Dear Fellow Shareholders:

Last year I described in this letter that our first full year as a REIT felt like a NASCAR crash pile up with the COVID-19 pandemic in full force. Our second year was more what we had in mind when we IPO'd in late 2019, and to paraphrase Ricky Bobby in *Talladega Nights,* 2021 was PINE's year to "Shake and Bake." We were able to deliver a sector-leading total shareholder return of 41% in 2021. We hope we can have strong outperformance this year as well, given PINE is still one of the cheapest net lease REITs in the market. Just think about it — our current FFO multiple as of this writing is roughly 12x. Our peer group average is more than 16x. If PINE were to trade at the peer group average, the stock would be up 30%+ from our current $19 level and that's without the 5.6%+ dividend. Never in my life have I strived so hard in hopes of just being average! I guess we just want to be like the kids at Lake Wobegon, 'above average'.

We obviously like buying discount retailers in our portfolio, including high-performing retailers such as Dollar General, Walmart, Family Dollar, Burlington, Big Lots, etc., but we don't like it when PINE becomes a discount in its own right. We believe we are progressing on a path to narrow that discount and in fact the discount has begun to narrow already. As we have moved forward in disposing of our office assets and redeploying the proceeds into pure retail, we believe this will ultimately help move our multiple north as the market clearly prefers a pure play retail net lease company. Last year, we sold the Hilton Grand Vacation office buildings in Orlando and generated a $0.70 per share gain on book value. Next and last up is our Wells Fargo office building in Oregon.

We had a very successful year buying high-quality properties in very good locations. In 2021, we bought 68 properties for $260 million at a weighted cap rate of 6.8%. We enjoy growing the company through acquisitions and especially when we can grow by investing more than our market cap in a year. This strong acquisition growth helped fuel our 23% increase in dividends, which still has a relatively low payout ratio. We intend to keep the payout ratio modest as we retain cash flow to redeploy in acquisitions, since our annualized dividend yield of over 5.6% is already one of the highest in the peer group!

In 2020, we bought back a bunch of stock when the pandemic led to some panic selling. This year, with the stock recovered, we did our first follow-on offering which allowed us to acquire some very high-quality assets at favorable prices. This offering gave us exposure to new investors and improved the liquidity of our stock.

Alpine now has investments in 32 states, so a lot of daylight ahead for our growth. Our portfolio is now comprised of 45% investment grade credits and as important to us, over 70% of our tenants are public companies which gives us an added safety net in that public companies tend to have better access to capital than your local mom & pop franchisees and they provide more transparency into their credit and operational performance.

As part of our investment activity in 2021, we purchased a large well-located ground lease portfolio for $38 million in Houston, bringing the ground lease composition of our portfolio to 9% as of year-end 2021. This grounds lease portfolio acquisition also helped make Houston our largest MSA, with over 11% of our rent coming from the nation's 4th largest city and 5th largest MSA. Not a bad place to be invested with oil at over $100 per barrel as of this writing.

In an inflationary environment, we believe PINE offers investors a good place to invest as the total enterprise value of our company is only trading at $157 per square foot — meaning that with the significant increases in construction, labor and land costs the last couple of years, you cannot build our portfolio for the value that we are trading. Tenants are going to be stickier as their options to relocate to alternative locations upon lease expiration will be more expensive than ever. We like our position.

We are proud to now have nine research analysts covering our REIT and they like our positioning as well! Nearly all of them have a Buy or Strong Buy rating on the stock and they are an important impartial voice for us as we emphasize communication with our shareholders and other interested parties. It's also crucial to have the all-important capital to fuel our growth, and we now have eight banks supporting our credit lines, all of which were active for us in 2021 and will continue to be in 2022.

So, this year it's all about execution, demonstrating to the market that the pivot from a mix that included office to pure retail will result in greater interest from a larger pool of investors. Given we are trading at $19 per share with almost a 6% dividend yield, we are primed to be one of the leading net lease REITs again this year in total shareholder returns (dividends + share price appreciation). A cheap multiple, a cheap implied cap rate and high dividend yield will certainly attract value investors. However, we feel that we are also positioned to have more investors find their way to us as PINE does not have a material number of REIT-dedicated investors, nor is PINE in the Russell or RMZ indexes. As we continue to grow and indexes start picking us up, we will have more investors needing to invest with us to track the indexes. If we were to get into those indexes, things should become a little easier for us. Our goal is to make a little easier for us and to deliver sector-leading returns to you!

Our company's growth is fueled by the acquisitions and capital markets transactions, but it's our incredibly talented and growing team that is behind the execution and operations. From transactions to accounting, we have added team members along the way, and we have an outstanding group of people ready to deliver another strong year of high-quality growth and outsized returns.

Also, I would like to thank our incredibly talented and experienced Board for their guidance and direction. As our company grows and we continually face decisions arising from our growth, we have benefited tremendously from their talent as our Board members have "been there and done that".

John P. Albright
President and
Chief Executive Officer