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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 8-K/A**

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

Date of Report (Date of earliest event reported): December 22, 2021

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**ALPINE INCOME PROPERTY TRUST, INC.**

(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

Commission File Number 001-39143

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

1140 N. Williamson Blvd., Suite 140  
Daytona Beach, Florida  
(Address of principal executive offices)

32114  
(Zip Code)

Registrant's Telephone Number, including area code  
(386) 274-2202

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities Registered Pursuant to Section 12(b) of the Act**

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 Par Value	PINE	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Explanatory Note.**

On December 29, 2021, Alpine Income Property Trust, Inc. (the “Company”) filed with the Securities and Exchange Commission a Current Report on Form 8-K (the “Initial 8-K”) to disclose that the Company had completed the acquisition of nine parcels subject to ground leases to nine different retail tenants located in Houston, Texas from a private family office for an aggregate purchase price of \$43.5 million (the “GL Portfolio”).

This Current Report on Form 8-K/A amends Item 9.01 of the Initial 8-K to include the historical audited financial statements of the GL Portfolio and the pro forma consolidated financial information required by Items 9.01(a) and 9.01(b) of Form 8-K and should be read in conjunction with the Initial 8-K.

The pro forma financial information included in this Current Report on Form 8-K/A has been presented for informational purposes only, as required by Form 8-K. It does not purport to represent the actual results of operations that the Company and the GL Portfolio would have achieved had the Company held the assets of the GL Portfolio during the periods presented in the pro forma financial information and is not intended to project the future results of operations that the Company may achieve after the acquisition of the GL Portfolio.

Except as described above, all other information in the Initial 8-K remains unchanged.

### **Item 9.01. Financial Statements and Exhibits.**

#### **(a) Financial Statements of Business Acquired**

The financial statements that are required to be filed pursuant to this item are being filed with this Current Report on Form 8-K/A as Exhibit 99.1 and are incorporated by reference herein.

#### **(b) Pro Forma Financial Information**

The pro forma financial information that is required to be filed pursuant to this item is being filed with this Current Report on Form 8-K/A as Exhibit 99.2 and is incorporated by reference herein.

#### **(d) Exhibits**

##### **99.1 [Audited Financial Statements](#)**

- Report of Independent Registered Public Accounting Firm
- Historical Summary of Revenues and Direct Expenses of the GL Portfolio for the Nine Months Ended September 30, 2021 (Unaudited) and the Year Ended December 31, 2020 (Audited)
- Notes to Historical Summary of Revenues and Direct Expenses of the GL Portfolio for the Nine Months Ended September 30, 2021 (Unaudited) and the Year Ended December 31, 2020 (Audited)

##### **99.2 [Pro Forma Financial Information](#)**

- Summary of Unaudited Pro Forma Consolidated Financial Statements
- Unaudited Pro Forma Consolidated Balance Sheet of Alpine Income Property Trust, Inc. as of September 30, 2021
- Unaudited Pro Forma Consolidated Statements of Operations of Alpine Income Property Trust, Inc. for the Nine Months Ended September 30, 2021 and the Year Ended December 31, 2020
- Notes to Unaudited Pro Forma Consolidated Financial Statements

#### **104 [Cover Page Interactive Data File \(embedded within the Inline XBRL document\)](#)**

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## 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 hereunto duly authorized.

Date: January 5, 2022

Alpine Income Property Trust, Inc.

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

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**Report of Independent Certified Public Accountants****Board of Directors and Stockholders  
Alpine Income Property Trust, Inc.**

We have audited the accompanying Historical Summary of Revenues and Direct Expenses of the Houston Ground Leases (the "Properties") for the year ended December 31, 2020 and the related notes (the "Historical Summary").

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of the Historical Summary in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Historical Summary that is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on the Historical Summary based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Summary. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Historical Summary, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Summary in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Historical Summary.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the revenues and direct expenses (described in Note 2) of the Houston Ground Leases for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of matter**

We draw attention to Note 2 to the Historical Summary, which describes that the accompanying Historical Summary was prepared for the purposes of complying with certain rules and regulations of the Securities and Exchange Commission (for inclusion in the Current Report on Form 8-K/A of Alpine Income Property Trust, Inc.) and is not intended to be a complete presentation of the Properties' revenues and direct expenses. Our opinion is not modified with respect to this matter.

/S/ GRANT THORNTON LLP

Orlando, Florida

January 5, 2022

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**HISTORICAL SUMMARY OF REVENUES AND DIRECT EXPENSES**  
**For the Nine Months Ended September 30, 2021 (Unaudited) and the Year Ended December 31, 2020**  
**(In thousands)**

**Nine Months Ended September 30, 2021 (Unaudited)**

Revenues:	
Lease Income	\$ 1,863
Total Revenues	1,863
Direct Expenses:	
Real Estate Expenses	211
Total Direct Expenses	211
Net Income	\$ 1,652

**Year Ended December 31, 2020**

Revenues:	
Lease Income	\$ 2,313
Total Revenues	2,313
Direct Expenses:	
Real Estate Expenses	292
Total Direct Expenses	292
Net Income	\$ 2,021

The accompanying notes are an integral part of this historical summary of revenues and direct expenses.

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**Notes to Historical Summary of Revenues and Direct Expenses  
For the Nine Months Ended September 30, 2021 (Unaudited) and the Year Ended December 31, 2020**

**NOTE 1. BUSINESS AND ORGANIZATION**

On December 22, 2021, Alpine Income Property Trust, Inc. (the “Company”) completed the acquisition of nine parcels subject to ground leases to nine different retail tenants located in Houston, Texas from a private family office (the “Seller”) for an aggregate purchase price of \$43.5 million (the “GL Portfolio”). There is no material relationship between the Company, its subsidiaries or any of its affiliates, or any director or officer of the Company, or any associate of any director or officer of the Company, and the Seller, other than with respect of the Company’s acquisition of the GL Portfolio. The acquisition of the GL Portfolio was funded utilizing cash on hand and availability under the Company’s unsecured revolving credit facility.

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

*BASIS OF PRESENTATION*

The accompanying historical summary of revenues and direct expenses (the “Historical Summary”) includes the operations of the GL Portfolio and has been prepared for the purpose of complying with Rule 8-06 of Regulation S-X promulgated under the Securities Act of 1933, as amended. Accordingly, the Historical Summary is not representative of the actual operations for the periods presented as revenues, and certain operating expenses, which may not be directly attributable to the revenues and expenses expected to be incurred in the future operations of the GL Portfolio, have been excluded. Such items include depreciation, amortization, interest expense, interest income, and amortization of above- and below-market leases.

*INCOME PROPERTY LEASE REVENUE*

The rental arrangements associated with tenants of the GL Portfolio are classified as operating leases. Accordingly, base rental income is recognized on a straight-line basis over the terms of the respective leases. Tenant reimbursement revenue is recognized as the related expenses are incurred and become recoverable from tenants. In April 2020, the Financial Accounting Standards Board issued interpretive guidance relating to the accounting for lease concessions provided as a result of the COVID-19 Pandemic. There were no lease concessions provided to the GL Portfolio tenants during the year ended December 31, 2020, or for the nine months ended September 30, 2021.

*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 requires management to make estimates and assumptions that in certain circumstances may affect the reported revenues. Actual results could materially differ from these estimates.

*COVID-19 PANDEMIC*

The COVID-19 Pandemic did not result in decreased cash flows from operations for the GL Portfolio during the year ended December 31, 2020, or for the nine months ended September 30, 2021. A prolonged imposition of mandated closures or other social-distancing guidelines as a result of the COVID-19 Pandemic may adversely impact tenants’ ability to generate sufficient revenues, and could force tenants to default on their leases, or result in the bankruptcy or insolvency of tenants, which would diminish the rental revenue that the Company receives under the leases. The rapid development and fluidity of the pandemic precludes any prediction as to the ultimate adverse impact on the GL Portfolio.

**NOTE 3. REVENUE RECOGNITION**

Leasing revenue consists of long-term rental revenue, 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):

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**Nine Months Ended September 30, 2021 (Unaudited)**

Lease Income		
Lease Payments	\$	1,653
Variable Lease Payments		210
Total Lease Income	\$	<u>1,863</u>

**Year Ended December 31, 2020**

Lease Income		
Lease Payments	\$	2,036
Variable Lease Payments		277
Total Lease Income	\$	<u>2,313</u>

**NOTE 4. 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 September 30, 2021, are summarized as follows (in thousands):

<u>Year Ending December 31,</u>		
Remainder of 2021	\$	587
2022		2,399
2023		2,189
2024		2,022
2025		2,001
2026 and thereafter (cumulative)		8,957
Total	\$	<u>18,155</u>

**NOTE 5. CONCENTRATION OF CREDIT RISK**

Three of the nine tenants within the GL Portfolio, presented in the Historical Summary, accounted for more than 10% of the total revenue during the nine months ended September 30, 2021 and the year ended December 31, 2020. Lowe's Home Centers, Inc., Charles Schwab & Co., Inc., and RTG Furniture of Texas, LP (dba Rooms to Go Furniture) accounted for 32%, 13%, and 23% of total revenues for the year ended December 31, 2020 and 30%, 12%, and 22% of total revenues for the nine months ended September 30, 2021, respectively.

**NOTE 6. SUBSEQUENT EVENTS**

Subsequent events and transactions were evaluated through January 5, 2022, the date on which the Historical Summary was issued. There were no reportable subsequent events or transactions.

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**ALPINE INCOME PROPERTY TRUST, INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

On December 22, 2021, Alpine Income Property Trust, Inc. (the “Company”) completed the acquisition of nine parcels subject to ground leases to nine different retail tenants located in Houston, Texas from a private family office (the “Seller”) for an aggregate purchase price of \$43.5 million (the “GL Portfolio”). There is no material relationship between the Company, its subsidiaries or any of its affiliates, or any director or officer of the Company, or any associate of any director or officer of the Company, and the Seller, other than with respect of the Company’s acquisition of the GL Portfolio. The acquisition of the GL Portfolio was funded utilizing cash on hand and availability under the Company’s unsecured revolving credit facility.

On April 23, 2021, the Company completed the acquisition of one net leased property (the “Single Property”) located in North Richland Hills, Texas from a subsidiary of CTO Realty Growth, Inc. (“CTO”) for a cash purchase price of \$11.5 million. The acquisition was funded utilizing a draw on the Company’s unsecured revolving credit facility.

On June 30, 2021, the Company completed the acquisition of an additional six net leased properties (the “CMBS Portfolio”) from certain subsidiaries of CTO (the “CTO Sellers”) for an aggregate purchase price of \$44.5 million. Pursuant to the purchase and sale agreement, made as of April 2, 2021 and as amended on April 20, 2021, among the Company’s operating partnership subsidiary, Alpine Income Property OP, LP (the “Operating Partnership”), and the CTO Sellers, the Operating Partnership and the CTO Sellers entered into an assignment and assumption of a certain loan agreement dated September 30, 2014. The outstanding principal balance of the loan assumed at the time of acquisition totaled \$30.0 million, and the loan bears a fixed interest rate of 4.33%. The loan matures in October 2034 and is prepayable without penalty beginning in October 2024. The acquisition of the CMBS Portfolio was funded utilizing available cash, net of the \$30.0 million loan assumed.

The following unaudited pro forma consolidated balance sheet as of September 30, 2021, unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2021, and unaudited pro forma consolidated statement of operations for the year ended December 31, 2020 (collectively, the “Unaudited Pro Forma Financials”) give effect to the following:

- The acquisition by the Company of (i) the GL Portfolio and (ii) additional net leased properties acquired during the period from July 1, 2021 to December 31, 2021 (collectively, the “Q3-Q4 2021 Acquisitions”). Such adjustments in the Unaudited Pro Forma Financials are referred to herein as the “Q3-Q4 2021 Acquisition Transaction Accounting Adjustments.”
- The acquisition by the Company of (i) the Single Property, (ii) the CMBS Portfolio, and (iii) additional net leased properties acquired during the six months ended June 30, 2021 (collectively, the “Q1-Q2 2021 Acquisitions”). Such adjustments in the Unaudited Pro Forma Financials are referred to herein as the “Q1-Q2 2021 Acquisition Transaction Accounting Adjustments.”

#### **Transaction Accounting Adjustments**

The Unaudited Pro Forma Financials present the effects of the Q1-Q2 2021 Acquisitions and the Q3-Q4 2021 Acquisitions as though they had occurred on January 1, 2020, the beginning of the earliest applicable reporting period.

#### **Unaudited Pro Forma Financials**

The Unaudited Pro Forma Financials are based on the estimates and assumptions as of the date of this Current Report on Form 8-K/A set forth in the notes to the Unaudited Pro Forma Financials, which are preliminary and have been made solely for the purpose of developing such pro forma information. The Unaudited Pro Forma Financials are not necessarily indicative of the financial position or operating results that would have been achieved had the Q1-Q2 2021 Acquisitions and the Q3-Q4 2021 Acquisitions occurred on the dates indicated, nor are they necessarily indicative of the Company’s future financial position or operating results. Assumptions underlying the adjustments to the Unaudited Pro Forma Financials are described in the accompanying notes, which should be read in conjunction with the Unaudited Pro Forma Financials.

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**ALPINE INCOME PROPERTY TRUST, INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2021**  
(In thousands, except share and per share data)

	Historical	Q3-Q4 2021 Acquisition Transaction Accounting Adjustments	Notes	Pro Forma
<b>ASSETS</b>				
Real Estate:				
Land, at cost	\$ 133,329	\$ 45,981	[A]	\$ 179,310
Building and Improvements, at cost	231,328	20,301	[A]	251,629
Total Real Estate, at cost	364,657	66,282		430,939
Less, Accumulated Depreciation	(13,249)	—		(13,249)
Real Estate—Net	351,408	66,282		417,690
Cash and Cash Equivalents	6,706	(5,000)	[C]	1,706
Restricted Cash	600	—		600
Intangible Lease Assets—Net	52,685	7,795	[A]	60,480
Straight-Line Rent Adjustment	2,013	—		2,013
Other Assets	2,909	(1,926)	[B]	983
Total Assets	\$ 416,321	\$ 67,151		\$ 483,472
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Accounts Payable, Accrued Expenses, and Other Liabilities	\$ 2,393	\$ —		\$ 2,393
Prepaid Rent and Deferred Revenue	1,334	—		1,334
Intangible Lease Liabilities—Net	4,998	443	[A]	5,441
Long-Term Debt	190,195	66,708	[C]	256,903
Total Liabilities	198,920	67,151		266,071
Commitments and Contingencies				
<b>Equity:</b>				
Preferred Stock, \$0.01 par value per share, 100 million shares authorized, no shares issued and outstanding as of September 30, 2021	—	—		—
Common Stock, \$0.01 par value per share, 500 million shares authorized, 11,299,548 shares issued and outstanding as of September 30, 2021	113	—		113
Additional Paid-in Capital	198,019	—		198,019
Dividends in Excess of Net Income	(11,652)	—		(11,652)
Accumulated Other Comprehensive Income	328	—		328
Stockholders' Equity	186,808	—		186,808
Noncontrolling Interest	30,593	—		30,593
Total Equity	217,401	—		217,401
Total Liabilities and Equity	\$ 416,321	\$ 67,151		\$ 483,472

See accompanying notes to unaudited pro forma consolidated financial statements.

**ALPINE INCOME PROPERTY TRUST, INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**  
(In thousands, except share and per share data)

	Historical	Q1-Q2 2021 Acquisition Transaction Accounting Adjustments	Notes	Q3-Q4 2021 Acquisition Transaction Accounting Adjustments	Notes	Pro Forma
<b>Revenues:</b>						
Lease Income	\$ 20,658	\$ 3,318	[A][B]	\$ 5,198	[A][B]	\$ 29,174
<b>Total Revenues</b>	<b>20,658</b>	<b>3,318</b>		<b>5,198</b>		<b>29,174</b>
<b>Operating Expenses:</b>						
Real Estate Expenses	2,389	352	[A]	786	[A]	3,527
General and Administrative Expenses	3,687	—		—		3,687
Depreciation and Amortization	10,914	1,806	[B]	1,991	[B]	14,711
<b>Total Operating Expenses</b>	<b>16,990</b>	<b>2,158</b>		<b>2,777</b>		<b>21,925</b>
Gain on Disposition of Assets	544	—		—		544
Net Income from Operations	4,212	1,160		2,421		7,793
Interest Expense	2,299	1,017	[C]	1,279	[C]	4,595
Net Income	1,913	143		1,142		3,198
Less: Net Income Attributable to Noncontrolling Interest	(251)	(19)	[D]	(149)	[D]	(419)
Net Income Attributable to Alpine Income Property Trust, Inc.	<u>\$ 1,662</u>	<u>\$ 124</u>		<u>\$ 993</u>		<u>\$ 2,779</u>
<b>Per Common Share Data:</b>						
Net Income Attributable to Alpine Income Property Trust, Inc.						
Basic	\$ 0.18	\$ 0.01		\$ 0.11		\$ 0.30
Diluted	\$ 0.16	\$ 0.01		\$ 0.09		\$ 0.26
Weighted Average Number of Common Shares:						
Basic	9,253,090	9,253,090		9,253,090		9,253,090
Diluted	10,637,934	10,637,934		10,637,934		10,637,934

See accompanying notes to unaudited pro forma consolidated financial statements.

**ALPINE INCOME PROPERTY TRUST, INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In thousands, except share and per share data)

	Historical	Q1-Q2 2021 Acquisition Transaction Accounting Adjustments	Notes	Q3-Q4 2021 Acquisition Transaction Accounting Adjustments	Notes	Pro Forma
<b>Revenues:</b>						
Lease Income	\$ 19,248	\$ 8,581	[A][B]	\$ 6,760	[A][B]	\$ 34,589
<b>Total Revenues</b>	<b>19,248</b>	<b>8,581</b>		<b>6,760</b>		<b>34,589</b>
<b>Operating Expenses:</b>						
Real Estate Expenses	2,316	860	[A]	1,058	[A]	4,234
General and Administrative Expenses	4,660	—		—		4,660
Depreciation and Amortization	9,949	4,170	[B]	2,655	[B]	16,774
<b>Total Operating Expenses</b>	<b>16,925</b>	<b>5,030</b>		<b>3,713</b>		<b>25,668</b>
Gain on Disposition of Assets	287	—		—		287
Net Income from Operations	2,610	3,551		3,047		9,208
Interest Expense	1,464	2,352	[C]	1,705	[C]	5,521
Net Income	1,146	1,199		1,342		3,687
Less: Net Income Attributable to Noncontrolling Interest	(161)	(302)	[D]	(240)	[D]	(703)
Net Income Attributable to Alpine Income Property Trust, Inc.	<u>\$ 985</u>	<u>\$ 897</u>		<u>\$ 1,102</u>		<u>\$ 2,984</u>
<b>Per Common Share Data:</b>						
Net Income Attributable to Alpine Income Property Trust, Inc.						
Basic	\$ 0.13	\$ 0.12		\$ 0.15		\$ 0.39
Diluted	\$ 0.11	\$ 0.10		\$ 0.12		\$ 0.32
Weighted Average Number of Common Shares:						
Basic	7,588,349	7,588,349		7,588,349		7,588,349
Diluted	8,812,203	9,237,154		9,237,154	[E]	9,237,154

See accompanying notes to unaudited pro forma consolidated financial statements.

**ALPINE INCOME PROPERTY TRUST, INC.**  
**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. BASIS OF PRESENTATION**

The unaudited pro forma consolidated balance sheet as of September 30, 2021, unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2021, and unaudited pro forma consolidated statement of operations for the year ended December 31, 2020 (collectively, the “Unaudited Pro Forma Financials”) give effect to the following:

- The acquisition by the Company of (i) the GL Portfolio and (ii) additional net leased properties acquired during the period from July 1, 2021 to December 31, 2021 (collectively, the “Q3-Q4 2021 Acquisitions”). Such adjustments in the Unaudited Pro Forma Financials are referred to herein as the “Q3-Q4 2021 Acquisition Transaction Accounting Adjustments.”
- The acquisition by the Company of (i) the Single Property, (ii) the CMBS Portfolio, and (iii) additional net leased properties acquired during the six months ended June 30, 2021 (collectively, the “Q1-Q2 2021 Acquisitions”). Such adjustments in the Unaudited Pro Forma Financials are referred to herein as the “Q1-Q2 2021 Acquisition Transaction Accounting Adjustments.”

*Transaction Accounting Adjustments.* The Unaudited Pro Forma Financials present the effects of the Q1-Q2 2021 Acquisitions and the Q3-Q4 2021 Acquisitions as though they had occurred on January 1, 2020, the beginning of the earliest applicable reporting period. The Q1-Q2 2021 Acquisitions and the Q3-Q4 2021 Acquisitions were funded utilizing a combination of (a) available cash, (b) availability on the Company’s unsecured revolving credit facility, (c) proceeds from the Company’s term loan, (d) the \$30.0 million loan assumed in connection with the CMBS Portfolio acquisition, and (e) the issuance of units of the Company’s operating partnership, Alpine Income Property OP, LP (“OP Units”).

*Unaudited Pro Forma Financials.* The Unaudited Pro Forma Financials are based on the estimates and assumptions as of the date of this Current Report on Form 8-K/A set forth in the notes to the Unaudited Pro Forma Financials, which are preliminary and have been made solely for the purpose of developing such pro forma information. The Unaudited Pro Forma Financials are not necessarily indicative of the financial position or operating results that would have been achieved had the Q1-Q2 2021 Acquisitions and the Q3-Q4 2021 Acquisitions occurred on the dates indicated, nor are they necessarily indicative of the Company’s future financial position or operating results. Assumptions underlying the adjustments to the Unaudited Pro Forma Financials are described in the accompanying notes, which should be read in conjunction with the Unaudited Pro Forma Financials.

**NOTE 2. PRO FORMA ADJUSTMENTS**

***Pro Forma Consolidated Balance Sheet as of September 30, 2021***

[A] Represents the fair value of the income properties included in the Q3-Q4 2021 Acquisitions that occurred subsequent to September 30, 2021 which are allocated to the acquired tangible assets, consisting of land, building and improvements, and identified intangible lease 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. The fair value allocations were provided by a third-party valuation company. For clarity, for income properties included in the Q1-Q2 2021 Acquisitions and Q3-Q4 2021 Acquisitions that occurred prior to September 30, 2021, the impact of such acquisitions is already included in the historical consolidated balance sheet.

The following represents the allocation of total acquisition costs for the Q3-Q4 2021 Acquisitions that occurred subsequent to September 30, 2021 (in thousands):

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**Allocation of Purchase Price:**

Land, at cost	\$	45,981
Building and Improvements, at cost		20,301
Intangible Lease Assets		7,795
Intangible Lease Liabilities		(443)
Total Acquisition Cost - Purchase Price plus Acquisition Costs	\$	<u>73,634</u>

[B] Represents return of \$1.6 million in earnest money deposits in addition to \$0.3 million in net cash pro-rations at closing.

[C] Represents utilization cash on hand of an estimated amount of \$5.0 million as well as draws on the Company's unsecured revolving credit facility of \$66.7 million related to the acquisition cost of the Q3-Q4 2021 Acquisitions that occurred subsequent to September 30, 2021.

***Pro Forma Consolidated Statement of Operations for the Nine Months Ended September 30, 2021***

[A] Represents (i) aggregate adjustments to lease income totaling \$8.5 million, based on the calculation of rent on a straight-line basis utilizing the existing lease terms, and (ii) related direct costs of the lease income, presented on the consolidated statements of operations as real estate expenses, totaling \$1.1 million for the nine months ended September 30, 2021. The Company recognizes rental revenue from operating leases on a straight-line basis over the life of the related leases. The pro forma adjustments reflect the estimated incremental straight-line rental income to be recognized over the remaining life of the leases for the Q1-Q2 2021 Acquisitions and Q3-Q4 2021 Acquisitions as of the acquisition date as though they had occurred on January 1, 2020. Comparatively, the straight-line rental income that had been recorded in (i) the Historical Summary of Revenues and Direct Expenses of the GL Portfolio for the relevant periods and (ii) the Historical Summary of Revenues and Direct Expenses of the Single Property and CMBS Portfolio filed on July 2, 2021 as Exhibit 99.2 to the Company's Current Report on Form 8-K pursuant to the requirements under Item 9.01(a) of Form 8-K, was calculated as if the acquisition had incurred at inception of the lease for the relevant periods.

[B] Represents the depreciation and amortization of real estate acquired related to the Q1-Q2 2021 Acquisitions and Q3-Q4 2021 Acquisitions which totaled \$3.8 million for the nine months ended September 30, 2021 based on the estimated remaining economic useful life for tangible assets and the weighted average remaining lease term for the related intangible assets and intangible liabilities. Capitalized above-and below-market lease values are amortized as a decrease or increase, respectively, to lease income. For the nine months ended September 30, 2021, there was a net decrease to lease income which totaled less than \$0.1 million and is included in the aggregate adjustments to lease income totaling \$8.5 million referred to in Note [A] above.

[C] Represents the incremental additional interest expense of \$2.3 million related to (i) draws on the Company's unsecured revolving credit facility used to fund the Q1-Q2 2021 Acquisitions and Q3-Q4 2021 Acquisitions that occurred subsequent to December 31, 2020 calculated based on an acquisition date of January 1, 2020 versus the actual interest expense recorded in the historical consolidated statement of operations for the nine months ended September 30, 2021 based on the actual acquisition date and (ii) the \$30.0 million loan assumed in connection with the CMBS Portfolio acquisition.

[D] Represents the allocation of net income attributable to the noncontrolling interest.

***Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2020***

[A] Represents (i) aggregate adjustments to lease income totaling \$15.3 million, based on the calculation of rent on a straight-line basis utilizing the existing lease terms, and (ii) related direct costs of the lease income, presented on the consolidated statements of operations as real estate expenses, totaling \$1.9 million for the year ended December 31, 2020. The Company recognizes rental revenue from operating leases on a straight-line basis over the life of the related leases. The pro forma adjustments reflect the estimated incremental straight-line rental income to be recognized over the remaining life of the leases for the Q1-Q2 2021 Acquisitions and Q3-Q4 2021 Acquisitions as of the acquisition

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date as though they had occurred on January 1, 2020. Comparatively, the straight-line rental income that had been recorded in (i) the Historical Summary of Revenues and Direct Expenses of the GL Portfolio for the relevant periods and (ii) the Historical Summary of Revenues and Direct Expenses of the Single Property and CMBS Portfolio filed on July 2, 2021 as Exhibit 99.2 to the Company's Current Report on Form 8-K pursuant to the requirements under Item 9.01(a) of Form 8-K, was calculated as if the acquisition had incurred at inception of the lease for the relevant periods.

[B] Represents the depreciation and amortization of real estate acquired related to the Q1-Q2 2021 Acquisitions and Q3-Q4 2021 Acquisitions which totaled \$6.8 million for the year ended December 31, 2020 based on the estimated remaining economic useful life for tangible assets and the weighted average remaining lease term for the related intangible assets and intangible liabilities. Capitalized above-and below-market lease values are amortized as a decrease or increase, respectively, to lease income. For the year ended December 31, 2020, there was a net decrease to lease income which totaled \$0.1 million and is included in the aggregate adjustments to lease income totaling \$15.3 million referred to in Note [A] above.

[C] Represents the incremental additional interest expense of \$4.1 million related to (i) draws on the Company's unsecured revolving credit facility used to fund the Q1-Q2 2021 Acquisitions and Q3-Q4 2021 Acquisitions that occurred subsequent to December 31, 2020 and (ii) the \$30.0 million loan assumed in connection with the CMBS Portfolio acquisition.

[D] Represents the allocation of net income attributable to the noncontrolling interest.

[E] Represents the increase in diluted shares outstanding for the 424,951 OP Units issued by the Operating Partnership in exchange for partial consideration of certain of the properties included in the Q1-Q2 2021 Acquisitions.

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