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

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**FORM 10-Q**

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

**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 001-39143

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**ALPINE INCOME PROPERTY TRUST, INC.**

(Exact name of registrant as specified in its charter)

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Maryland  
(State or other jurisdiction of  
incorporation or organization)  
  
1140 N. Williamson Blvd., Suite 140  
Daytona Beach, Florida  
(Address of principal executive offices)

84-2769895  
(I.R.S. Employer  
Identification No.)

32114  
(Zip Code)

(386) 274-2202

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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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, \$0.01 PAR VALUE	PINE	NYSE

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 number of shares of the registrant's common stock outstanding on April 15, 2021 was 7,932,510.

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**PART I—FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

ALPINE INCOME PROPERTY TRUST, INC.  
CONSOLIDATED BALANCE SHEETS  
(In thousands, except share and per share data)

	<b>As of</b>	
	<b>(Unaudited)</b>	<b>December 31,</b>
	<b>March 31, 2021</b>	<b>2020</b>
<b>ASSETS</b>		
Real Estate:		
Land, at cost	\$ 88,635	\$ 83,210
Building and Improvements, at cost	156,143	142,679
Total Real Estate, at cost	244,778	225,889
Less, Accumulated Depreciation	(8,499)	(6,550)
Real Estate—Net	236,279	219,339
Cash and Cash Equivalents	1,548	1,894
Intangible Lease Assets—Net	39,005	36,881
Straight-Line Rent Adjustment	1,920	2,045
Other Assets	2,185	2,081
Total Assets	\$ 280,937	\$ 262,240
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Accounts Payable, Accrued Expenses, and Other Liabilities	\$ 1,159	\$ 1,984
Prepaid Rent and Deferred Revenue	1,313	1,055
Intangible Lease Liabilities—Net	3,348	3,299
Long-Term Debt	119,309	106,809
Total Liabilities	125,129	113,147
Commitments and Contingencies—See Note 15		
<b>Equity:</b>		
Preferred Stock, \$0.01 par value per share, 100 million shares authorized, no shares issued and outstanding as of March 31, 2021 and December 31, 2020	—	—
Common Stock, \$0.01 par value per share, 500 million shares authorized, 7,896,542 shares issued and outstanding as of March 31, 2021 and 7,458,755 shares issued and outstanding as of December 31, 2020	79	75
Additional Paid-in Capital	140,591	132,878
Dividends in Excess of Net Income	(7,169)	(5,713)
Accumulated Other Comprehensive Income (Loss)	195	(481)
Stockholders' Equity	133,696	126,759
Noncontrolling Interest	22,112	22,334
Total Equity	155,808	149,093
Total Liabilities and Equity	\$ 280,937	\$ 262,240

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

ALPINE INCOME PROPERTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited, in thousands, except share, per share and dividend data)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Revenues:		
Lease Income	\$ 5,890	\$ 4,171
Total Revenues	5,890	4,171
Operating Expenses:		
Real Estate Expenses	651	600
General and Administrative Expenses	1,030	1,284
Depreciation and Amortization	3,143	2,023
Total Operating Expenses	4,824	3,907
Net Income from Operations	1,066	264
Interest Expense	555	249
Net Income	511	15
Less: Net Income Attributable to Noncontrolling Interest	(71)	(2)
Net Income Attributable to Alpine Income Property Trust, Inc.	\$ 440	\$ 13
<b>Per Common Share Data:</b>		
Net Income Attributable to Alpine Income Property Trust, Inc.		
Basic	\$ 0.06	—
Diluted	\$ 0.05	—
Weighted Average Number of Common Shares:		
Basic	7,565,429	7,896,757
Diluted	8,789,283	9,120,611
Dividends Declared and Paid	\$ 0.24	\$ 0.20

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

ALPINE INCOME PROPERTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited, in thousands)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Net Income Attributable to Alpine Income Property Trust, Inc.	\$ 440	\$ 13
Other Comprehensive Income		
Cash Flow Hedging Derivative - Interest Rate Swap	676	—
Total Other Comprehensive Income	676	—
Total Comprehensive Income	\$ 1,116	\$ 13

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

ALPINE INCOME PROPERTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
(Unaudited, in thousands, except per share data)

For the three months ended March 31, 2021:

	Common Stock at Par	Additional Paid-in Capital	Dividends in Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2021	\$ 75	\$ 132,878	\$ (5,713)	\$ (481)	\$ 126,759	\$ 22,334	\$ 149,093
Net Income	—	—	440	—	440	71	511
Stock Issuance to Directors	—	66	—	—	66	—	66
Stock Issuance Under 2020 ATM Program	4	7,800	—	—	7,804	—	7,804
Equity Issuance Costs	—	(153)	—	—	(153)	—	(153)
Cash Dividend (\$0.24 per share)	—	—	(1,896)	—	(1,896)	(293)	(2,189)
Other Comprehensive Income	—	—	—	676	676	—	676
Balance March 31, 2021	<u>\$ 79</u>	<u>\$ 140,591</u>	<u>\$ (7,169)</u>	<u>\$ 195</u>	<u>\$ 133,696</u>	<u>\$ 22,112</u>	<u>\$ 155,808</u>

For the three months ended March 31, 2020:

	Common Stock at Par	Additional Paid-in Capital	Dividends in Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2020	\$ 79	\$ 137,948	\$ (498)	\$ —	\$ 137,529	\$ 23,176	\$ 160,705
Net Income	—	—	13	—	13	2	15
Stock Repurchase	—	(592)	—	—	(592)	—	(592)
Stock Issuance to Directors	—	37	—	—	37	—	37
Cash Dividend (\$0.20 per share)	—	—	(1,578)	—	(1,578)	(245)	(1,823)
Balance March 31, 2020	<u>\$ 79</u>	<u>\$ 137,393</u>	<u>\$ (2,063)</u>	<u>\$ —</u>	<u>\$ 135,409</u>	<u>\$ 22,933</u>	<u>\$ 158,342</u>

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

ALPINE INCOME PROPERTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited, in thousands)

	<b>Three Months Ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Cash Flow from Operating Activities:</b>		
Net Income	\$ 511	\$ 15
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and Amortization	3,143	2,023
Amortization of Intangible Lease Assets and Liabilities to Lease Income	(41)	(19)
Amortization of Deferred Financing Costs to Interest Expense	65	45
Non-Cash Compensation	73	67
Straight-Line Rent Adjustment	(147)	(323)
COVID-19 Rent Repayments	271	—
Other Assets	27	(310)
Accounts Payable, Accrued Expenses, and Other Liabilities	(350)	646
Prepaid Rent and Deferred Revenue	257	667
Net Cash Provided By Operating Activities	<u>3,809</u>	<u>2,811</u>
<b>Cash Flow from Investing Activities:</b>		
Acquisition of Real Estate, Including Capitalized Expenditures	(22,117)	(47,379)
Net Cash Used In Investing Activities	<u>(22,117)</u>	<u>(47,379)</u>
<b>Cash Flow from Financing Activities:</b>		
Draws on Credit Facility	12,500	57,000
Repurchase of Common Stock	—	(592)
Cash Paid for Equity Issuance Costs	(153)	—
Proceeds From Stock Issuance Under 2020 ATM Program	7,804	—
Dividends Paid	(2,189)	(1,823)
Net Cash Provided By Financing Activities	<u>17,962</u>	<u>54,585</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(346)	10,017
Cash and Cash Equivalents, Beginning of Period	1,894	12,342
Cash and Cash Equivalents, End of Period	<u>\$ 1,548</u>	<u>\$ 22,359</u>

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

ALPINE INCOME PROPERTY TRUST, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)  
(Unaudited, in thousands)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	\$ 482	\$ 164
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Unrealized Gain on Cash Flow Hedge	\$ 676	\$ —

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### NOTE 1. BUSINESS AND ORGANIZATION

#### *BUSINESS*

Alpine Income Property Trust, Inc. (the “Company” or “PINE”) is a real estate company that owns and operates a high-quality portfolio of commercial net lease properties. The terms “us,” “we,” “our,” and “the Company” as used in this report refer to Alpine Income Property Trust, Inc. together with our consolidated subsidiaries.

Our portfolio consists of 53 net leased retail and office properties located in 38 markets in 19 states. All of the properties in our portfolio are subject to long-term, primarily triple-net leases, which generally require the tenant to pay all of the property operating expenses such as real estate taxes, insurance, assessments and other governmental fees, utilities, repairs and maintenance and certain capital expenditures.

The Company has no employees and is externally managed by Alpine Income Property Manager, LLC, a Delaware limited liability company and a wholly owned subsidiary of CTO Realty Growth, Inc. (our “Manager”). CTO Realty Growth, Inc. (NYSE: CTO) is a Maryland corporation that is a publicly traded diversified REIT and the sole member of our Manager (“CTO”).

#### *ORGANIZATION*

The Company is a Maryland corporation that was formed on August 19, 2019. On November 26, 2019, the Company closed its initial public offering (“IPO”) of shares of its common stock (the “Offering”) as well as a concurrent private placement of shares of common stock to CTO. Net proceeds from the Offering and the concurrent CTO Private Placement (defined below) were used to purchase 15 properties from CTO. Additionally, CTO contributed to Alpine Income Property OP, LP, the Company’s operating partnership (the “Operating Partnership”), five additional properties in exchange for operating partnership units (“OP Units”).

The price per share paid in the Offering and the concurrent private placement was \$19.00 (the “IPO Price”). The Offering raised \$142.5 million in gross proceeds from the issuance of 7,500,000 shares of our common stock. We also raised \$7.5 million from the concurrent private placement to CTO from the issuance of 394,737 shares of our common stock (“CTO Private Placement”). Included in the Offering was CTO’s purchase of 421,053 shares of our common stock for \$8.0 million, representing a cash investment by CTO of \$15.5 million. A total of \$125.9 million of proceeds from the Offering were utilized to acquire 15 properties in our initial portfolio. The remaining five properties in our initial portfolio were contributed by CTO in exchange for 1,223,854 OP Units for a value of \$23.3 million based on the IPO Price. The Company incurred a total of \$12.0 million of transaction costs, which included underwriting fees of \$9.4 million. Upon completion of the Offering, the CTO Private Placement, and the other transactions executed at the time of our listing on the New York Stock Exchange (the “NYSE”) under the symbol “PINE” (collectively defined as the “Formation Transactions”), CTO owned 22.3% of our outstanding common stock (assuming the OP Units issued to CTO in the Formation Transactions are exchanged for shares of our common stock on a one-for-one basis).

We conduct the substantial majority of our operations through, and substantially all of our assets are held by, the Operating Partnership. Our wholly owned subsidiary, Alpine Income Property GP, LLC (“PINE GP”), is the sole general partner of the Operating Partnership. As of March 31, 2021, we have a total ownership interest in the Operating Partnership of 86.6%, with CTO holding, directly and indirectly, a 13.4% ownership interest in the Operating Partnership. Our interest in the Operating Partnership generally entitles us to share in cash distributions from, and in the profits and losses of, the Operating Partnership in proportion to our percentage ownership. We, through PINE GP, generally have the exclusive power under the partnership agreement to manage and conduct the business and affairs of the Operating Partnership, subject to certain approval and voting rights of the limited partners. Our Board of Directors (the “Board”) manages our business and affairs.

The Company has elected to be taxed as a real estate investment trust (“REIT”) for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of the Company’s annual REIT taxable income, without regard to the dividends paid deduction or net capital gain, to its stockholders (which is computed and which does not necessarily equal net income as calculated in accordance with generally accepted accounting principles). As a REIT, the Company is generally not subject to U.S. federal corporate income tax to the extent of its distributions to stockholders. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to U.S. federal income tax on its taxable income at regular corporate rates and generally will not be permitted to qualify for treatment as a REIT for the four taxable years following the year during which qualification is lost unless the Internal Revenue Service grants the Company relief under certain statutory provisions. Such an event could materially adversely affect the Company’s net income and net cash available for distribution to stockholders. Even if the Company qualifies for taxation as a REIT, the Company may be subject to state and local taxes on its income and property and federal income and excise taxes on its undistributed income.

#### *COVID-19 PANDEMIC*

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus as a pandemic (the “COVID-19 Pandemic”), which has spread throughout the United States. The spread of the COVID-19 Pandemic has continued to cause significant volatility in the U.S. and international markets, and in many industries, business activity has experienced periods of almost complete shutdown. There continues to be uncertainty around the duration and severity of business disruptions related to the COVID-19 Pandemic, as well as its impact on the U.S. economy and international economies.

The Company collected 100% of the Contractual Base Rent (“CBR”) due for the three months ended March 31, 2021. CBR represents the amount owed to the Company under the current terms of its lease agreements. During the year ended December 31, 2020, the Company agreed to defer or abate certain CBR in exchange for additional lease term or other lease enhancing additions. Repayment of such deferred CBR began in the third quarter of 2020, with payments continuing, in some cases, through mid-year 2022. An assessment of the current or identifiable potential financial and operational impacts on the Company as a result of the COVID-19 Pandemic are as follows:

- During the first quarter of 2020, the Company completed the acquisition of nine properties for an aggregate purchase price of \$46.8 million. When the pandemic was declared, given the uncertainties created by the COVID-19 Pandemic and the impact on the capital markets, the U.S. economy, and PINE’s tenants, the Company temporarily suspended its activities directed at identifying additional acquisition opportunities. Towards the end of the second quarter of 2020, the Company reached agreements with tenants for rent deferrals and abatements and the Company completed the acquisition of two properties for an aggregate purchase price of \$28.6 million.
- As a result of the outbreak of the COVID-19 Pandemic, the Federal Government and the State of Florida issued orders encouraging everyone to remain at their residence and not go into work. In response to these orders and in the best interest of the employees of our Manager and the Board, our Manager implemented significant preventative measures to ensure the health and safety of its employees and the Board, including: conducting all meetings of the Board and Committees of the Board telephonically or via a visual conferencing service, permitting its employees to work from home at their election, enforcing appropriate social distancing practices in our Manager’s office, encouraging its employees to wash their hands often and use face masks and providing hand sanitizer and other disinfectant products throughout their office, requiring its employees who do not feel well, in any capacity, to stay at home, and requiring all third-party delivery services (e.g. mail, food delivery, etc.) to complete their service outside the front door of its offices. Our Manager also offered COVID-19 testing to its employees in our Manager’s office to ensure a safe working environment.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### *USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period presented. Actual results could differ from those estimates.

Among other factors, fluctuating market conditions that can exist in the national real estate markets and the volatility and uncertainty in the financial and credit markets make it possible that the estimates and assumptions, most notably those related to PINE’s investment in income properties, could change materially due to continued volatility in the real estate and financial markets, or as a result of a significant dislocation in those markets.

### *LONG-LIVED ASSETS*

The Company follows Financial Accounting Standards Board (“FASB”) ASC Topic 360-10, *Property, Plant, and Equipment* in conducting its impairment analyses. The Company reviews the recoverability of long-lived assets, primarily real estate, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Examples of situations considered to be triggering events include: a substantial decline in operating cash flows during the period, a current or projected loss from operations, an income property not fully leased or leased at rates that are less than current market rates, and any other quantitative or qualitative events deemed significant by management. Long-lived assets are evaluated for impairment by using an undiscounted cash flow approach, which considers future estimated capital expenditures. Impairment of long-lived assets is measured at fair value less cost to sell.

### *PURCHASE ACCOUNTING FOR ACQUISITIONS OF REAL ESTATE SUBJECT TO A LEASE*

Investments in real estate are carried at cost less accumulated depreciation and impairment losses, if any. The cost of investments in real estate reflects their purchase price or development cost. We evaluate each acquisition transaction to determine whether the acquired asset meets the definition of a business. Under Accounting Standards Update (“ASU”) 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, an acquisition does not qualify as a business when there is no substantive process acquired or substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets or the acquisition does not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay. Transaction costs related to acquisitions that are asset acquisitions are capitalized as part of the cost basis of the acquired assets, while transaction costs for acquisitions that are deemed to be acquisitions of a business are expensed as incurred. Improvements and replacements are capitalized when they extend the useful life or improve the productive capacity of the asset. Costs of repairs and maintenance are expensed as incurred.

In accordance with FASB guidance, the fair value of the real estate acquired with in-place leases is allocated to the acquired tangible assets, consisting of land, building and tenant improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, the value of in-place leases, and the value of leasing costs, based in each case on their relative fair values. In allocating the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded as other assets or liabilities based on the present value. The capitalized above-market lease values are amortized as a reduction of rental income over the remaining terms of the respective leases. The capitalized below-market lease values are amortized as an increase to rental income over the initial term unless the management believes that it is likely that the tenant will renew the lease upon expiration, in which case the Company amortizes the value attributable to the renewal over the renewal period. The value of in-place leases and leasing costs are amortized to expense over the remaining non-cancelable periods of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be written off.

#### *INCOME PROPERTY LEASE REVENUE*

The rental arrangements associated with the Company's income property portfolio are classified as operating leases. The Company recognizes lease income on these properties on a straight-line basis over the term of the lease. Accordingly, contractual lease payment increases are recognized evenly over the term of the lease. The periodic difference between lease income recognized under this method and contractual lease payment terms (i.e., straight-line rent) is recorded as a deferred operating lease receivable and is included in straight-line rent adjustment on the accompanying consolidated balance sheets. The Company's leases provide for reimbursement from tenants for variable lease payments including common area maintenance, insurance, real estate taxes and other operating expenses. A portion of our variable lease payment revenue is estimated each period and is recognized as rental income in the period the recoverable costs are incurred and accrued.

The collectability of tenant receivables and straight-line rent adjustments is determined based on, among other things, the aging of the tenant receivable, management's evaluation of credit risk associated with the tenant and industry of the tenant, and a review of specifically identified accounts using judgment. As of March 31, 2021 and December 31, 2020, the Company had recorded an allowance for doubtful accounts of \$0.1 million. As of March 31, 2020, no allowance for doubtful accounts was recorded.

#### *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents include cash on hand, bank demand accounts, and money market accounts having original maturities of 90 days or less. The Company's bank balances as of March 31, 2021 and December 31, 2020 include certain amounts over the Federal Deposit Insurance Corporation limits. The carrying value of cash and cash equivalents is reported at Level 1 in the fair value hierarchy, which represents valuation based upon quoted prices in active markets for identical assets or liabilities.

#### *DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITY*

Effective April 30, 2020, in conjunction with the variable-rate Credit Facility (hereinafter defined in Note 8, "Long-Term Debt"), the Company entered into an Interest Rate Swap to fix the interest rate on \$50.0 million of the outstanding Credit Facility balance (the "Interest Rate Swap"). The Company accounts for its cash flow hedging derivative in accordance with FASB ASC Topic 815-20, *Derivatives and Hedging*. Depending upon the Interest Rate Swap's value at each balance sheet date, the derivative is included in either other assets or accounts payable, accrued expenses, and other liabilities on the consolidated balance sheet at its fair value. On the date the Interest Rate Swap was entered into, the Company designated the derivative as a hedge of the variability of cash flows to be paid related to the recognized long-term debt liabilities.

The Company formally documented the relationship between the hedging instrument and the hedged item, as well as its risk-management objective and strategy for undertaking the hedge transaction. At the Interest Rate Swap's inception, the Company formally assessed whether the derivative that is used in hedging the transaction is highly effective in offsetting changes in cash flows of the hedged item, and we will continue to do so on an ongoing basis. As the terms of the Interest Rate Swap and the associated debt are identical, the hedging instrument qualifies for the shortcut method, therefore, it is assumed that there is no hedge ineffectiveness throughout the entire term of the hedging instrument.

Changes in fair value of the hedging instrument that are highly effective and designated and qualified as cash-flow hedge are recorded in other comprehensive income and loss until earnings are affected by the variability in cash flows of the designated hedged item.

#### *FAIR VALUE OF FINANCIAL INSTRUMENTS*

The carrying amounts of the Company's financial assets and liabilities including cash and cash equivalents, accounts receivable included in other assets, accounts payable, and accrued expenses and other liabilities at March 31, 2021 and December 31, 2020, approximate fair value because of the short maturity of these instruments. The carrying value of the

Credit Facility, hereinafter defined, approximates current market rates for revolving credit arrangements with similar risks and maturities.

#### *FAIR VALUE MEASUREMENTS*

The Company's estimates of fair value of financial and non-financial assets and liabilities is based on the framework established by GAAP. The framework specifies a hierarchy of valuation inputs which was established to increase consistency, clarity and comparability in fair value measurements and related disclosures. GAAP describes a fair value hierarchy based upon three levels of inputs that may be used to measure fair value, two of which are considered observable and one that is considered unobservable. The following describes the three levels:

- Level 1 – Valuation is based upon quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuation is based upon inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include option pricing models, discounted cash flow models and similar techniques.

#### *CONCENTRATION OF RISK*

Certain of the tenants in the portfolio of 53 properties accounted for more than 10% of total revenues during the three months ended March 31, 2021 and 2020, respectively.

During the three months ended March 31, 2021, the properties leased to Wells Fargo Bank, NA and Hilton Grand Vacations represented 14% and 11% of total revenues, respectively. During the three months ended March 31, 2020, the properties leased to Wells Fargo Bank, NA and Hilton Grand Vacations represented 22% and 14% of total revenues, respectively.

As of March 31, 2021 and December 31, 2020, based on square footage, 16% and 17%, respectively, of the Company's real estate portfolio was located in the State of Florida and 12% and 13%, respectively, of the Company's real estate portfolio was located in the State of Oregon. Additionally, as of March 31, 2021 and December 31, 2020, more than 10% of the Company's real estate portfolio, based on square footage, was located in the States of North Carolina and Michigan, respectively.

#### *RECLASSIFICATIONS*

Certain items in the consolidated balance sheet as of December 31, 2020 have been reclassified to conform to the presentation as of March 31, 2021. Specifically, in the first quarter of 2021, the Company reclassified deferred financing costs, net of accumulated amortization, as a component of other assets on the accompanying consolidated balance sheet. Accordingly, deferred financing costs of \$0.9 million, net of accumulated amortization of \$0.2 million, were reclassified from long-term debt to other assets as of December 31, 2020. Additionally, in the first quarter of 2021, the Company increased non-cash compensation for the three months ended March 31, 2020 by \$0.03 million through a reclassification from accounts payable, accrued expenses, and other liabilities within operating activities on the accompanying consolidated statements of cash flows which is the result of timing related to the issuance of shares for director retainers.

#### **NOTE 3. INCOME PROPERTY PORTFOLIO**

As of March 31, 2021, the Company's income property portfolio consisted of 53 properties with total square footage of 1.8 million.

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Leasing revenue consists of long-term rental revenue from retail and office income properties, which is recognized as earned, using the straight-line method over the life of each lease.

The components of leasing revenue are as follows (in thousands):

	Three Months Ended	
	March 31, 2021	March 31, 2020
Lease Income		
Lease Payments	\$ 5,446	\$ 3,812
Variable Lease Payments	444	359
Total Lease Income	<u>\$ 5,890</u>	<u>\$ 4,171</u>

*Minimum Future Rental Receipts.* Minimum future rental receipts under non-cancelable operating leases, excluding percentage rent and other lease payments that are not fixed and determinable, having remaining terms in excess of one year subsequent to March 31, 2021, are summarized as follows (in thousands):

Year Ending December 31,	Amounts
Remainder of 2021	\$ 17,045
2022	22,681
2023	22,656
2024	22,188
2025	21,680
2026 and thereafter (cumulative)	82,921
Total	<u>\$ 189,171</u>

*2021 Activity.* During the three months ended March 31, 2021, the Company acquired five income properties for a combined purchase price of \$21.9 million, or an acquisition cost of \$22.1 million including capitalized acquisition costs. Of the total acquisition cost, \$5.4 million was allocated to land, \$13.4 million was allocated to buildings and improvements, \$3.4 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and \$0.1 million was allocated to intangible liabilities for the below market lease value. The weighted average amortization period for the intangible assets and liabilities was 9.2 years at acquisition. No income properties were disposed of during the three months ended March 31, 2021.

The net lease income properties acquired during the three months ended March 31, 2021 are described below:

Tenant Description	Location	Date of Acquisition	Square-Feet	Purchase Price (\$000's)	Remaining Lease Term at Acquisition Date (in years)
Dollar General	Cut and Shoot, TX	1/25/2021	9,096	\$ 1,727	14.8
Dollar General	Del Rio, TX	1/25/2021	9,219	1,403	14.0
Dollar General	Seguin, TX	1/25/2021	9,155	1,290	14.1
At Home	Canton, OH	3/9/2021	89,902	8,571 <sup>(1)</sup>	8.4
Pet Supplies Plus	Canton, OH	3/9/2021	8,400	1,135 <sup>(1)</sup>	6.6
Salon Lofts	Canton, OH	3/9/2021	4,000	694 <sup>(1)</sup>	7.0
Sportsman Warehouse	Albuquerque, NM	3/29/2021	48,974	7,100	8.4
Total / Weighted Average			<u>178,746</u>	<u>\$ 21,920</u>	<u>9.2</u>

<sup>(1)</sup> These three tenants represent the acquisition of one property for a purchase price of \$10.4 million which was allocated based on cash base rent in place at the time of acquisition.

*2020 Activity.* During the three months ended March 31, 2020, the Company acquired nine income properties for a combined purchase price of \$46.8 million, or an acquisition cost of \$47.0 million including capitalized acquisition costs. Of the total acquisition cost, \$11.9 million was allocated to land, \$29.3 million was allocated to buildings and improvements, \$6.9 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above

market lease value, and \$1.1 million was allocated to intangible liabilities for the below market lease value. The weighted average amortization period for the intangible assets and liabilities was 11.2 years at acquisition. No income properties were disposed of during the three months ended March 31, 2020.

The net lease income properties acquired during the three months ended March 31, 2020 are described below:

Tenant Description	Location	Date of Acquisition	Square-Feet	Purchase Price (\$000's)	Remaining Lease Term at Acquisition Date (in years)
7-Eleven	Austin, TX	1/13/2020	6,400	\$ 5,762	15.0
7-Eleven	Georgetown, TX	1/13/2020	7,726	4,301	15.0
Conn's HomePlus	Hurst, TX	1/10/2020	37,957	6,100	11.6
Lehigh Gas Wholesale Services, Inc.	Highland Heights, KY	2/03/2020	2,578	4,250	10.8
American Multi-Cinema, Inc.	Tyngsborough, MA	2/19/2020	39,474	7,055	10.1
Hobby Lobby	Tulsa, OK	2/28/2020	84,180	12,486	10.8
Long John Silver's	Tulsa, OK	2/28/2020	3,000	264	N/A
Old Time Pottery	Orange Park, FL	2/28/2020	84,180	6,312	10.4
Freddy's Frozen Custard	Orange Park, FL	2/28/2020	3,200	303	6.8
Total / Weighted Average			268,695	\$ 46,833	11.5

**NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following table presents the carrying value and estimated fair value of the Company's financial instruments at March 31, 2021 and December 31, 2020 (in thousands):

	March 31, 2021		December 31, 2020	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and Cash Equivalents - Level 1	\$ 1,548	\$ 1,548	\$ 1,894	\$ 1,894
Long-Term Debt - Level 2	\$ 119,309	\$ 119,309	\$ 106,809	\$ 106,809

The estimated fair values are not necessarily indicative of the amount the Company could realize on disposition of the financial instruments. The use of different market assumptions or estimation methodologies could have a material effect on the estimated fair value amounts.

The following tables present the fair value of assets (liabilities) measured on a recurring basis by Level as of March 31, 2021 and December 31, 2020 (in thousands).

	Fair Value	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>March 31, 2021</b>				
Interest Rate Swap	\$ 195	\$ —	\$ 195	\$ —
<b>December 31, 2020</b>				
Interest Rate Swap	\$ (481)	\$ —	\$ (481)	\$ —

**NOTE 5. INTANGIBLE ASSETS AND LIABILITIES**

Intangible assets and liabilities consist of the value of above-market and below-market leases, the value of in-place leases, and the value of leasing costs, based in each case on their fair values. Intangible assets and liabilities consisted of the following as of March 31, 2021 and December 31, 2020 (in thousands):

	As of	
	March 31, 2021	December 31, 2020
<b>Intangible Lease Assets:</b>		
Value of In-Place Leases	\$ 29,885	\$ 27,494
Value of Above Market In-Place Leases	2,239	2,187
Value of Intangible Leasing Costs	12,400	11,459
Sub-total Intangible Lease Assets	44,524	41,140
Accumulated Amortization	(5,519)	(4,259)
Sub-total Intangible Lease Assets—Net	39,005	36,881
<b>Intangible Lease Liabilities:</b>		
Value of Below Market In-Place Leases	(3,829)	(3,674)
Sub-total Intangible Lease Liabilities	(3,829)	(3,674)
Accumulated Amortization	481	375
Sub-total Intangible Lease Liabilities—Net	(3,348)	(3,299)
<b>Total Intangible Assets and Liabilities—Net</b>	<b>\$ 35,657</b>	<b>\$ 33,582</b>

The following table reflects the net amortization of intangible assets and liabilities during the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended	
	March 31, 2021	March 31, 2020
Amortization Expense	\$ 1,194	\$ 761
Increase to Income Properties Revenue	(41)	(19)
<b>Net Amortization of Intangible Assets and Liabilities</b>	<b>\$ 1,153</b>	<b>\$ 742</b>

The estimated future amortization expense (income) related to net intangible assets and liabilities is as follows (in thousands):

Year Ending December 31,	Future Amortization Expense	Future Accretion to Income Property Revenue	Net Future Amortization of Intangible Assets and Liabilities
Remainder of 2021	\$ 3,804	\$ (131)	\$ 3,673
2022	5,072	(174)	4,898
2023	5,070	(174)	4,896
2024	4,843	(162)	4,681
2025	4,600	(161)	4,439
2026 and thereafter	13,701	(631)	13,070
<b>Total</b>	<b>\$ 37,090</b>	<b>\$ (1,433)</b>	<b>\$ 35,657</b>

As of March 31, 2021, the weighted average amortization period of both the total intangible assets and liabilities was 9.1 years.



**NOTE 6. OTHER ASSETS**

Other assets consisted of the following (in thousands):

	As of	
	March 31, 2021	December 31, 2020
Tenant Receivables—Net <sup>(1)</sup>	\$ 73	\$ 67
Accrued Unbilled Tenant Receivables	201	216
Prepaid Insurance	426	606
Deposits on Acquisitions	600	100
Prepaid and Deposits—Other	105	442
Deferred Financing Costs—Net	585	650
Interest Rate Swap	195	—
Total Other Assets	<u>\$ 2,185</u>	<u>\$ 2,081</u>

<sup>(1)</sup> As of March 31, 2021 and December 31, 2020, includes \$0.1 million allowance for doubtful accounts.

**NOTE 7. ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND OTHER LIABILITIES**

Accounts payable, accrued expenses and other liabilities consisted of the following (in thousands):

	As of	
	March 31, 2021	December 31, 2020
Accounts Payable	\$ 80	\$ 450
Accrued Expenses	441	474
Due to CTO	638	579
Interest Rate Swap	—	481
Total Accounts Payable, Accrued Expenses, and Other Liabilities	<u>\$ 1,159</u>	<u>\$ 1,984</u>

**NOTE 8. LONG-TERM DEBT**

As of March 31, 2021, the Company's outstanding indebtedness, at face value, was as follows (in thousands):

	Face Value Debt	Stated Interest Rate	Maturity Date
Credit Facility	\$ 119,309	30-Day LIBOR + 1.35% - 1.95% <sup>(1)</sup>	November 2023
Total Debt/Weighted-Average Rate	<u>\$ 119,309</u>	<u>1.70%</u>	

<sup>(1)</sup> Effective April 30, 2020, the Company utilized an Interest Rate Swap to achieve a fixed interest rate of 0.48% plus the applicable spread on \$50.0 million of the outstanding balance on the Credit Facility.

*Credit Facility.* On November 26, 2019, the Company and the Operating Partnership entered into a credit agreement (the "Credit Agreement") with a group of lenders for a senior unsecured revolving credit facility (the "Credit Facility") in the maximum aggregate initial original principal amount of up to \$100.0 million. The Credit Facility includes an accordion feature that may allow the Operating Partnership to increase the availability under the Credit Facility by an additional \$50.0 million, subject to meeting specified requirements and obtaining additional commitments from lenders. BMO Capital Markets Corp. and Raymond James Bank, N.A. are joint lead arrangers and joint bookrunners, with Bank of Montreal ("BMO") as administrative agent. The Credit Facility has a base term of four years, with the ability to extend the base term for one year.

On October 16, 2020, the Company executed the second amendment to the Credit Facility (the "Second Amendment"), with the addition of two lenders, Huntington National Bank and Truist Bank. As a result of the Second Amendment, the Credit Facility has a total borrowing capacity of \$150.0 million with the ability to increase that capacity up to \$200.0 million during the term, utilizing an accordion feature, subject to lender approval.

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Pursuant to the Credit Agreement, the indebtedness outstanding under the Credit Facility accrues at a rate ranging from the 30-day LIBOR plus 135 basis points to the 30-day LIBOR plus 195 basis points, based on the total balance outstanding under the Credit Facility as a percentage of the total asset value of the Operating Partnership, as defined in the Credit Agreement. The Credit Facility also accrues a fee of 15 to 25 basis points for any unused portion of the borrowing capacity based on whether the unused portion is greater or less than 50% of the total borrowing capacity.

The Operating Partnership is subject to customary restrictive covenants under the Credit Facility, including, but not limited to, limitations on the Operating Partnership's ability to: (a) incur indebtedness; (b) make certain investments; (c) incur certain liens; (d) engage in certain affiliate transactions; and (e) engage in certain major transactions such as mergers. The Credit Facility also contains financial covenants covering the Operating Partnership, including but not limited to, tangible net worth and fixed charge coverage ratios. In addition, the Operating Partnership is subject to additional financial maintenance covenants as described in the Credit Agreement. On June 30, 2020, the Company and the Operating Partnership entered into the first amendment to the Credit Agreement with the lenders whereby the tangible net worth covenant was adjusted to be more reflective of market terms.

At March 31, 2021, the current commitment level under the Credit Facility was \$150.0 million and the Company had an outstanding balance of \$119.3 million.

Long-term debt as of March 31, 2021 and December 31, 2020 consisted of the following (in thousands):

	March 31, 2021		December 31, 2020	
	Total	Due Within One Year	Total	Due Within One Year
Credit Facility	\$ 119,309	\$ —	\$ 106,809	\$ —
Total Long-Term Debt	\$ 119,309	\$ —	\$ 106,809	\$ —

Payments applicable to reduction of principal amounts as of March 31, 2021 will be required as follows (in thousands):

Year Ending December 31,	Amount
Remainder of 2021	\$ —
2022	—
2023	119,309
2024	—
2025	—
2026 and thereafter	—
Total Long-Term Debt - Face Value	\$ 119,309

As of March 31, 2021, the Company had deferred financing costs of \$0.9 million, net of accumulated amortization, of \$0.3 million which is included in other assets on the consolidated balance sheets. These costs are amortized on a straight-line basis over the term of the Credit Facility and are included in interest expense in the accompanying consolidated statements of operations.

The following table reflects a summary of interest expense incurred and paid during the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended	
	March 31, 2021	March 31, 2020
Interest Expense	\$ 490	\$ 204
Amortization of Deferred Financing Costs to Interest Expense	65	45
Total Interest Expense	\$ 555	\$ 249
Total Interest Paid	\$ 482	\$ 164

The Company was in compliance with all of its debt covenants as of March 31, 2021.

**NOTE 9. INTEREST RATE SWAP**

During April 2020, the Company entered into an Interest Rate Swap agreement to hedge cash flows tied to changes in the underlying floating interest rate tied to LIBOR for \$50.0 million of the outstanding balance on the Credit Facility as discussed in Note 8, “Long-Term Debt.” During the three months ended March 31, 2021, the Interest Rate Swap agreement was 100% effective. Accordingly, the change in fair value on the Interest Rate Swap has been included in accumulated other comprehensive income (loss). As of March 31, 2021, the fair value of our Interest Rate Swap agreement, which was a gain of \$0.2 million, was included in other assets on the consolidated balance sheets. The Interest Rate Swap was effective on April 30, 2020 and matures on November 26, 2024. The Interest Rate Swap fixed the variable rate debt on the notional amount of related debt of \$50.0 million to a fixed rate of 0.48% plus the applicable spread.

**NOTE 10. EQUITY**

*SHELF REGISTRATION*

On December 1, 2020, the Company filed a shelf registration statement on Form S-3, relating to the registration and potential issuance of its common stock, preferred stock, warrants, rights, and units with a maximum aggregate offering price of up to \$350.0 million. The Securities and Exchange Commission declared the Form S-3 effective on December 11, 2020.

*ATM PROGRAM*

On December 14, 2020, the Company implemented a \$100.0 million “at-the-market” equity offering program (the “2020 ATM Program”) pursuant to which the Company may sell, from time to time, shares of the Company’s common stock. Under the 2020 ATM Program, during the three months ended March 31, 2021, the Company sold 434,201 shares for \$7.9 million at a weighted average price of \$18.25 per share, generating net proceeds of \$7.8 million due to \$0.1 million of fees paid on the sales.

*DIVIDENDS*

The Company has elected to be taxed as a REIT for U.S. federal income tax purposes under the Internal Revenue Code. To qualify as a REIT, the Company must annually distribute, at a minimum, an amount equal to 90% of its taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains, and must distribute 100% of its taxable income (including net capital gains) to eliminate corporate federal income taxes payable by the Company. Because taxable income differs from cash flow from operations due to non-cash revenues and expenses (such as depreciation and other items), in certain circumstances, the Company may generate operating cash flow in excess of its dividends, or alternatively, may need to make dividend payments in excess of operating cash flows. During the three months ended March 31, 2021, the Company declared and paid cash dividends on its common stock and OP Units of \$0.24 per share. See Note 16, “Subsequent Events” for disclosure related to the second quarter 2021 dividend.

**NOTE 11. COMMON STOCK AND EARNINGS PER SHARE**

Basic earnings per common share are computed by dividing net income attributable to the Company for the period by the weighted average number of shares of common stock outstanding for the period. Diluted earnings per common share are determined based on the assumption of the conversion of OP Units on a one-for-one basis using the treasury stock method at average market prices for the periods.

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The following is a reconciliation of basic and diluted earnings per common share (in thousands, except share and per share data):

	Three Months Ended	
	March 31, 2021	March 31, 2020
Net Income Attributable to Alpine Income Property Trust, Inc.	\$ 440	\$ 13
Weighted Average Number of Common Shares Outstanding	7,565,429	7,896,757
Common Shares Applicable to OP Units using Treasury Stock Method <sup>(1)</sup>	1,223,854	1,223,854
Total Shares Applicable to Diluted Earnings per Share	8,789,283	9,120,611

**Per Common Share Data:**

Net Income Attributable to Alpine Income Property Trust, Inc.				
Basic	\$	0.06	\$	—
Diluted	\$	0.05	\$	—

<sup>(1)</sup> Represents OP Units owned by CTO Realty Growth, Inc. issued in connection with our Formation Transactions.

**NOTE 12. SHARE REPURCHASES**

In March 2020, the Board approved a \$5.0 million stock repurchase program (the “\$5.0 Million Repurchase Program”). During the first half of 2020, the Company repurchased 456,237 shares of its common stock on the open market for a total cost of \$5.0 million, or an average price per share of \$11.02 which completed the \$5.0 Million Repurchase Program.

**NOTE 13. STOCK-BASED COMPENSATION**

The Company adopted the Individual Equity Incentive Plan (the “Individual Plan”) and the Manager Equity Incentive Plan (the “Manager Plan”), which are collectively referred to herein as the Equity Incentive Plans. The purpose of the Equity Incentive Plans is to provide equity incentive opportunities to members of the Manager’s management team and employees who perform services for the Company, the Company’s independent directors, advisers, consultants and other personnel, either individually or via grants of incentive equity to the Manager.

In connection with the closing of the IPO, on November 26, 2019, the Company granted restricted shares of common stock to each of the non-employee directors under the Individual Plan. Each of the non-employee directors received an award of 2,000 restricted shares of common stock on November 26, 2019. The restricted shares will vest in substantially equal installments on each of the first, second and third anniversaries of the grant date. As of March 31, 2021, the first increment of this award had vested, leaving 5,336 shares unvested. In addition, the restricted shares are subject to a holding period beginning on the grant date and ending on the date that the grantee ceases to serve as a member of the Board (the “Holding Period”). During the Holding Period, the restricted shares may not be sold, pledged or otherwise transferred by the grantee. Except for the grant of these 8,000 restricted shares of Common Stock, the Company has not made any grants under the Equity Incentive Plans. Any future grants under the Equity Incentive Plans will be approved by the compensation committee of the Board. The 2019 non-employee director share awards had an aggregate grant date fair value of \$0.2 million. The Company’s determination of the grant date fair value of the three-year vest restricted stock awards was calculated by multiplying the number of shares issued by the Company’s stock price at the grant date. Compensation cost is recognized on a straight-line basis over the vesting period and is included in general and administrative expenses in the Company’s consolidated statements of operations. Award forfeitures are accounted for in the period in which they occur. During each of the three months ended March 31, 2021 and 2020, the Company recognized stock compensation expense totaling \$0.01 million which is included in general and administrative expenses in the consolidated statements of operations.

A summary of activity for these awards during the three months ended March 31, 2021 is presented below:

<b>Non-Vested Restricted Shares</b>	<b>Shares</b>	<b>Wtd. Avg. Fair Value</b>
Outstanding at January 1, 2021	5,336	\$ 18.80
Granted	—	—
Vested	—	—
Expired	—	—
Forfeited	—	—
Non-Vested at March 31, 2021	5,336	\$ 18.80

As of March 31, 2021, there was \$0.1 million of unrecognized compensation cost related to the three-year vest restricted shares, which will be recognized over a remaining period of 1.7 years.

Each member of the Board has the option to receive his or her annual retainer in shares of Company common stock rather than cash. The number of shares awarded to the directors making such election is calculated quarterly by dividing the amount of the quarterly retainer payment due to such director by the trailing 20-day average price of the Company's common stock as of the last business day of the calendar quarter, rounded down to the nearest whole number of shares. During the three months ended March 31, 2021, the expense recognized for the value of the Company's common stock received by non-employee directors totaled \$0.06 million, or 3,453 shares, which were issued on April 1, 2021. During the three months ended March 31, 2020, the expense recognized for the value of the Company's common stock received by non-employee directors totaled \$0.05 million, or 4,098 shares, which were issued on April 1, 2020.

Stock compensation expense for the three months ended March 31, 2021 and 2020 is summarized as follows (in thousands):

	<b>Three Months Ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Stock Compensation Expense – Director Restricted Stock	\$ 12	\$ 13
Stock Compensation Expense – Director Retainers Paid in Stock	61	54
Total Stock Compensation Expense <sup>(1)</sup>	\$ 73	\$ 67

<sup>(1)</sup> Director retainers are issued through additional paid in capital in arrears. Therefore, the change in additional paid in capital during the three months ended March 31, 2021 reported on the consolidated statements of stockholders' equity does not agree to the total non-cash compensation reported on the consolidated statements of cash flows.

#### **NOTE 14. RELATED PARTY MANAGEMENT COMPANY**

We are externally managed by the Manager, a wholly owned subsidiary of CTO. In addition to the CTO Private Placement, CTO purchased from us \$8.0 million in shares of our common stock, or 421,053 shares, in the IPO. Upon completion of the Formation Transactions, CTO owned 22.3% of our outstanding common stock (assuming the OP Units issued to CTO in the Formation Transactions are exchanged for shares of our common stock on a one-for-one basis).

On November 26, 2019, we entered into the Management Agreement with the Manager (the "Management Agreement"). Pursuant to the terms of the Management Agreement, our Manager manages, operates and administers our day-to-day operations, business and affairs, subject to the direction and supervision of the Board and in accordance with the investment guidelines approved and monitored by the Board. We pay our Manager a base management fee equal to 0.375% per quarter of our "total equity" (as defined in the Management Agreement and based on a 1.5% annual rate), calculated and payable in cash, quarterly in arrears.

Our Manager has the ability to earn an annual incentive fee based on our total stockholder return exceeding an 8% cumulative annual hurdle rate (the "Outperformance Amount") subject to a high-water mark price. We would pay our Manager an incentive fee to with respect to each annual measurement period in the amount of the greater of (i) \$0.00 and (ii) the product of (a) 15% multiplied by (b) the Outperformance Amount multiplied by (c) the weighted average shares. No incentive fee was due for the year ended December 31, 2020.

The initial term of the Management Agreement will expire on November 26, 2024 and will automatically renew for an unlimited number of successive one-year periods thereafter, unless the agreement is not renewed or is terminated in accordance with its terms.

Our independent directors will review our Manager's performance and the management fees annually and, following the initial term, the Management Agreement may be terminated annually upon the affirmative vote of two-thirds of our independent directors or upon a determination by the holders of a majority of the outstanding shares of our common stock, based upon (i) unsatisfactory performance by the Manager that is materially detrimental to us or (ii) a determination that the management fees payable to our Manager are not fair, subject to our Manager's right to prevent such termination due to unfair fees by accepting a reduction of management fees agreed to by two-thirds of our independent directors. We may also terminate the Management Agreement for cause at any time, including during the initial term, without the payment of any termination fee, with 30 days' prior written notice from the Board. During the initial term of the Management Agreement, we may not terminate the Management Agreement except for cause.

We will pay directly or reimburse our Manager for certain expenses, if incurred by our Manager. We will not reimburse any compensation expenses incurred by our Manager or its affiliates. Expense reimbursements to our Manager will be made in cash on a quarterly basis following the end of each quarter. In addition, we will pay all of our operating expenses, except those specifically required to be borne by our Manager pursuant to the Management Agreement.

During each of the three months ended March 31, 2021 and 2020, the Company incurred management fee expenses which totaled \$0.6 million. The Company also paid dividends on the common stock and OP Units owned by affiliates of the Manager in the amount of \$0.5 million and \$0.4 million for the three months ended March 31, 2021 and 2020, respectively.

The following table represents amounts due from the Company to CTO (in thousands):

Description	As of	
	March 31, 2021	December 31, 2020
Management Fee due to CTO	\$ 638	\$ 631
Other	—	(52)
Total <sup>(1)</sup>	\$ 638	\$ 579

(1) Included in Accrued Expenses, see Note 7, "Accounts Payable, Accrued Expenses, and Other Liabilities".

#### *Exclusivity and ROFO Agreement*

On November 26, 2019, we also entered into an exclusivity and right of first offer ("ROFO") agreement with CTO. During the term of the exclusivity and ROFO agreement, CTO will not, and will cause each of its affiliates (which for purposes of the exclusivity and ROFO agreement will not include our company and our subsidiaries) not to, acquire, directly or indirectly, a single-tenant, net leased property, unless CTO has notified us of the opportunity and we have affirmatively rejected the opportunity to acquire the applicable property or properties.

The terms of the exclusivity and ROFO agreement do not restrict CTO or any of its affiliates from providing financing for a third party's acquisition of single-tenant, net leased properties or from developing and owning any single-tenant, net leased property.

Pursuant to the exclusivity and ROFO agreement, neither CTO nor any of its affiliates (which for purposes of the exclusivity and ROFO agreement does not include our company and our subsidiaries) may sell to any third party any single-tenant, net leased property that was owned by CTO or any of its affiliates as of the closing date of the IPO or that is developed and owned by CTO or any of its affiliates after the closing date of the IPO, without first offering us the right to purchase such property.

The term of the exclusivity and ROFO agreement will continue for so long as the Management Agreement with our Manager is in effect.

### *Conflicts of Interest*

Conflicts of interest may exist or could arise in the future with CTO and its affiliates, including our Manager, the individuals who serve as our executive officers and executive officers of CTO, any individual who serves as a director of our company and as a director of CTO and any limited partner of the Operating Partnership. Conflicts may include, without limitation: conflicts arising from the enforcement of agreements between us and CTO or our Manager; conflicts in the amount of time that executive officers and employees of CTO, who are provided to us through our Manager, will spend on our affairs versus CTO's affairs; and conflicts in future transactions that we may pursue with CTO and its affiliates. We do not generally expect to enter into joint ventures with CTO, but if we do so, the terms and conditions of our joint venture investment will be subject to the approval of a majority of disinterested directors of the Board.

In addition, we are subject to conflicts of interest arising out of our relationships with our Manager. Pursuant to the Management Agreement, our Manager is obligated to supply us with our senior management team. However, our Manager is not obligated to dedicate any specific CTO personnel exclusively to us, nor are the CTO personnel provided to us by our Manager obligated to dedicate any specific portion of their time to the management of our business. Additionally, our Manager is a wholly owned subsidiary of CTO. All of our executive officers are executive officers and employees of CTO and one of our officers (John P. Albright) is also a member of CTO's board of directors. As a result, our Manager and the CTO personnel it provides to us may have conflicts between their duties to us and their duties to, and interests in, CTO.

We may acquire or sell single-tenant, net leased properties in which our Manager or its affiliates have or may have an interest. Similarly, our Manager or its affiliates may acquire or sell single-tenant, net leased properties in which we have or may have an interest. Although such acquisitions or dispositions may present conflicts of interest, we nonetheless may pursue and consummate such transactions. Additionally, we may engage in transactions directly with our Manager or its affiliates, including the purchase and sale of all or a portion of a portfolio asset. If we acquire a single-tenant, net leased property from CTO or one of its affiliates or sell a single-tenant, net leased property to CTO or one of its affiliates, the purchase price we pay to CTO or one of its affiliates or the purchase price paid to us by CTO or one of its affiliates may be higher or lower, respectively, than the purchase price that would have been paid to or by us if the transaction were the result of arms' length negotiations with an unaffiliated third party.

In deciding whether to issue additional debt or equity securities, we will rely, in part, on recommendations made by our Manager. While such decisions are subject to the approval of the Board, our Manager is entitled to be paid a base management fee that is based on our "total equity" (as defined in the Management Agreement). As a result, our Manager may have an incentive to recommend that we issue additional equity securities at dilutive prices.

All of our executive officers are executive officers and employees of CTO. These individuals and other CTO personnel provided to us through our Manager devote as much time to us as our Manager deems appropriate. However, our executive officers and other CTO personnel provided to us through our Manager may have conflicts in allocating their time and services between us, on the one hand, and CTO and its affiliates, on the other. During a period of prolonged economic weakness or another economic downturn affecting the real estate industry or at other times when we need focused support and assistance from our Manager and the CTO executive officers and other personnel provided to us through our Manager, we may not receive the necessary support and assistance we require or that we would otherwise receive if we were self-managed.

Additionally, the exclusivity and ROFO agreement does contain exceptions to CTO's exclusivity for opportunities that include only an incidental interest in single-tenant, net leased properties. Accordingly, the exclusivity and ROFO agreement will not prevent CTO from pursuing certain acquisition opportunities that otherwise satisfy our then-current investment criteria.

Our directors and executive officers have duties to our company under applicable Maryland law in connection with their management of our company. At the same time, PINE GP has fiduciary duties, as the general partner, to the Operating Partnership and to the limited partners under Delaware law in connection with the management of the Operating Partnership. These duties as a general partner to the Operating Partnership and its partners may come into conflict with the duties of our directors and executive officers to us. Unless otherwise provided for in the relevant partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of loyalty and care and which generally prohibits such general partner from taking any action or engaging in any transaction as to which it has a conflict of interest. The partnership agreement provides that in the event of a conflict between the interests of our stockholders on the one hand and the limited

partners of the Operating Partnership on the other hand, PINE GP will endeavor in good faith to resolve the conflict in a manner not adverse to either our stockholders or the limited partners; provided, however, that so long as we own a controlling interest in the Operating Partnership, any such conflict that we, in our sole and absolute discretion, determine cannot be resolved in a manner not adverse to either our stockholders or the limited partners of the Operating Partnership shall be resolved in favor of our stockholders, and we shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the limited partners in connection with such decisions.

#### **NOTE 15. COMMITMENTS AND CONTINGENCIES**

##### **LEGAL PROCEEDINGS**

From time to time, the Company may be a party to certain legal proceedings, incidental to the normal course of business. The Company is not currently a party to any pending or threatened legal proceedings that we believe could have a material adverse effect on the Company's business or financial condition.

#### **NOTE 16. SUBSEQUENT EVENTS**

The Company reviewed all subsequent events and transactions through April 22, 2021, the date the consolidated financial statements were issued.

##### **Second Quarter 2021 Dividend**

The Company declared a second quarter 2021 cash dividend of \$0.25 per share, representing a 4.2% increase from the first quarter of 2021. The dividend is payable on June 30, 2021 to stockholders of record as of the close of business on June 21, 2021.

##### **Purchase and Sale Agreements**

On April 2, 2021, the Company entered into a Purchase and Sale Agreement (the "PSA") with CTO Realty Growth, Inc. and certain of its subsidiaries (the "Sellers") for the acquisition of six retail net lease properties (the "Properties"), for which PINE paid a deposit in the amount of \$1.0 million. The terms of the PSA provide that the total purchase price for the Properties will be \$44.5 million. The deposit is refundable to PINE pursuant to the terms of the PSA during an inspection period. If the PSA is not terminated by the end of the inspection period by PINE, the deposit will become non-refundable. There can be no assurance at this time that the Company will in fact complete the acquisition of any or all of the Properties.

On April 6, 2021, the Company entered into a separate purchase and sale agreement with certain subsidiaries of CTO Realty Growth, Inc. for the acquisition of one net leased property (the "Single Property") for a purchase price of \$11.5 million. The acquisition of the Single Property is subject to certain closing conditions that are not currently satisfied, and there can be no assurance that the acquisition of the Single Property will be completed.

There were no other reportable subsequent events or transactions.



## **ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*When we refer to “we,” “us,” “our,” “PINE,” or “the Company,” we mean Alpine Income Property Trust, Inc. and its consolidated subsidiaries. References to “Notes to Financial Statements” refer to the Notes to the Consolidated Financial Statements of Alpine Income Property Trust, Inc. included in this Quarterly Report on Form 10-Q. Some of the comments we make in this section are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section below entitled “Special Note Regarding Forward-Looking Statements.” Certain factors that could cause actual results or events to differ materially from those the Company anticipates or projects are described in “Item 1A. Risk Factors” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.*

### **Special Note Regarding Forward-Looking Statements**

This Report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Certain statements contained in this report (other than statements of historical fact) are forward-looking statements. The words “believe,” “estimate,” “expect,” “intend,” “anticipate,” “will,” “could,” “may,” “should,” “plan,” “potential,” “predict,” “forecast,” “project,” and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Forward-looking statements are made based upon management’s expectations and beliefs concerning future developments and their potential effect upon the Company. There can be no assurance that future developments will be in accordance with management’s expectations or that the effect of future developments on the Company will be those anticipated by management.

Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. These risks and uncertainties include, but are not limited to, the strength of the real estate market; the impact of a prolonged recession or downturn in economic conditions; our ability to successfully execute acquisition or development strategies; any loss of key management personnel; changes in local, regional, and national economic conditions affecting the real estate development business and income properties; the impact of competitive real estate activity; the loss of any major income property tenants; the ultimate geographic spread, severity and duration of pandemics such as the outbreak of COVID-19, actions that may be taken by governmental authorities to contain or address the impact of such pandemics, and the potential negative impacts of such pandemics on the global economy and our financial condition and results of operations; and the availability of capital. These risks and uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

See “Item 1A. Risk Factors” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 for further discussion of these risks. Given these uncertainties, readers are cautioned not to place undue reliance on such statements, which speak only as of the date of this Quarterly Report on Form 10-Q. The Company undertakes no obligation to publicly release any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

### **OVERVIEW**

We are a real estate company that owns and operates a high-quality portfolio of commercial properties located in the United States. Our properties are generally leased on a long-term basis and located primarily in, or in close proximity to major metropolitan statistical areas, or MSAs, and in growth markets and other markets in the United States with favorable economic and demographic conditions. Our properties are primarily leased to industry leading, creditworthy tenants, many of which operate in industries we believe are resistant to the impact of e-commerce or defensive in nature against economic uncertainty or disruption. The properties in our portfolio are primarily triple-net leases which generally require the tenant to pay all of the property operating expenses such as real estate taxes, insurance, assessments and other governmental fees, utilities, repairs and maintenance and certain capital expenditures. Our portfolio consists of 53 net leased retail and office properties located in 38 markets in 19 states. The Formation Transactions, which represent the 20 properties our initial

portfolio, were acquired from CTO Realty Growth, Inc. (“CTO”), utilizing \$125.9 million of proceeds from our initial public offering of our common stock (the “IPO”) and the issuance of 1,223,854 units of our operating partnership (the “OP Units”) that had an initial value of \$23.3 million based on the IPO price of \$19.00 per share (the “IPO Price”). The remaining 33 properties were acquired subsequent to the year ended December 31, 2019. Four properties in our portfolio are long-term ground leases where we are the lessor to the tenant.

We seek to acquire, own and operate primarily freestanding, commercial real estate properties primarily located in our target markets leased primarily pursuant to triple-net, long-term leases. Within our target markets, we will focus on investments primarily in retail properties. We will target tenants in industries that we believe are favorably impacted by current macroeconomic trends that support consumer spending, such as strong and growing employment and positive consumer sentiment, as well as tenants in industries that have demonstrated resistance to the impact of the growing e-commerce retail sector. We also will seek to invest in properties that are net leased to tenants that we determine have attractive credit characteristics, stable operating histories and healthy rent coverage levels, are well-located within their market and have rent levels at or below market rent levels. Furthermore, we believe that the size of our company will, for at least the near term, allow us to focus our investment activities on the acquisition of single properties or smaller portfolios of properties that represent a transaction size that most of our publicly-traded net lease REIT peers will not pursue on a consistent basis.

Our objective is to maximize cash flow and value per share by generating stable and growing cash flows and attractive risk-adjusted returns through owning, operating and growing a diversified portfolio of high-quality net leased commercial properties with strong long-term real estate fundamentals. The 53 properties in our portfolio are 100% occupied and represent 1.8 million of gross rentable square feet. As of March 31, 2021, our leases have a weighted-average lease term of 8.3 years based on annualized base rent.

Our strategy for investing in income-producing properties is focused on factors including, but not limited to, long-term real estate fundamentals and target markets, including major markets or those markets experiencing significant economic growth. We employ a methodology for evaluating targeted investments in income-producing properties which includes an evaluation of: (i) the attributes of the real estate (e.g., location, market demographics, comparable properties in the market, etc.); (ii) an evaluation of the existing tenant(s) (e.g., credit-worthiness, property level sales, tenant rent levels compared to the market, etc.); (iii) other market-specific conditions (e.g., tenant industry, job and population growth in the market, local economy, etc.); and (iv) considerations relating to the Company’s business and strategy (e.g., strategic fit of the asset type, property management needs, alignment with the Company’s structure, etc.).

The Company has no employees and is externally managed by Alpine Income Property Manager, LLC, a Delaware limited liability company and a wholly owned subsidiary of CTO (our “Manager”). CTO is a Maryland corporation that is a publicly traded diversified REIT and the sole member of our Manager.

## **COVID-19 PANDEMIC**

In March 2020, the World Health Organization declared the outbreak of the COVID-19 Pandemic, which has spread throughout the United States. The spread of the COVID-19 Pandemic has continued to cause significant volatility in the U.S. and international markets, and in many industries, business activity has experienced periods of almost complete shutdown. There continues to be uncertainty around the duration and severity of business disruptions related to the COVID-19 Pandemic, as well as its impact on the U.S. economy and international economies.

The Company collected 100% of the CBR due for the three months ended March 31, 2021. CBR represents the amount owed to the Company under the current terms of its lease agreements. During the year ended December 31, 2020, the Company agreed to defer or abate certain CBR in exchange for additional lease term or other lease enhancing additions. Repayment of such deferred CBR began in the third quarter of 2020, with payments continuing, in some cases, through mid-year 2022. An assessment of the current or identifiable potential financial and operational impacts on the Company as a result of the COVID-19 Pandemic are as follows:

- During the first quarter of 2020, the Company completed the acquisition of nine properties for an aggregate purchase price of \$46.8 million. When the pandemic was declared, given the uncertainties created by the COVID-19 Pandemic and the impact on the capital markets, the U.S. economy, and PINE's tenants, the Company temporarily suspended its activities directed at identifying additional acquisition opportunities. Towards the end of the second quarter of 2020, the Company reached agreements with tenants for rent deferrals and abatements and the Company completed the acquisition of two properties for an aggregate purchase price of \$28.6 million.
- As a result of the outbreak of the COVID-19 Pandemic, the Federal Government and the State of Florida issued orders encouraging everyone to remain at their residence and not go into work. In response to these orders and in the best interest of the employees of our Manager and the Board, our Manager implemented significant preventative measures to ensure the health and safety of its employees and the Board, including: conducting all meetings of the Board and Committees of the Board telephonically or via a visual conferencing service, permitting its employees to work from home at their election, enforcing appropriate social distancing practices in our Manager's office, encouraging its employees to wash their hands often and use face masks and providing hand sanitizer and other disinfectant products throughout their office, requiring its employees who do not feel well, in any capacity, to stay at home, and requiring all third-party delivery services (e.g. mail, food delivery, etc.) to complete their service outside the front door of its offices. Our Manager also offered COVID-19 testing to its employees in our Manager's office to ensure a safe working environment.

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As of March 31, 2021, the Company owned 53 income properties in 19 states. The following is a summary of these properties:

Type	Tenant	S&P Credit Rating <sup>(1)</sup>	Location	Rentable Square Feet	Remaining Term (Years)	Tenant Extension Options (Number x Years)	Contractual Rent Escalations	Annualized Base Rent <sup>(2)</sup> (\$000's)
Office	Wells Fargo	A+	Portland, OR	212,363	4.8	3x5	Yes	\$ 3,138
Office	Hilton Grand Vacations	BB	Orlando, FL	102,019	5.7	2x5	Yes	1,826
Retail	Walmart	AA	Howell, MI	214,172	5.8	5x5	No	1,369
Retail	LA Fitness	CCC+	Brandon, FL	45,000	11.1	3x5	Yes	958
Retail	Kohl's	BBB-	Glendale, AZ	87,875	8.8	N/A	Yes	844
Retail	Hobby Lobby	N/A	Tulsa, OK	84,180	9.8	4x5	Yes	842
Retail	At Home	B	Canton, OH	89,902	8.3	3x5	Yes	801
Retail	At Home	B	Raleigh, NC	116,334	11.5	4x5	Yes	732
Retail	Container Store	B	Phoenix, AZ	23,329	8.9	2x5	Yes	726
Retail	Cinemark	B	Reno, NV	52,474	3.5	3x5	Yes	693
Office	Hilton Grand Vacations	BB	Orlando, FL	31,895	5.7	2x5	Yes	684
Retail	Live Nation Entertainment, Inc.	B	East Troy, WI	N/A <sup>(3)</sup>	12.0	N/A	Yes	634
Retail	Sportsman Warehouse	N/A	Albuquerque, NM	48,974	8.4	3x5	Yes	573
Retail	Hobby Lobby	N/A	Winston-Salem, NC	55,000	9.0	3x5	Yes	562
Retail	Hobby Lobby	N/A	Arden, NC	55,000	10.4	3x5	Yes	546
Retail	American Multi-Cinema, Inc.	CCC-	Tyngsborough, MA	39,474	12.0	2x5	Yes	507
Retail	Dick's Sporting Goods	N/A	McDonough, GA	46,315	2.8	4x5	No	473
Retail	Jo-Ann Fabric	B-	Saugus, MA	22,500	7.8	4x5	Yes	468
Retail	Conn's HomePlus	B-	Hurst, TX	37,957	10.4	4x5	Yes	452
Retail	Old Time Pottery	N/A	Orange Park, FL	84,180	9.3	2x5	Yes	439
Retail	7-Eleven	AA-	Austin, TX	6,400	14.0	3x5	Yes	377
Retail	Walgreens	BBB	Birmingham, AL	14,516	8.0	N/A	No	364
Retail	Walgreens	BBB	Alpharetta, GA	15,120	4.6	N/A	No	363
Retail	Best Buy	BBB	McDonough, GA	30,038	5.0	4x5	Yes	338
Retail	Lehigh Gas Wholesale Services, Inc.	N/A	Highland Heights, KY	2,578	9.7	4x5	Yes	329
Retail	7-Eleven	AA-	Georgetown, TX	7,726	14.8	4x5	Yes	276
Retail	Walgreens	BBB	Tacoma, WA	14,125	9.3	6x5	No	259
Retail	Walgreens	BBB	Albany, GA	14,770	11.8	N/A	No	258
Retail	Outback Steakhouse	B+	Charlotte, NC	6,297	10.5	4x5	Yes	220
Retail	Scrubbles Car Wash <sup>(4)</sup>	N/A	Jacksonville, FL	4,512	16.6	4x5	Yes	189
Retail	Cheddar's <sup>(4)</sup>	BBB-	Jacksonville, FL	8,146	6.5	4x5	Yes	186
Retail	Family Dollar	BBB	Lynn, MA	9,228	3.0	7x5	Yes	160
Retail	Advanced Auto Parts	BBB-	Severn, MD	6,876	13.9	3x5	Yes	148
Retail	Dollar General	BBB	Kermit, TX	10,920	14.4	3x5	Yes	126
Retail	Dollar General	BBB	Chazy, NY	9,277	10.5	4x5	Yes	119
Retail	Dollar General	BBB	Odessa, TX	9,127	14.3	3x5	Yes	117
Retail	Dollar General	BBB	Willis, TX	9,138	14.3	3x5	Yes	114
Retail	Dollar General	BBB	Winthrop, NY	9,167	10.4	4x5	Yes	113
Retail	Dollar General	BBB	Cut and Shoot, TX	9,096	14.6	3x5	Yes	112
Retail	Pet Supplies Plus	N/A	Canton, OH	8,400	6.6	2x5	Yes	110
Retail	Dollar General	BBB	Milford, ME	9,128	12.6	3x5	Yes	110
Retail	Dollar General	BBB	Salem, NY	9,199	12.4	4x5	Yes	105
Retail	Dollar General	BBB	Bingham, ME	9,345	12.6	3x5	Yes	104
Retail	Dollar General	BBB	Harrisville, NY	9,309	12.8	4x5	Yes	104
Retail	Dollar General	BBB	Heuvelton, NY	9,342	11.6	4x5	Yes	104
Retail	Dollar General	BBB	Barker, NY	9,275	12.7	4x5	Yes	102
Retail	Dollar General	BBB	Limestone, ME	9,167	12.6	3x5	Yes	100
Retail	Freddy's Frozen Custard <sup>(4)</sup>	N/A	Orange Park, FL	3,200	5.7	4x5	Yes	99
Retail	Dollar General	BBB	Hammond, NY	9,219	11.8	4x5	Yes	98
Retail	Dollar General	BBB	Somerville, TX	9,252	14.3	3x5	Yes	96
Retail	Dollar General	BBB	Seguin, TX	9,155	13.9	3x5	Yes	90
Retail	Dollar General	BBB	Newtonsville, OH	9,290	9.2	5x5	Yes	83
Retail	Dollar General	BBB	Del Rio, TX	9,219	13.8	3x5	Yes	83
Retail	Salon Lofts	N/A	Canton, OH	4,000	6.9	4x5	Yes	72
Retail	Long John Silver's <sup>(4)</sup>	N/A	Tulsa, OK	3,000	MTM <sup>(5)</sup>	N/A	No	24
Total / Weighted Average				<u>1,775,500</u>	<u>8.3</u>			<u>\$ 22,919</u>

(1) Tenant, or tenant parent, credit rating as of March 31, 2021.

(2) Annualized straight-line base rental income in place as of March 31, 2021.

(3) The Alpine Valley Music Theatre, leased to Live Nation Entertainment, Inc., is an entertainment venue consisting of a two-sided, open-air, 7,500-seat pavilion; an outdoor amphitheater with a capacity for 37,000; and over 150 acres of green space.

(4) We are the lessor in a ground lease with the tenant. Rentable square feet represents improvements on the property that revert to us at the expiration of the lease.

(5) Current lease agreement is month-to-month ("MTM").

## RESULTS OF OPERATIONS

The following presents the Company's results of operations for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020 (in thousands):

	<b>Three Months Ended</b>		<b>\$ Variance</b>	<b>% Variance</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>		
<b>Revenues:</b>				
Lease Income	\$ 5,890	\$ 4,171	\$ 1,719	41.2%
Total Revenues	5,890	4,171	1,719	41.2%
<b>Operating Expenses:</b>				
Real Estate Expenses	651	600	51	8.5%
General and Administrative Expenses	1,030	1,284	(254)	(19.8%)
Depreciation and Amortization	3,143	2,023	1,120	55.4%
Total Operating Expenses	4,824	3,907	917	23.5%
Net Income from Operations	1,066	264	802	303.8%
Interest Expense	555	249	306	122.9%
Net Income	511	15	496	3,306.7%
Less: Net Income Attributable to Noncontrolling Interest	(71)	(2)	69	3,450.0%
Net Income Attributable to Alpine Income Property Trust, Inc.	<u>\$ 440</u>	<u>\$ 13</u>	<u>\$ 427</u>	<u>3,284.6%</u>

### Revenue and Direct Cost of Revenues

Revenue from our income property operations during the three months ended March 31, 2021 and 2020, totaled \$5.9 million and \$4.2 million, respectively. The \$1.7 million increase in revenues is reflective of the Company's expanded income property portfolio, including the acquisition of 29 income properties during the year ended December 31, 2020, net of one income property disposition during the third quarter of 2020, in addition to the acquisition of five income properties during the three months ended March 31, 2021. The direct costs of revenues for our income property operations totaled \$0.7 million and \$0.6 million for the three months ended March 31, 2021 and 2020, respectively. The \$0.01 million increase in the direct cost of revenues is also attributable to the Company's expanded income property portfolio.

### General and Administrative Expenses

The following table represents the Company's general and administrative expenses for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020 (in thousands):

	<b>Three Months Ended</b>		<b>\$ Variance</b>	<b>% Variance</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>		
Management Fee to Manager	\$ 638	\$ 649	\$ (11)	(1.7%)
Director Stock Compensation Expense	73	67	6	9.0%
Director & Officer Insurance Expense	129	117	12	10.3%
Additional General and Administrative Expense	190	451	(261)	(57.9%)
Total General and Administrative Expenses	<u>\$ 1,030</u>	<u>\$ 1,284</u>	<u>\$ (254)</u>	<u>(19.8%)</u>

General and administrative expenses totaled \$1.0 million and \$1.3 million during the three months ended March 31, 2021 and 2020, respectively. The \$0.3 million decrease in general and administrative expenses is primarily attributable to the recognition of audit fees totaling \$0.3 million during the three months ended March 31, 2020 which were related to the 2019 annual audit. The fees associated with our annual audit are recognized as the services are incurred, which typically occurs ratably throughout the year.

## Depreciation and Amortization

Depreciation and amortization expense totaled \$3.1 million and \$2.0 million during the three months ended March 31, 2021 and 2020, respectively. The \$1.1 million increase in the depreciation and amortization expense is reflective of the Company's expanded income property portfolio, as described above.

## Interest Expense

Interest expense totaled \$0.5 million and \$0.2 million during the three months ended March 31, 2021 and 2020, respectively. The \$0.3 million increase in interest expense is attributable to the higher outstanding balance on the Company's Credit Facility, as further described in Note 8 "Long-Term Debt", of which increase was utilized to fund the acquisition of 29 income properties during 2020 in addition to the acquisition of five income properties during the first quarter of 2021.

## Net Income

Net income totaled \$0.5 million and \$0.01 million for the three months ended March 31, 2021 and 2020, respectively. The increase in net income is attributable to the factors described above.

## LIQUIDITY AND CAPITAL RESOURCES

Cash totaled \$1.5 million at March 31, 2021, and we had no restricted cash.

*Credit Facility.* As of March 31, 2021, the Company had \$30.7 million available on the Credit Facility. See Note 8, "Long-Term Debt" for the Company's disclosure related to its long-term debt balance at March 31, 2021.

*Acquisitions and Investments.* As noted previously, the Company acquired five income properties during the three months ended March 31, 2021 for an aggregate purchase price of \$21.9 million. These acquisitions included the following:

Tenant Description	Location	Date of Acquisition	Square-Feet	Purchase Price (\$000's)	Remaining Lease Term at Acquisition Date (in years)
Dollar General	Cut and Shoot, TX	1/25/2021	9,096	\$ 1,727	14.8
Dollar General	Del Rio, TX	1/25/2021	9,219	1,403	14.0
Dollar General	Seguin, TX	1/25/2021	9,155	1,290	14.1
At Home	Canton, OH	3/9/2021	89,902	8,571 <sup>(1)</sup>	8.4
Pet Supplies Plus	Canton, OH	3/9/2021	8,400	1,135 <sup>(1)</sup>	6.6
Salon Lofts	Canton, OH	3/9/2021	4,000	694 <sup>(1)</sup>	7.0
Sportsman Warehouse	Albuquerque, NM	3/29/2021	48,974	7,100	8.4
Total / Weighted Average			178,746	\$ 21,920	9.2

<sup>(2)</sup> These three tenants represent the acquisition of one property for a purchase price of \$10.4 million which was allocated based on cash base rent in place at the time of acquisition.

*Capital Expenditures.* Through March 31, 2021, the Company incurred \$0.9 million of tenant improvements related to the property leased to 7-Eleven in Georgetown, Texas, of which the tenant reimbursed \$0.4 million during the three months ended March 31, 2021 pursuant to the lease. As of March 31, 2021, there was no remaining commitment.

We believe we will have sufficient liquidity to fund our operations, capital requirements, maintenance, and debt service requirements over the next twelve months and into the foreseeable future, with cash on hand, cash flow from our operations and \$30.7 million of available capacity on the existing \$150.0 million Credit Facility, based on our current borrowing base of income properties, as of March 31, 2021.

The Board and management consistently review the allocation of capital with the goal of providing the best long-term return for our stockholders. These reviews consider various alternatives, including increasing or decreasing regular

dividends, repurchasing the Company's securities, and retaining funds for reinvestment. Annually, the Board reviews our business plan and corporate strategies, and makes adjustments as circumstances warrant. Management's focus is to continue our strategy of investing in net leased income properties by utilizing the capital we raised in the IPO and available borrowing capacity from the Credit Facility to increase our portfolio of income-producing properties, providing stabilized cash flows with strong risk-adjusted returns primarily in larger metropolitan areas and growth markets.

### **Non-GAAP Financial Measures**

Our reported results are presented in accordance with GAAP. We also disclose Funds From Operations ("FFO") and Adjusted Funds From Operations ("AFFO") both of which are non-GAAP financial measures. We believe these two 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 AFFO 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 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, or NAREIT. NAREIT defines FFO as GAAP net income or loss adjusted to exclude extraordinary items (as defined by GAAP), net gain or loss 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. To derive AFFO, we modify the NAREIT computation of FFO to include other adjustments to GAAP net income related to non-cash revenues and expenses such as straight-line rental revenue, amortization of deferred financing costs, amortization of capitalized lease incentives and above- and below-market lease related intangibles, and non-cash compensation. Such items may cause short-term fluctuations in net income but have no impact on operating cash flows or long-term operating performance. We use AFFO as one measure of our performance when we formulate corporate goals.

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.

**Reconciliation of Non-GAAP Measures (in thousands, except share data):**

	<b>Three Months Ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Net Income	\$ 511	\$ 15
Depreciation and Amortization	3,143	2,023
Funds from Operations	\$ 3,654	\$ 2,038
Adjustments:		
Straight-Line Rent Adjustment	(147)	(323)
COVID-19 Rent Repayments	271	—
Non-Cash Compensation	73	67
Amortization of Deferred Financing Costs to Interest Expense	65	45
Amortization of Intangible Assets and Liabilities to Lease Income	(41)	(19)
Accretion of Tenant Contribution	(6)	—
Recurring Capital Expenditures	(19)	—
Adjusted Funds from Operations	\$ 3,850	\$ 1,808
Weighted Average Number of Common Shares:		
Basic	7,565,429	7,896,757
Diluted	8,789,283	9,120,611

**Other Data (in thousands, except per share data):**

	<b>Three Months Ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
FFO	\$ 3,654	\$ 2,038
FFO per diluted share	\$ 0.42	\$ 0.22
AFFO	\$ 3,850	\$ 1,808
AFFO per diluted share	\$ 0.44	\$ 0.20

**CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

None.

**OFF-BALANCE SHEET ARRANGEMENTS**

None.

**CRITICAL ACCOUNTING POLICIES**

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Our significant accounting policies are summarized in Note 2, "Summary of Significant Accounting Policies" included in this Quarterly Report on Form 10-Q and more fully described in the notes to the consolidated and combined financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020. Judgments and estimates of uncertainties are required in applying our accounting policies in many areas. During the three months ended March 31, 2021, there have been no material changes to the critical accounting policies affecting the application of those accounting policies as noted in our Annual Report on Form 10-K for the year ended December 31, 2020.



### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K. As a result, pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information required by this Item.

### **ITEM 4. CONTROLS AND PROCEDURES**

As of the end of the period covered by this report, an evaluation, as required by Rules 13a-15 and 15d-15 under the Exchange Act, was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). Based on that evaluation, our CEO and CFO have concluded that the design and operation of the Company's disclosure controls and procedures were effective as of March 31, 2021, to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and to provide reasonable assurance that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during the three months ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II—OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

From time to time, the Company may be a party to certain legal proceedings, incidental to the normal course of our business. We are not currently a party to any pending or threatened legal proceedings that we believe could have a material adverse effect on our business or financial condition.

### **ITEM 1A. RISK FACTORS**

For a discussion of the Company's potential risks and uncertainties, see the information under the heading Part II, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. The risks described in the Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company.

As of March 31, 2021, there have been no material changes in our risk factors from those set forth within the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Not applicable

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable

### **ITEM 5. OTHER INFORMATION**

Not applicable

**ITEM 6. EXHIBITS**

(a) Exhibits:

Exhibit 3.1	<a href="#">Articles of Amendment and Restatement of Alpine Income Property Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 3, 2019).</a>
Exhibit 3.2	<a href="#">Amended and Restated Bylaws of Alpine Income Property Trust, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on December 3, 2019).</a>
Exhibit 4.1	<a href="#">Specimen Common Stock Certificate of Alpine Income Property Trust, Inc. (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-11/A (File No. 333-234304) filed with the Commission on October 29, 2019).</a>
Exhibit 10.1	<a href="#">Indemnification Agreement, dated February 10, 2021, between Alpine Income Property Trust, Inc. and Rachel E. Wein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 11, 2021).*</a>
Exhibit 2.1	<a href="#">Purchase and Sale Agreement, dated April 2, 2021, among Alpine Income Property OP, LP, Bluebird Arrowhead Phoenix LLC, Golden Arrow Clermont FL LLC, Bluebird Germantown MD LLC, Golden Arrow Charlotte NC LLC, CTLC Golden Arrow Katy LLC, and Bluebird Renton WA LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 6, 2021).**</a>
Exhibit 2.1a	<a href="#">First Amendment to the Purchase and Sale Agreement, dated April 20, 2021, among Alpine Income Property OP, LP, Bluebird Arrowhead Phoenix LLC, Golden Arrow Clermont FL LLC, Bluebird Germantown MD LLC, Golden Arrow Charlotte NC LLC, CTLC Golden Arrow Katy LLC, and Bluebird Renton WA LLC, filed as Exhibit 2.1a with this Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.</a>
Exhibit 31.1	<a href="#">Certification filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
Exhibit 31.2	<a href="#">Certification filed pursuant to Section 302 of Sarbanes-Oxley Act of 2002.</a>
Exhibit 32.1	<a href="#">Certification furnished pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
Exhibit 32.2	<a href="#">Certification furnished pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

\* Management Contract or Compensatory Plan or Arrangement

\*\* Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(2). The omitted information is not material and is the type of information that the Company customarily and actually treats as private and confidential.

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.

ALPINE INCOME PROPERTY TRUST, INC.  
(Registrant)

April 22, 2021

By: /s/ John P. Albright

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**John P. Albright**  
**President and Chief Executive Officer**  
**(Principal Executive Officer)**

April 22, 2021

By: /s/ Matthew M. Partridge

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**Matthew M. Partridge, Senior Vice President and**  
**Chief Financial Officer and Treasurer**  
**(Principal Financial Officer)**

April 22, 2021

By: /s/ Lisa M. Vorakoun

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**Lisa M. Vorakoun, Vice President and**  
**Chief Accounting Officer**  
**(Principal Accounting Officer)**

**FIRST AMENDMENT TO  
PURCHASE AND SALE AGREEMENT**

THIS **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "Amendment") is made and entered into as of April 20, 2021 (the "Amendment Date"), by and between **ALPINE INCOME PROPERTY OP, LP**, a Delaware limited partnership (the "Purchaser") and **BLUEBIRD ARROWHEAD PHOENIX LLC**, a Delaware limited liability company, **GOLDEN ARROW CLERMONT FL LLC**, a Delaware limited liability company, **BLUEBIRD GERMANTOWN MD LLC**, a Delaware limited liability company, **GOLDEN ARROW CHARLOTTE NC LLC**, a Delaware limited liability company, **CTLC GOLDEN ARROW KATY LLC**, a Delaware limited liability company, and **BLUEBIRD RENTON WA LLC**, a Delaware limited liability company (collectively, the "Seller" or "Sellers").

W I T N E S S E T H:

**WHEREAS**, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated April 2, 2021 (collectively, the "Contract"), for those certain six (6) separate premises of property owned by Seller and located in the Cities and States more particularly described in the Contract; and

**WHEREAS**, Seller and Purchaser desire to amend and modify the Contract as more particularly set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. **Recitals**. The foregoing recitals are true and correct and are incorporated herein by reference. All capitalized terms not defined herein shall have the same meanings ascribed to said terms as set forth under the Contract.

2. **Purchase Price**. The Purchase Price is hereby reduced to Forty-Four Million Five Hundred Thousand and 00/100 Dollars (\$44,500,000).

3. **No Additional Modifications; Ratification of Contract**. Except as expressly modified in this Amendment, the Contract is not modified and shall continue in full force and effect according to its existing terms. Purchaser and Seller hereby ratify and affirm all of their respective rights and obligations under the Contract.

4. **Conflicts**. In the event of any conflict between the terms of the Contract and the terms of this Amendment, the terms of this Amendment shall govern. This Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, executors, administrators, successors and assigns.

5. **Counterparts**. This Amendment may be executed in one or more counterparts and shall become effective when one or more counterparts have been signed by all of the parties; each counterpart shall be deemed an original but all counterparts shall constitute a single instrument. Delivery of this instrument may be accomplished by facsimile transmission or other electronic means.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Amendment to be executed effective as of the Amendment Date.

**PURCHASER:**

**ALPINE INCOME PROPERTY OP, LP,**  
a Delaware limited partnership

By: Alpine Income Property GP, LLC,  
a Delaware limited liability company,  
its general partner

By: Alpine Income Property Trust, Inc.,  
a Maryland corporation,  
its sole member

By:           /s/ Steven R. Greathouse            
Steven R. Greathouse  
Chief Investment Officer

*[Signatures Continue on Following Page]*

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**SELLER:**

**BLUEBIRD ARROWHEAD PHOENIX LLC,**  
a Delaware limited liability company

By: Golden Arrow 6 LLC,  
a Delaware limited liability company,  
its sole member

By: CTO Realty Growth, Inc.,  
a Maryland corporation,  
successor-by-merger with  
CTO Realty Growth, Inc.,  
a Florida corporation,  
f/k/a Consolidated-Tomoka Land Co.,  
its sole member

By:           /s/ Steven R. Greathouse            
Steven R. Greathouse  
Chief Investment Officer

*[Signatures Continue on Following Page]*

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**SELLER:**

**GOLDEN ARROW CLERMONT FL LLC,**  
a Delaware limited liability company

By: Golden Arrow 6 LLC,  
a Delaware limited liability company,  
its sole member

By: CTO Realty Growth, Inc.,  
a Maryland corporation,  
successor-by-merger with  
CTO Realty Growth, Inc.,  
a Florida corporation,  
f/k/a Consolidated-Tomoka Land Co.,  
its sole member

By: /s/ Steven R. Greathouse  
Steven R. Greathouse  
Chief Investment Officer

*[Signatures Continue on Following Page]*

**SELLER:**

**BLUEBIRD GERMANTOWN MD LLC,**  
a Delaware limited liability company

By: Golden Arrow 6 LLC,  
a Delaware limited liability company,  
its sole member

By: CTO Realty Growth, Inc.,  
a Maryland corporation,  
successor-by-merger with  
CTO Realty Growth, Inc.,  
a Florida corporation,  
f/k/a Consolidated-Tomoka Land Co.,  
its sole member

By:           /s/ Steven R. Greathouse            
Steven R. Greathouse  
Chief Investment Officer

*[Signatures Continue on Following Page]*



**SELLER:**

**GOLDEN ARROW CHARLOTTE NC LLC,**  
a Delaware limited liability company

By: Golden Arrow 6 LLC,  
a Delaware limited liability company,  
its sole member

By: CTO Realty Growth, Inc.,  
a Maryland corporation,  
successor-by-merger with  
CTO Realty Growth, Inc.,  
a Florida corporation,  
f/k/a Consolidated-Tomoka Land Co.,  
its sole member

By:           /s/ Steven R. Greathouse            
Steven R. Greathouse  
Chief Investment Officer

*[Signatures Continue on Following Page]*

**SELLER:**

**CTLC GOLDEN ARROW KATY LLC,**  
a Delaware limited liability company

By: Golden Arrow 6 LLC,  
a Delaware limited liability company,  
its sole member

By: CTO Realty Growth, Inc.,  
a Maryland corporation,  
successor-by-merger with  
CTO Realty Growth, Inc.,  
a Florida corporation,  
f/k/a Consolidated-Tomoka Land Co.,  
its sole member

By:           /s/ Steven R. Greathouse            
Steven R. Greathouse  
Chief Investment Officer

*[Signatures Continue on Following Page]*

**SELLER:**

**BLUEBIRD RENTON WA LLC,**  
a Delaware limited liability company

By: Golden Arrow 6 LLC,  
a Delaware limited liability company,  
its sole member

By: CTO Realty Growth, Inc.,  
a Maryland corporation,  
successor-by-merger with  
CTO Realty Growth, Inc.,  
a Florida corporation,  
f/k/a Consolidated-Tomoka Land Co.,  
its sole member

By:           /s/ Steven R. Greathouse            
Steven R. Greathouse  
Chief Investment Officer

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## CERTIFICATIONS

I, John P. Albright, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alpine Income Property Trust, 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.

Date: April 22, 2021

By: /s/ John P. Albright  
John P. Albright  
President and Chief Executive Officer  
(Principal Executive Officer)

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## CERTIFICATIONS

I, Matthew M. Partridge, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alpine Income Property Trust, 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.

Date: April 22, 2021

By: /s/ Matthew M. Partridge  
Matthew M. Partridge, Senior Vice President and  
Chief Financial Officer and Treasurer  
(Principal Financial Officer)

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Alpine Income Property Trust, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. Albright, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 22, 2021

By: /s/ John P. Albright  
John P. Albright  
President and Chief Executive Officer  
(Principal Executive Officer)

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Alpine Income Property Trust, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew M. Partridge, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 22, 2021

By: /s/ Matthew M. Partridge  
Matthew M. Partridge, Senior Vice President and  
Chief Financial Officer and Treasurer  
(Principal Financial Officer)

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