Dear Fellow Shareholders,

In 2023, the Federal Reserve raised interest rates four times. In a rising interest rate environment, REITs generally have a difficult time outperforming the broader market. Last year, Alpine Income Property Trust had a negative 5.5% total return after being one of the best performing net lease REITs in 2022.

We have been working hard to further enhance Alpine's portfolio to position the company for better performance once the Fed is finished raising rates (hopefully rate cuts are right around the corner). In 2023, we acquired $83 million of net lease properties at a weighted average going-in cash cap rate of 7.4% and a weighted average remaining lease term of 8.7 years. Most of these acquisitions were leased to tenants with an investment grade rating.

In addition to our modest but high-quality property acquisitions, in an effort to protect our portfolio from rising rates and receive better risk-adjusted returns, during 2023 we made approximately $39 million of first mortgage loans at a weighted average initial yield of over 9%. We believe that these short-duration loans will allow us to achieve better yields at a lower basis than core net lease investments. Hopefully, better acquisition opportunities will present themselves in the next year or two as these loans are maturing, which will allow us to reinvest into core investments. In the meantime, we intend to receive higher investment yields while waiting for better, longer-term investment opportunities. In 2023, our core acquisitions along with the loan investments totaled $121.5 million of investments at a weighted average initial yield of 7.9%.

To help fund this investment activity, during 2023 we sold $108.3 million of assets at a weighted average exit cap rate of 6.3% and booked over $9 million in gains related to these sales. To take advantage of negative sentiment in the market, we repurchased almost 900,000 shares of common stock at what we think were very accretive prices to both earnings and NAV.

We ended the year with 65% of our portfolio (based on annualized base rent) being investment grade credit with a weighted average remaining lease term of 7 years .

As we start off 2024, we believe that Alpine Income Property Trust once again offers investors one of the most attractive valuations in the net lease category, and one of the highest dividend yields, with a portfolio composed primarily of investment grade rated tenants, comparable to the much larger higher valued net lease REITs. We think it's clear that Alpine offers a compelling relative value opportunity for investors who may want more exposure to net lease REITs as the market anticipates a more accommodating Fed.

As of this writing, PINE's stock price is about fifty cents lower than it was at the time of last year's annual letter. I guess in a year where the Fed continued to raise interest rates and with several high-profile bank failures, it could have been worse.

This year we say goodbye to our CFO, Matt Partridge. We wish Matt well in his new opportunity at a much larger company. We thank Matt for all his contributions. As we are searching for a new CFO, we are thankful that we have Lisa Vorakoun as our Chief Accounting Officer, who has been with us for the past eleven years. Lisa and her team are the bedrock of all things finance and accounting.

We thank our Board members and our shareholders for their support as we continue to navigate our way to a better environment and improved shareholder returns.

	2023	2022
Investments:	$121.5 million	$187 million
Investment Yield:	7.9%	7.1%
Investment Grade Tenant Exposure:	65%	54%
Largest Tenant:	Walgreens	Walgreens
Average Lease Term:	7.0 Years	7.6 Years
Stock Price (as of Annual Meeting Record Date):	$15.56	$16.13
Annualized Dividend Yield:	7.1%	6.8%
AFFO Payout Ratio:	74%	71%
Net Debt-to-Total Enterprise Value:	51%	47%
Net Debt-to-Total Forma EBITDA:	7.7x	7.1x
PINE Total Shareholder Return:	(5.5%)	0.6%
RMZ Index Total Return:	13.7%	(24.3%)

John P. Albright
President and
Chief Executive Officer