and exercisable as of June 30, 2022, subject to certain circumstances, and which will expire five to seven years from the date of issuance, as follows.

Issue Date	As of June 30, 2022
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	1,126,620
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>1,541,470</u>

The following is a summary of warrants outstanding as of June 30, 2022 and December 31, 2021:

	Warrants	Weighted Average Price	Weighted Average Remaining Life
As of December 31, 2021	1,914,850	\$ 10.72	4.7
Issuances	-	-	-
Exercised	(373,380)	10.00	-
As of June 30, 2022	<u>1,541,470</u>	<u>\$ 10.89</u>	<u>4.2</u>
Warrants exercisable	\$ 1,541,470	\$ 10.89	4.2

There was no intrinsic value for the warrants as of June 30, 2022 or December 31, 2021.

Stock Compensation

Generation Income Properties, Inc. 2020 Omnibus Incentive Plan

In connection with the Public Offering, the Company board has adopted, and stockholders have 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 upon the award of grant 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 June 30, 2022, 76,449 shares had been granted under the Omnibus Incentive Plan.

Restricted Common Shares issued to the Board and Employees

- On July 15, 2019, the board of directors granted 2,500 restricted shares to each of the two independent directors that vest every 12 months on an annual basis over 36 months. The award is valued at \$50,000 for each grant and was based on the equity pricing issuance of \$20.00 per share. The pro-rated vested share restriction will be removed upon the annual anniversary of the award. The 1,668 and 1,666 restricted shares were issued to the two directors in September 2020 and September 2021, respectively and another 1,666 restricted shares were issued to the two directors in September 2021.
- On February 3, 2020, the board of directors granted 2,500 restricted shares to two new independent directors that vest every 12 months on an annual basis over 36 months. The award is valued at \$50,000 for each grant and was based on the equity pricing issuance of \$20.00 per share. The pro-rated vested share restrictions will be removed upon the annual anniversary of the award. The 1,666 unrestricted shares were issued to the two directors in February 2021 and another 3,334 restricted shares were issued to the two directors in September 2021.
- On February 3, 2020, the board of directors granted 6,250 restricted shares to its former chief financial officer that will vest every 12 months on an annual basis over 36 months. The award is valued at \$125,000 and was based on the equity pricing issuance of \$20.00 per share. The pro-rated vested share restrictions will be removed upon the annual anniversary of the award. The 2,083 unrestricted shares were issued to the chief financial officer in February 2021 and another 4,167 restricted shares were issued to the chief financial officer in September 2021. Of the remaining 4,167 restricted shares half were vested upon the anniversary of the award and the remaining shares were vested on the same date in connection with his departure from the company.
- On January 6, 2021, the board granted 14,000 restricted shares to directors, officers and employees effective January 1, 2021 valued at \$20.00 per share that vest annually over 3 years. The pro-rated vested share restrictions will be removed upon the annual anniversary of the award. The 14,000 restricted shares were issued to the directors, officers and employees in September 2021.
- On January 6, 2022, the board granted 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 granted 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.

The following is a summary of restricted shares for the six months ended June 30, 2022 and 2021:

	2022	2021
Number of Shares Outstanding	23,167	14,582
Restricted Shares Issued	47,499	14,000
Restricted Shares Vested	(10,500)	(3,749)
Number of Shares Outstanding	<u>60,166</u>	<u>24,833</u>

The Company recorded stock based compensation expense of \$218,044 and \$99,749 during the six months ended June 30, 2022 and 2021, respectively.

Common stock issued for services

Pursuant to an amended employment agreement in which the Company's former chief financial officer waived his right to cash compensation in lieu of being awarded 550 restricted shares of common stock each month until the closing of an initial underwritten public offering, the Company issued the chief financial officer 2,200 shares of stock in March 2021 representing four months of

compensation from December 2020 to March 2021. These shares are valued at \$20.00 per share and are accrued as compensation expense until issued by the Company.

Common Shareholders Cash Distributions

While the Company is under no obligation to do so, the Company expects to continue to declare and pay distributions to its stockholders 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 shareholders and Operating Partnership unit holders for the six months ended June 30, 2022 and 2021:

Authorized Date	Record Date	Per Share/Unit
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
February 26, 2021	March 15, 2021	\$ 0.325

* 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 – Leases

Future Minimum Rents

During the six months ended June 30, 2022 and 2021, the Company had four tenants that each account for more than 10% of its rental revenue as indicated below:

	2022	2021
General Services Administration - Norfolk, VA & Manteo, NC	21 %	25 %
PRA Holdings, Inc. - Norfolk, VA	15 %	20 %
Pratt & Whitney Automation, Inc. - Huntsville, AL	14 %	17 %
Kohl's Corporation - Tucson, AZ	11 %	<10%
Maersk Line, Limited - Norfolk, VA	<10%	10 %

The following table presents future minimum base rental cash payments due to the Company over the next five years and thereafter as of June 30, 2022:

	As of June 30, 2022
2022	2,517,849
2023	4,628,195
2024	4,674,729
2025	4,547,481
2026	4,425,322
Thereafter	8,987,943
	<u>29,781,519</u>

Note 10 – Mortgage Loans

On April 1, 2022, the Company entered into two loan agreements with an aggregate balance of \$13.5 million as of June 30, 2022 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 one loan in the amount of \$2.1 million on the property held in the tenant 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

guaranty 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. During the three months ended June 30, 2022, the Company incurred a loss on debt extinguishment of \$144,029 related to the write off of unamortized debt issuance costs previously incurred on these mortgage loans that were refinanced in addition to a prepayment penalty incurred of \$21,000.

The Company had the following promissory notes outstanding as of June 30, 2022 and December 31, 2021, respectively:

Mortgage Loans Secured By (Tenant-Location)	Loan Amount	Interest Rate	Maturity Date	June 30, 2022	December 31, 2021	Debt Service Coverage Ratios ("DSCR") Required
7-11 - Washington, DC; Starbucks-South Tampa, FL; and Pratt & Whitney-Huntsville, AL	\$ 11,287,500	* 4.17 %	3/6/2030	\$ 11,054,353	\$ 11,150,130	1.25
GSA & Maersk - Norfolk, Virginia	8,260,000	3.50 %	9/30/2024	7,691,504	7,805,524	1.25
PRA Holdings, Inc. - Norfolk, Virginia	5,216,749	3.50 %	10/23/2024	4,809,481	4,889,670	1.25
Sherwin-Williams - Tampa, Florida	1,286,664	3.72 %***	8/10/2028	1,286,664	1,286,664	1.20
GSA - Manteo, North Carolina	928,728	3.85 % **	3/31/2032	928,728	1,275,000	1.50
Irby Construction - Plant City, Florida	928,728	3.85 %**	3/31/2032	928,728	850,000	1.50
Best Buy - Grand Junction, Colorado	2,552,644	3.85 % **	3/31/2032	2,552,644	2,350,000	1.50
Fresenius - Chicago, Illinois	1,727,108	3.85 %**	3/31/2032	1,727,108	-	1.50
Starbucks - North Tampa, Florida	1,298,047	3.85 % **	3/31/2032	1,298,047	-	1.50
Kohls - Tucson, Arizona	3,964,745	3.85 %**	3/31/2032	3,964,745	-	1.50
	37,450,913			36,242,002	29,606,988	
			Less Debt Issuance Costs	(786,490)	(637,693)	
				<u>35,455,512</u>	<u>28,969,295</u>	

*Loan subject to prepayment penalty

**Adjustment effective April 1, 2027 equal to 5-year Treasury plus 2.5% and subject to a floor of 3.85%

***Fixed via interest rate swap

The Company amortized debt issuance costs during the six months ended June 30, 2022 and 2021 to interest expense of approximately \$61,606 and \$63,922, respectively. The Company paid debt issuance costs for the six months ended June 30, 2022 and 2021 of approximately \$354,432 and \$39,991, respectively.

Each promissory note requires the Company to maintain certain debt service coverage ratios as noted above. In addition, one promissory note, encumbered by six properties, require the Company to maintain a 54% loan to value ratio. As of June 30, 2022, the Company was in compliance with all covenants.

The Company's President has personally guaranteed the repayment of the \$11.1 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, Florida property. In addition, the Company's President has also provided a guaranty of the Borrower's nonrecourse carveout liabilities and obligations in favor of the lender for the Norfolk, Virginia property loans (the “Bayport loans”) with an aggregate principal amount of \$12,500,985. The Company modified the Bayport loans in March 2021 for no fees and reduced the associated interest rate from 4.25% to 3.50%. The Company determined that the debt modification was not substantial under ASC 470-50.

Minimum required principal payments on the Company's debt as of June 30, 2022 are as follows:

	As of June 30, 2022	
2022	\$	291,328
2023		785,524
2024		12,427,090
2025		546,280
2026		568,514
Thereafter		21,623,266
	\$	<u>36,242,002</u>

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. As of June 30, 2022 the Company did not have an outstanding balance on the Facility and as of December 31, 2021 the Company had borrowed approximately \$2.4 million, respectively, under the Facility.

Note 11 – Related Party

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 CEO. 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 partnership units in Generation Income Properties LP 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 CEO’s ownership to 0.09% as of June 30, 2022.

Note 12 – Tenant in Common Investment

On August 13, 2021, the Company entered into a tenancy-in-common (“TIC”) structure whereby the TIC acquired a 15,288 square foot single tenant building 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 Mr. Hornstrom to one of the Company’s subsidiaries for \$0.65 million. 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. Mr. 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 Company 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 June 30, 2022, the Company was in compliance with all covenants.

In conjunction with the refinancing of the debt, the Company contributed \$455,889 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 June 30, 2022 it had a value of \$1,188,061.

The condensed income statements for the three and six months ended June 30, 2022 is as follows:

	Three Months ended June 30, 2022		Six Months ended June 30, 2022	
Total revenue	\$	93,139	\$	186,278
Total expenses	\$	64,213	\$	134,137
Operating income		28,926		52,141
Loss on debt extinguishment		(31,851)		(31,851)
Net income (loss)	\$	(2,925)	\$	20,290
GIP, LP’s Share	\$	(1,462)	\$	7,090

The condensed balance sheets of the tenant in common investment as of June 30, 2022 and December 31, 2021, respectively, are as follows:

	As of June 30, 2022	As of December 31, 2021
Net real estate investments	\$ 4,562,129	\$ 4,621,135
Deferred rent asset	5,270	2,108
Prepaid expenses	1,492	522
Due from tenant-in-common	237,956	47,350
Total Assets	\$ 4,806,847	\$ 4,671,115
Accounts payable (including related party) and accrued expenses	\$ 270,343	\$ 19,292
Acquired lease intangible liabilities, net	39,277	42,993
Mortgage loan, net of unamortized debt issuance costs	2,087,466	2,677,446
Total Liabilities	\$ 2,397,086	\$ 2,739,731
GIP, LP	\$ 1,188,061	\$ 725,082
SUNNY RIDGE MHP, LLC	1,221,700	1,206,302
Total Tenant in Common Equity	\$ 2,409,761	\$ 1,931,384
Total Liabilities and Tenant in Common Equity	\$ 4,806,847	\$ 4,671,115

Note 13 – Subsequent Events

On June 27, 2022, the Company announced that our Board of Directors authorized a distribution of \$0.054 per share monthly cash distribution for shareholders of record of our common stock as of July 15, 2022, August 15, 2022, and September 15, 2022. July distributions were paid on July 29, 2022 and we expect to pay August and September distributions on or about August 30, 2022 and September 30, 2022, respectively. The Operating Partnership common unit holders received the same distribution.

Subsequent to June 30, 2022 but before the filing of this Quarterly Report on Form 10-Q, 32,110 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, 3,211 shares of common stock were issued upon exercise.

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 under the Operating Partnership's Contribution and Subscription Agreement, dated July 16, 2019, and the Contribution and Subscription Agreement, dated June 19, 2019. 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.

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, 2021.

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 we intend to elect 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 June 30, 2022 owned 83% 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 June 30, 2022 (excluding our Tenant in Common Property unless otherwise noted):

- **Creditworthy Tenants.** Approximately 85% of our portfolio's annualized base rent ("ABR") as of June 30, 2022 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, all who have an "BB+" credit rating or better from S&P Global Ratings and contributed approximately 66% of our portfolio's annualized base rent.
- **100% Occupied.** Our portfolio is 100% leased and occupied.
- **Contractual Rent Growth.** Approximately 92% of the leases in our current portfolio (based on ABR as of June 30, 2022) 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 \$15.53.

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.

As of June 30, 2022, we own the following twelve assets (excluding our Tenant in Common property):

- A single tenant retail condo (approximately 3,000 square feet) located at 3707-3711 14th Street, NW, Washington, D.C. that is leased to 7-Eleven Corporation.
- A single tenant retail stand-alone property (approximately 2,200 square feet) located in Tampa, Florida with a corporate Starbucks Coffee as the tenant.
- A single tenant industrial building (approximately 59,100 square feet) located in Huntsville, AL leased to the Pratt & Whitney Automation, Inc.
- A two-tenant office building (approximately 72,100 square feet) in Norfolk, Virginia occupied by the United States General Services Administration and Maersk Line, Limited, an international shipping company, as tenants.
- A single tenant office building (approximately 34,800 square feet) in Norfolk, Virginia that is leased to PRA Holdings Inc.
- A single tenant retail building (approximately 3,500 square feet) leased to The Sherwin-Williams Company and located in Tampa, FL.

- A single tenant office building (approximately 7,500 square feet) leased to the General Services Administration and located in Manteo, NC.
- A single tenant office building (approximately 7,800 square feet) leased to Irby Construction Company, a wholly owned subsidiary of Quanta Services Inc. and located in Plant City, FL.
- A single tenant retail building (approximately 30,700 square feet) leased to Best Buy (NYSE: BBY) and located in Boulder Springs, CO.
- A single tenant medical-retail building (approximately 10,900 square feet) leased to Fresenius Medical Care (NYSE: FMS) located in Chicago, IL.
- A single tenant retail stand-alone property (approximately 2,600 square feet) located in Tampa, Florida with a corporate Starbucks Coffee (NASDAQ: SBUX) as the tenant.
- A leasehold interest in a ground lease and corresponding assignment of a single tenant retail stand-alone property (approximately 88,400 square feet) located in Tucson, Arizona with a corporate Kohl's as the tenant.

We also own a 50% tenancy in common interest in one property:

- A single tenant retail building (approximately 15,300 square feet) leased to La-Z-Boy Company located in Rockford, IL.

The table below presents an overview of the twelve properties in our portfolio as of June 30, 2022:

Property Type	Location	Rentable Square Feet	Tenant	S&P Credit Rating ⁽¹⁾	Remaining Term (Yrs)	Options (Number x Yrs)	Contractual Rent Escalations	ABR ⁽²⁾	ABR per Sq. Ft.
Retail	Washington, D.C	3,000	7-Eleven Corporation	A	3.8	2 x 5	Yes	\$ 129,804	\$ 43.27
Retail	Tampa, FL	2,200	Starbucks Corporation	BBB+	5.7	4 x 5	Yes	182,500	\$ 82.95
Industrial	Huntsville, AL	59,091	Pratt & Whitney Automation, Inc. ⁽⁶⁾	A-	-	2 x 5	Yes	684,996	\$ 11.59
Office	Norfolk, VA	49,902	General Services Administration-Navy	AA+	6.2	N/A	Yes	882,476	\$ 17.68
Office	Norfolk, VA	22,247	Maersk Shipping	BBB	0.5	1 x 5 ⁽⁵⁾	N/A	386,795	\$ 17.39
Office	Norfolk, VA	34,847	PRA Holdings, Inc. ⁽³⁾	BB+	-	1 x 5	Yes	742,850	\$ 21.32
Retail	Tampa, FL	3,500	Sherwin Williams Company	BBB	6.1	5 x 5	Yes	120,750	\$ 34.50
Office	Manteo, NC	7,543	General Services Administration-FBI	AA+	6.6	1 x 5	Yes	161,346	\$ 21.39
Office	Plant City, FL	7,826	Irby Construction	BBB-	2.5	2 x 5	Yes	171,667	\$ 21.94
Retail	Grand Junction, CO	30,701	Best Buy Co., Inc.	BBB+	4.8	1 x 5	Yes	353,061	\$ 11.50
Medical-Retail	Chicago, IL	10,947	Fresenius Medical Care Holdings, Inc.	BBB-	4.3	2 x 5	Yes	224,414	\$ 20.50
Retail	Tampa, FL	2,642	Starbucks Corporation	BBB+	4.7	2 x 5	Yes	148,216	\$ 56.10
Retail	Tucson, AZ	88,408	Kohl's Corporation	BBB-	7.6	7 x 5	Yes	823,963	\$ 9.32
Consolidated Properties		322,854						\$ 5,012,838	\$ 15.53
Retail ⁽⁴⁾	Rockford, IL	15,288	La-Z-Boy Inc.	NR	5.3	4 x 5	Yes	360,100	\$ 23.55
All Properties		338,142						5,372,938	\$ 15.89

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

(2) Annualized cash rental income in place as of June 30, 2022. 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 tenant in common investment.

(5) Tenant did not exercise the renewal option as of the required exercise date of April 1, 2022.

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

Distributions

From inception through June 30, 2022, we have distributed approximately \$1,976,893 to common stockholders.

Recent Developments

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 under the Operating Partnership's Contribution and Subscription Agreement, dated July 16, 2019, and the Contribution and Subscription Agreement, dated June 19, 2019. 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.

Results of Operations

Three Months Ended June 30, 2022 Compared to the Three Months Ended June 30, 2021

Revenue

During the three months ended June 30, 2022, total revenue from operations was \$1,379,103 as compared to \$988,190 for the three months ended June 30, 2021. Revenue increased \$390,913 from the acquisition of five additional properties partially offset by the revenue generated from one property sold in August 2021.

Expenses

During the three months ended June 30, 2022, we incurred total expenses of \$2,042,938 as compared to \$1,305,855 for the three months ended June 30, 2021. Operating expenses increased by \$737,083 as follows:

	Three Months ended June 30,				
	2022	2021			Change
General, administrative and organizational costs	\$ 472,736	\$ 251,825	\$	\$	220,911
Building expenses	325,201	163,722			161,479
Depreciation and amortization	558,676	397,186			161,490
Interest expense, net	375,627	337,432			38,195
Compensation costs	310,698	155,690			155,008
Total expenses	<u>\$ 2,042,938</u>	<u>\$ 1,305,855</u>	<u>\$</u>	<u>\$</u>	<u>737,083</u>

- General, administrative and organizational costs increased by \$220,911 due to an increase in legal and audit expense, an increase in corporate filing fees incurred for the Company's first annual report and shareholders' meeting, an increase in insurance expense, and an increase in investor relations expense offset by a decrease in consulting services.

- Building expenses increased by \$161,479 due to an increase in tenant reimbursable expenses incurred by the Company on behalf of tenants from the acquisition of five additional properties. Reimbursement revenues included in Rental income offset this Building expense.

- Depreciation and amortization increased by \$161,490 from the acquisition of five additional properties offset in part by the expense incurred by one property sold in August 2021.

- Interest expense, net increased by \$38,195 due to interest on the mortgage loans from the five additional properties offset by the reduction in interest expense due from the mortgage loans refinanced or adjusted to a lower interest rate which is further offset in part by the interest expense from the mortgage loan associated with the one property sold in August 2021.

- Compensation costs increased by \$155,008 primarily due to an increase in restricted stock unit compensation expense related to additional stock granted in addition to an increase in salary expense.

Income Tax Benefit

We did not record an income tax benefit for the three months ended June 30, 2022 and 2021 because we have been in a cumulative net loss situation since inception and have recorded a valuation allowance to offset any tax benefits generated by the cumulative operating losses.

Loss on investment in tenancy-in-common

During the three months ended June 30, 2022, our share of earnings on our investment in tenancy in common acquired in August 2021 and accounted for under the equity method generated a loss of \$1,462.

Other expenses:

- During the three months ended June 30, 2022, we incurred \$107,371 in dead deal expense related to acquisition costs incurred in from a portfolio of assets we are no longer pursuing for acquisition.

•During the three months ended June 30, 2022, we incurred a loss on debt extinguishment of \$144,029 related to the write off of unamortized debt issuance costs previously incurred on mortgage loans that were refinanced in addition to a prepayment penalty incurred of \$21,000.

Net Loss

During the three months ended June 30, 2022 and 2021, we generated a net loss of \$916,697 and \$317,665, respectively.

Net Income Attributable to Non-controlling Interests

During the three months ended June 30, 2022 and 2021, net income attributable to non-controlling interest was \$130,181 and \$52,434, respectively. The variance is attributable to an increase from additional redeemable non-controlling interests issued to finance the acquisition of properties in 2021 and 2022 offset by a decrease in the redeemable non-controlling interest for the property sold in August 2021.

Net Loss Attributable to Shareholders

During the three months ended June 30, 2022 and 2021, we generated a net loss attributable to our shareholders of \$1,046,878 and \$369,989, respectively.

Six Months Ended June 30, 2022 Compared to the Six Months Ended June 30, 2021

Revenue

During the six months ended June 30, 2022 total revenue from operations was \$2,561,038 as compared to \$1,925,078 for the six months ended June 30, 2021. Revenue increased \$635,960 from the acquisition of five additional properties partially offset by the revenue generated from one property sold in August 2021.

Expenses

During the six months ended June 30, 2022, we incurred total expenses of \$3,678,938 as compared to \$2,564,446 for the six months ended June 30, 2021. Operating expenses increased by \$1,114,492 as follows:

	Six Months ended June 30,			
	2022	2021		Change
General, administrative and organizational costs	\$ 814,416	\$ 440,242	\$	374,174
Building expenses	578,592	344,275		234,317
Depreciation and amortization	989,569	776,697		212,872
Interest expense, net	705,921	692,421		13,500
Compensation costs	590,440	310,811		279,629
Total expenses	<u>\$ 3,678,938</u>	<u>\$ 2,564,446</u>	<u>\$</u>	<u>1,114,492</u>

•General, administrative and organizational costs increased by \$374,174 due to an increase in legal and audit expense, an increase in corporate filing fees incurred for the Company's first annual report and shareholders' meeting, an increase in insurance expense, and an increase in investor relations expense offset by a decrease in consulting services.

•Building expenses increased by \$234,317 due to an increase in tenant reimbursable expenses incurred by the Company on behalf of tenants from the acquisition of five additional properties. Reimbursement revenues included in Rental income offset this Building expense.

•Depreciation and amortization increased by \$212,872 from the acquisition of five additional properties offset in part by the expense incurred by one property sold in August 2021.

•Interest expense, net increased by \$13,500 due to interest on the mortgage loans from the five additional properties offset by the reduction in interest expense due from the mortgage loans refinanced or adjusted to a lower interest rate which is further offset in part by the interest expense from the mortgage loan associated with the one property sold in August 2021.

•Compensation costs increased by \$279,629 primarily due to an increase in restricted stock unit compensation expense related to accelerated vesting of the restricted stock granted to the former CFO and also issuance of additional stock granted. The increase in Compensation Costs also resulted from an increase in salary expense.

Income Tax Benefit

We did not record an income tax benefit for the six months ended June 30, 2022 and 2021 because we have been in a cumulative net loss situation since inception and have recorded a valuation allowance to offset any tax benefits generated by the cumulative operating losses.

Income on investment in tenancy-in-common

During the six months ended June 30, 2022, our share of earnings on our investment in tenancy in common acquired in August 2021 and accounted for under the equity method generated income of \$7,090.

Other expenses:

- During the six months ended June 30, 2022, we incurred \$107,371 in dead deal expense related to acquisition costs incurred in from a portfolio of assets we are no longer pursuing for acquisition.
- During the six months ended June 30, 2022, we incurred a loss on debt extinguishment of \$144,029 related to the write off of unamortized debt issuance costs previously incurred on refinanced mortgage loans that in addition to a prepayment penalty incurred of \$21,000.

Net Loss

During the six months ended June 30, 2022 and 2021, we generated a net loss of \$1,362,210 and \$639,368, respectively.

Net Income Attributable to Non-controlling Interests

During the six months ended June 30, 2022 and 2021, net income attributable to non-controlling interest was \$260,144 and \$198,504, respectively. The variance is attributable to an increase from additional redeemable non-controlling interests issued to finance the acquisition of properties in 2021 and 2022 offset by a decrease in the redeemable non-controlling interest for the property sold in August 2021.

Net Loss Attributable to Shareholders

During the six months ended June 30, 2022 and 2021 we generated a net loss attributable to our shareholders of \$1,622,354 and \$837,872, 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 June 30, 2022, we had total cash (unrestricted and restricted) of \$3,683,665, properties with a cost basis of \$56,847,641 and outstanding debt with a principal balance of \$36,242,002.

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, the Operating Partnership entered into a Commitment Letter with American Momentum Bank (the "Lender") for the \$25 million master 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 annum. At each loan closing under the Facility, the borrower shall pay the Lender a commitment fee equal to 0.50% of the applicable loan amount. Each loan will have an interest-only payment term for twenty-four months from the applicable loan closing date and all interest and principal outstanding shall be due and payable in full two years from the applicable loan closing date. Each loan will be secured by the real estate property acquired and the associated rental income and payment will be guaranteed by the Operating Partnership. The Company's CEO, will be required to execute a non-recourse guarantee in connection with each loan that is subject to standard "bad-boy" carve out provisions. Each loan agreement under the Facility will require the borrower to maintain a debt service coverage ratio of not less than 1.50 to 1.00 over the term of the loan and will contain customary affirmative covenants, negative covenants and events of default. Should any event of default occur, the loan commitments under the Facility may be terminated and any outstanding borrowings, together with accrued interest, could be declared immediately due and payable. All loans under the Facility must close by October 26, 2023. The Facility is voidable at the option of the Lender in specified circumstances, including a material adverse change in the Company's financial condition and upon any changes in management of the Company that are unacceptable to the Lender. On May 9, 2022, the Operating Partnership amended the current Commitment Letter with the Lender, by entering into a new Commitment Letter, to increase the available Borrowings under the

Facility from \$25 million to \$50 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. As of June 30, 2022 the Company did not have an outstanding balance on the Facility, compared to an outstanding balance of approximately \$2.4 million as of December 31, 2021 under the Facility.

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 June 30, 2022 and December 31, 2021, we had total current liabilities which consists of accounts payable, accrued expenses, insurance payable of \$628,316 and \$369,902, respectively. The increase is primarily attributable to the \$203,326 accrued expense for an Operating Partnership unit redemption.

On April 1, 2022, the Company entered into two loan agreements with an aggregate balance of \$13.5 million as of June 30, 2022 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 one loan in the amount of \$2.1 million on the property held in the tenant 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 guaranty 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. During the three months ended June 30, 2022, we incurred a loss on debt extinguishment of \$144,029 related to the write off of unamortized debt issuance costs previously incurred on these mortgage loans that were refinanced in addition to a prepayment penalty incurred of \$21,000.

The Company had the following promissory notes outstanding as of June 30, 2022 and December 31, 2021, respectively:

Mortgage Loans Secured By (Tenant-Location)	Loan Amount	Interest Rate	Maturity Date	June 30, 2022	December 31, 2021	Debt Service Coverage Ratios ("DSCR") Required
7-11 - Washington, DC; Starbucks-South Tampa, FL; and Pratt & Whitney-Huntsville, AL	\$ 11,287,500 *	4.17 %	3/6/2030	\$ 11,054,353	\$ 11,150,130	1.25
GSA & Maersk - Norfolk, Virginia	8,260,000	3.50 %	9/30/2024	7,691,504	7,805,524	1.25
PRA Holdings, Inc. - Norfolk, Virginia	5,216,749	3.50 %	10/23/2024	4,809,481	4,889,670	1.25
Sherwin-Williams - Tampa, Florida	1,286,664	3.72 %***	8/10/2028	1,286,664	1,286,664	1.20
GSA - Manteo, North Carolina	928,728	3.85 % **	3/31/2032	928,728	1,275,000	1.50
Irby Construction - Plant City, Florida	928,728	3.85 %**	3/31/2032	928,728	850,000	1.50
Best Buy - Grand Junction, Colorado	2,552,644	3.85 % **	3/31/2032	2,552,644	2,350,000	1.50
Fresenius - Chicago, Illinois	1,727,108	3.85 %**	3/31/2032	1,727,108	-	1.50
Starbucks - North Tampa, Florida	1,298,047	3.85 % **	3/31/2032	1,298,047	-	1.50
Kohls - Tucson, Arizona	3,964,745	3.85 %**	3/31/2032	3,964,745	-	1.50
	37,450,913			36,242,002	29,606,988	
			Less Debt Issuance Costs	(786,490)	(637,693)	
				<u>35,455,512</u>	<u>28,969,295</u>	

*Loan subject to prepayment penalty

**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 six months ended June 30, 2022 and 2021 to interest expense of approximately \$61,606 and \$63,922, respectively. We paid debt issuance costs for the six months ended June 30, 2022 and 2021 of approximately \$354,432 and \$39,991, respectively.

Each promissory note requires the Company to maintain certain debt service coverage ratios as noted above. In addition, one promissory note, encumbered by six properties, requires the Company to maintain a 54% loan to value ratio. As of June 30, 2022, we were in compliance with all covenants.

The Company's President has personally guaranteed the repayment of the \$11.1 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, Florida property. In addition, the Company's President has also provided a guaranty of the Borrower's nonrecourse carveout liabilities and obligations in favor of the lender for the Norfolk, Virginia property loans (the "Bayport loans") with an aggregate principal amount of \$12,500,985. The Company modified the Bayport loans in March 2021 for no fees and reduced the associated interest rate from 4.25% to 3.50%. The Company determined that the debt modification was not substantial under ASC 470-50.

Minimum required principal payments on the Company's debt as of June 30, 2022 are as follows:

	As of June 30, 2022
2022	\$ 291,328
2023	785,524
2024	12,427,090
2025	546,280
2026	568,514
Thereafter	21,623,266
	<u>\$ 36,242,002</u>

Funding of acquisitions in the six months ended June 30, 2022 and 2021 were as follows:

- The acquisition of the Chicago, IL property in January 2022 was funded with debt financing of approximately \$1.6 million and cash.
- The acquisition of the Tampa, FL property in January 2022 was funded with a Redeemable Non-Controlling Interest contribution to one of our subsidiaries of \$1.1 million and by debt financing of approximately \$1.1 million.
- The acquisition of the Tucson, AZ property in March 2022 was funded with debt financing of approximately \$3.7 million and cash.
- The acquisition of the Manteo, North Carolina property in February 2021 was funded with a Redeemable Non-Controlling Interest contribution to one of our subsidiaries of \$0.5 million and by debt financing of approximately \$1.3 million.
- The acquisition of the Plant City, Florida property in April 2021, was funded with a Redeemable Non-Controlling Interest contribution to one of our subsidiaries of approximately \$1.0 million and by debt financing of approximately of approximately \$0.9 million.

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 \$127,247 and \$38,238 for the six months ended June 30, 2022 and 2021, respectively.

Cash from Investing Activities

Net cash used in investing activities was \$13,161,569 and \$3,530,810 during the six months ended June 30, 2022 and 2021, respectively. The increase is primarily due to \$12,705,680 for the purchase of three properties including the escrow deposit return in addition to purchasing an additional interest in our investment in tenancy in common of \$455,889 during the six months ended June 30, 2022 as compared to one property purchased for \$3,530,810 during the six months ended June 30, 2021.

Cash from Financing Activities

Net cash generated from financing activities was \$6,348,405 and \$3,055,476 for the six months ended June 30, 2022 and 2021, respectively. The change is primarily related to \$4,735,340 increase in net Mortgage loan borrowings, offset by a \$314,441 increase in debt issuance costs related to the mortgage loans refinancing, and an increase in dividends paid of \$563,680.

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 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 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 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net Loss	\$ (916,697)	\$ (317,665)	\$ (1,362,210)	\$ (639,368)
Depreciation and amortization	558,676	397,186	989,569	776,697
Funds From Operations	\$ (358,021)	\$ 79,521	\$ (372,641)	\$ 137,329
Amortization of debt issuance costs	27,933	32,819	61,606	63,922
Non-cash stock compensation	124,118	50,278	218,044	132,749
Adjustments to Funds From Operations	\$ 152,051	\$ 83,097	\$ 279,650	\$ 196,671
Core Funds From Operations	\$ (205,970)	\$ 162,618	\$ (92,991)	\$ 334,000
Net Loss	\$ (916,697)	\$ (317,665)	\$ (1,362,210)	\$ (639,368)
Depreciation and amortization	558,676	397,186	989,569	776,697
Amortization of debt issuance costs	27,933	32,819	61,606	63,922
Above and below-market lease amortization, net	(26,297)	(42,431)	(50,181)	(75,592)
Straight line rent, net	17,160	(12,271)	16,060	(27,989)
Adjustments to Net Loss	\$ 577,472	\$ 375,303	\$ 1,017,054	\$ 737,038
Adjusted Funds From Operations	\$ (339,225)	\$ 57,638	\$ (345,156)	\$ 97,670
Dead deal expense	107,371	-	107,371	-
Loss on debt extinguishment	144,029	-	144,029	-
Non-cash stock compensation	124,118	50,278	218,044	132,749
Adjustments to Adjusted Funds From Operations	\$ 375,518	\$ 50,278	\$ 469,444	\$ 132,749
Core Adjusted Funds From Operations	\$ 36,293	\$ 107,916	\$ 124,288	\$ 230,419

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 June 30, 2022. Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures were effective as of June 30, 2022.

(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 June 30, 2022 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, 2021.

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 June 30, 2022, 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

On July 20, 2022, the Company received a notice of redemption from an Operating Partnership common unit holder, Thomas E. Robinson, exercising his right to redeem 25,000 units at \$20 per unit under the Operating Partnership's Contribution and Subscription Agreement, dated July 16, 2019, and the Contribution and Subscription Agreement, dated June 19, 2019. 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 (the "Redemption Agreement") 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.

The foregoing summary of the Redemption Agreement is qualified in its entirety by the full text of the Redemption Agreement, which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q.

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	Commitment for \$50 Million Master Credit Commitment with American Momentum Bank dated May 9, 2022 (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K/A filed on May 12, 2022).
10.2*	Redemption Agreement, dated August 9, 2022, among the Company, Generation Income Properties, L.P., and Thomas E. Robinson
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: August 15, 2022

By: /s/ David Sobelman

David Sobelman

Chief Executive Officer and Chair of the Board

(Principal Executive Officer)

Date: August 15, 2022

By: /s/ Allison Davies

Allison Davies

Chief Financial Officer

(Principal Financial and Accounting Officer)

REDEMPTION AGREEMENT

This Redemption Agreement (this “Agreement”) is entered by and among Generation Income Properties, L.P., a Delaware limited partnership (the “Company”), Generation Income Properties, Inc., a Delaware corporation and the General Partner of the Company (“GIP”), and Thomas E. Robinson (“Tendering Party”) effective as of August 9, 2022. Capitalized terms used but not defined herein have the meaning ascribed to them in that certain Amended and Restated Limited Partnership Agreement of the Company, dated March 23, 2018, as amended through the date hereof (as amended, the “LPA”).

R E C I T A L S

WHEREAS, the Tendering Party holds an aggregate 205,615 Common Units of the Company (the “Robinson Common Units”), which were received pursuant to that certain (a) Assignment and Assumption of Partnership Units dated December 1, 2021 by and among Riverside Crossing, L.C. (“RC”), the Tendering Party and Generation Income Properties, Inc., a Maryland corporation (“GIP”) (the “RC Assignment”); and (b) Assignment and Assumption of Partnership Units dated December 1, 2021 by and among Greenwal, L.C., a Virginia limited liability company (“Greenwal”), the Tendering Party and GIP (the “Greenwal Assignment”) (the RC Assignment and Greenwal Assignment are collectively referred to herein as the “Assignments”);

WHEREAS, pursuant to that certain (a) Contribution and Subscription Agreement by and between the Company and RC dated July 16, 2019, as amended (the “RC Contribution Agreement”); and (b) Contribution and Subscription Agreement by and between the Company and Greenwal dated June 19, 2019, as amended (the “Greenwal Contribution Agreement”) (the RC Contribution Agreement and the Greenwal Contribution Agreement are collectively referred to herein as the “Contribution Agreements”), and as a result of the RC Assignment and Greenwal Assignment, the Tendering Party has the right to require the Company to redeem all or a portion of the Robinson Common Units;

WHEREAS, the Tendering Party has delivered a Notice of Redemption to the Company dated July 20, 2022 presenting certain Robinson Common Units for redemption and indicating an intent to redeem further Robinson Common Units in the future (the “Notice”); and

WHEREAS, the Tendering Party now wishes to revoke the Notice and instead enter into this Agreement with the Company to implement a schedule for the Tendering Party’s redemption of the Robinson Common Units;

NOW, THEREFORE, it is hereby agreed as follows:

A G R E E M E N T

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt,

adequacy, and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby covenant and agree as follows:

1. **Revocation of Notice of Redemption.** The Tendering Party hereby rescinds and revokes the Notice, and GIP, as General Partner of the Company, hereby consents and agrees to such rescission and revocation. The Notice is hereby rendered null and void ab initio, with no further force or effect.

2. **Exercise of Redemption Right.** Notwithstanding anything to the contrary in the Contribution Agreements, Assignments, or LPA (the "Governing Documents"), the Tendering Party and the Company agree to the following, which shall be deemed to be an amendment to the Contribution Agreements, as applicable:

(a) On or before September 15, 2022 (the "Initial Specified Redemption Date"), **16,250** Robinson Common Units shall be redeemed for the Cash Redemption Price (as defined in the Contribution Agreements) and **60,000** Robinson Common Units shall be redeemed through GIP's direct purchase of such Robinson Common Units in exchange for GIP's issuance of 200,000 REIT Shares. For purposes of establishing the holding period of the Tendering Party in such REIT Shares, the Tendering Party hereby represents and warrants that, for purposes of Rule 144 under the Securities Act of 1933, as amended ("Rule 144"), the Robinson Common Units were received by the Tendering Party from RC and Greenwal (as applicable) in a pro rata distribution for no consideration.

(b) The remaining **129,365** Robinson Common Units shall be redeemed pursuant to the following schedule for the Cash Redemption Price (as defined in the Contribution Agreements). Upon each "Deemed Redemption Right Exercise Date," the Tendering Party shall be deemed, automatically and without the need for further action or the delivery of a Notice of Redemption, to have exercised the Redemption Right as to the corresponding number of Robinson Common Units for redemption on the corresponding Specified Redemption Date, all as indicated below.

Number of Common Units Redeemed	Deemed Redemption Right Exercise Date	Specified Redemption Date
16,250	January 15, 2023	March 15, 2023
22,623	July 15, 2023	September 15, 2023
22,623	January 15, 2024	March 15, 2024
22,623	April 15, 2024	June 15, 2024
22,623	July 15, 2024	September 15, 2024
22,623	October 15, 2024	December 15, 2024

129,365 Total Common Units Redeemed

(c) The Tendering Party agrees that at the Initial Specified Redemption Date and each subsequent Specified Redemption Date, the undersigned will (i) irrevocably present for redemption such number of Common Units in the Company as listed above, (ii) surrender such Common Units and all right, title and interest therein, free and clear of all liens, claims and encumbrances; (iii) be deemed to direct that any Cash Redemption Price be delivered to the Tendering Party at the address specified in the Tendering Party's signature block for this Agreement; and (iv) execute an assignment for such Common Units and such other documents as GIP or the Company may reasonably require in connection with the redemption.

(d) The Tendering Party hereby represents, warrants and certifies, at the Initial Specified Redemption Date and as of each Specified Redemption Date, that he (i) has title to the Common Units being presented for redemption; (ii) has the full right, power and authority to cause the redemption of the Common Units as provided herein; and (iii) has obtained the approval of all persons or entities, if any, having the right to consent to or approve the Common Units for redemption.

(e) The Company agrees to redeem the number of Common Units indicated in the table set forth in subsection (b) above on each Specified Redemption Date for the Cash Redemption Price. If the Company fails to redeem any of the Tendering Party's Common Units on the Specified Date for such Common Units then the Deemed Redemption Right Exercise Date for all remaining unredeemed Common Units shall be deemed to be the Deemed Right Exercise Date for the Common Units for which the Cash Redemption Price was not timely paid and the Specified Redemption Date for all remaining unredeemed Common Units shall be the Specified Redemption Date for the Common Units for which the Cash Redemption Price was not timely paid and the Tendering Party shall be entitled to exercise any and all rights available at law or in equity to enforce the Company's obligation to redeem the Common Units as provided in this sentence. It is understood and acknowledged that, so long as the Company complies with its obligations to redeem the Common Units pursuant to the table set forth in subsection (b) above, the redemption schedule and mechanics set forth in this Section 2 shall govern and supersede any redemption rights the Tendering Party may otherwise have had pursuant to the Contribution Agreements.

3. Continuing Effect of Governing Agreements. Except to the extent expressly stated herein, the redemption procedures and limitations of the Governing Agreements shall govern any redemption of the Robinson Common Units, and each Governing Agreement is hereby ratified and confirmed and shall continue in full force and effect.

4. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Virginia.

5. Counterparts. This Agreement may be executed in one or more counterparts, each of which when taken together shall constitute one and the same original. To facilitate the execution and delivery of this Agreement, the parties may execute and exchange counterparts of the signature

pages by facsimile or by scanned image (e.g., .pdf file extension) as an attachment to an email and the signature page of either party to any counterpart may be appended to any other counterpart.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date set forth above.

TENDERING PARTY:

/s/ Thomas E. Robinson
By: Thomas E. Robinson

Address for delivery of Cash Redemption Price:

COMPANY:

GENERATION INCOME PROPERTIES, L.P.,
a Delaware limited partnership

By: /s/ David Sobelman
David Sobelman
Authorized Representative

GIP:

GENERATION INCOME PROPERTIES, INC.,
a Maryland corporation

By: /s/ David Sobelman
David Sobelman
Chief Executive 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.

August 15, 2022

/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.

August 15, 2022

/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 June 30, 2022 as filed with the Securities and Exchange Commission on August 15, 2022 (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)
August 15, 2022

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 June 30, 2022 as filed with the Securities and Exchange Commission on August 15, 2022 (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)

August 15, 2022

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.
