Dear Fellow Shareholders:

During the roadshow to launch our new single-tenant net lease REIT, we were asked several times about the name, "Alpine." Certainly, an obvious observation was that one of our assets is the iconic Alpine Valley Music Theatre, a 150-acre outdoor music venue in Troy, Wisconsin that has a capacity of 37,000 people. Alpine Valley Music Theatre has been in operation since 1977 and is known for hosting such legendary musical acts as The Rolling Stones, The Grateful Dead and Pearl Jam, among many others. Alpine Valley is net leased to Live Nation Entertainment for 10 years, and as of this writing, Live Nation has an $8 billion equity market cap, even after being down over 45% this year. Live Nation's largest shareholder is John Malone's Liberty Media with a 32% ownership interest. We like this kind of double credit enhancement for this relatively small $7.5 million investment.

Yes, the name of our music venue did have a logical influence on our selection of the name Alpine Income Property Trust ("Alpine"), but we also believed it properly reflected the fact that we were seeking a name that connotates an activity that requires a healthy respect for risk and requires an ability to mitigate risk all while seeking higher risk-adjusted yields.

As one embarks on mountain climbing, weather conditions are of the upmost concern, so it is with market conditions when investing in net lease real estate, whether it be interest rates, GDP growth, employment and population growth, equity and credit market conditions all go into the forecast for the investing and decision-making process. As we've been recently reminded, these conditions can change at a moment's notice, and being prepared for those changing conditions is a part of climbing as much as it is real estate investing.

Thus, we felt that naming the company Alpine did not simply reference one of our uniquely iconic net lease assets, but it was an acknowledgement, through our name, that the endeavor we are pursuing requires a discipline akin to climbing mountains.

In both alpine climbing and real estate investing, some days start out with blue skies, as it did when we completed our IPO on November 21, 2019, when the S&P Index closed at 3,103. However, things can change rapidly, maybe even into a full blown 100-year storm, which we currently find ourselves in the midst of. During these very uncertain economic conditions, caused by a worldwide pandemic raging across the globe, resulting in 40% of our tenants seeking rent relief (based on annualized rent payable as of March 31, 2020), we find ourselves in a very defensive posture, until we see the weather clearing.

The economic storm has brought us tenant challenges as many of our tenants no matter the size and strength of their balance sheet asked for a short-term rent deferment or rent relief. We are working our way through the avalanche debris to get things back in order.

How long this economic storm will last, nobody can say for certain; we are, however, glad we started our climb at Alpine shortly before the storm hit, so we were down lower on the mountain with plenty of provisions and a good sturdy tent, in the form of a low leverage profile and with plenty of cash, as we let the storm blow by. Other REITs in the single-tenant net lease sector may not be as fortunate, as they were further up the mountain and are now experiencing the full brunt of the storm's impact. It seems certain that REITs with franchise-type credits will surely be focused on playing defense for a while. Alpine is fortunate to have Wells Fargo as our largest tenant, an A rated credit with a $119 billion equity cap, comprising approximately 23% of our cash flows. In addition to a strong anchor credit tenant, Alpine also benefits from CTO's 22% ownership of Alpine as a strong foundation support with alignment of interest. As Wells Fargo provides us with a firm foundation to our portfolio it should be noted that our approximately 34% exposure to office properties added additional shelter to the storm. In addition to Wells Fargo, our other strong credits include Walgreens, 7-Eleven, Hobby Lobby and Best Buy, to name a few. We also have credits such as AMC that may not make it through the storm, however, we feel that based on the locations and favorable investment basis of some of our more challenging credits these assets will be of interest to other tenants.

So, as we continue the beginning of our climb, we do so with a strong balance sheet, strong credits, and with a large supportive shareholder.

As the economic skies start clearing, we look forward to finding high quality investment opportunities, some of which may become evident as the result of this economic cyclone, as we remain focused on strong credits and a healthy balance of office and retail, which has served us well to date.

Balance Sheet

We have proactively drawn down some of the available capacity on our credit line and we're pleased to have opportunistically "locked in" LIBOR for the next five years at less than 50 bps, which effectively fixes our interest rate on $50 million of debt under our revolving credit facility at less than 2%, at our current leverage. This gives us inexpensive debt as one of the "provisions" that will allow us an opportunity to drive both strong equity yields and strong earnings growth. Our strong balance sheet has also allowed us to take advantage of repurchasing shares as the market dislocation took Alpine's stock to a very attractive investment level.

Investment Portfolio

As mentioned above, we have a portfolio of 29 properties in 13 states and over 1 million square feet.

Our five largest tenant credits are Wells Fargo, Hilton Grand Vacations, LA Fitness, Hobby Lobby and 7-Eleven.

Presently our mix of office is 34% of NOI and 66% for retail. Our average lease term is 8.5 years. Before the storm hit, we bought $47 million of acquisitions at a 7.1% weighted-average going-in cap rate and with a 11.5 year weighted-average remaining lease term.

Moving forward, we will continue to further upgrade our credits, diversify industries, and lengthen the lease terms in our portfolio.

Board of Directors

We are grateful for the independent board members who have joined us at Alpine: Andy Richardson, Mark Decker, Jr., Carson Good and Jeff Yarckin. All of the board members bring extensive real estate investment experience and capital markets expertise, as well as relevant public company experience. We thank them for their invaluable insight and consistent wisdom.

Importantly, thank you to our shareholders for your support. We look forward to better weather to support our climb and delivering you strong shareholder returns.

Dividend

In the first quarter we announced a $0.20 per quarter dividend, which if annualized is $0.80 per year. While this dividend is well supported now, we will continue to monitor our liquidity and dividend level as we come to realize the impact of our current global pandemic.

We look forward to positioning Alpine as a best in class single tenant net lease REIT that will deliver strong growth and more importantly strong returns for years to come.

John P. Albright
President and
Chief Executive Officer