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

FORM 10-Q

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

For the quarterly period ended June 30, 2022

OR

☐ **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

ALPINE INCOME PROPERTY TRUST, INC.
(Exact name of registrant as specified in its charter)

Maryland **(State or other jurisdiction of incorporation or organization)**	**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)**

(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)

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	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		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. ☒

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 July 14, 2022 was 11,867,278.

INDEX

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	As of	
	(Unaudited) June 30, 2022	December 31, 2021
ASSETS		
Real Estate:		
Land, at Cost	$ 180,569	$ 178,172
Building and Improvements, at Cost	304,129	266,236
Total Real Estate, at Cost	484,698	444,408
Less, Accumulated Depreciation	(17,527)	(15,419)
Real Estate—Net	467,171	428,989
Assets Held for Sale	2,435	—
Cash and Cash Equivalents	2,427	8,851
Restricted Cash	15,131	646
Intangible Lease Assets—Net	61,371	58,821
Straight-Line Rent Adjustment	1,912	1,838
Other Assets	16,909	6,369
Total Assets	$ 567,356	$ 505,514
LIABILITIES AND EQUITY		
Liabilities:		
Accounts Payable, Accrued Expenses, and Other Liabilities	$ 4,788	$ 2,363
Prepaid Rent and Deferred Revenue	1,662	2,033
Intangible Lease Liabilities—Net	5,177	5,476
Long-Term Debt	300,973	267,740
Total Liabilities	312,600	277,612
Commitments and Contingencies—See Note 16		
Equity:		
Preferred Stock, $0.01 par value per share, 100 million shares authorized, no shares issued and outstanding as of June 30, 2022 and December 31, 2021	—	—
Common Stock, $0.01 par value per share, 500 million shares authorized, 11,863,589 shares issued and outstanding as of June 30, 2022 and 11,454,815 shares issued and outstanding as of December 31, 2021	119	114
Additional Paid-in Capital	208,706	200,906
Retained Earnings (Dividends in Excess of Net Income)	2,301	(6,419)
Accumulated Other Comprehensive Income	10,999	1,922
Stockholders' Equity	222,125	196,523
Noncontrolling Interest	32,631	31,379
Total Equity	254,756	227,902
Total Liabilities and Equity	$ 567,356	$ 505,514

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 and per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2022	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
Revenues:				
Lease Income	$ 11,280	$ 6,597	$ 22,079	$ 12,487
Total Revenues	11,280	6,597	22,079	12,487
Operating Expenses:				
Real Estate Expenses	1,285	824	2,377	1,475
General and Administrative Expenses	1,479	1,286	2,910	2,316
Depreciation and Amortization	5,694	3,463	11,366	6,606
Total Operating Expenses	8,458	5,573	16,653	10,397
Gain on Disposition of Assets	15,637	—	15,637	—
Net Income From Operations	18,459	1,024	21,063	2,090
Interest Expense	2,123	678	3,803	1,233
Net Income	16,336	346	17,260	857
Less: Net Income Attributable to Noncontrolling Interest	(2,054)	(42)	(2,172)	(113)
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 14,282	$ 304	$ 15,088	$ 744
Per Common Share Data:				
Net Income Attributable to Alpine Income Property Trust, Inc.				
Basic	$ 1.21	$ 0.03	$ 1.28	$ 0.09
Diluted	$ 1.05	$ 0.03	$ 1.12	$ 0.08
Weighted Average Number of Common Shares:				
Basic	11,844,108	8,853,259	11,753,904	8,212,902
Diluted	13,547,602	10,081,783	13,457,398	9,439,104

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		Six Months Ended	
	June 30, 2022	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 14,282	$ 304	$ 15,088	$ 744
Other Comprehensive Income (Loss)				
Cash Flow Hedging Derivative - Interest Rate Swaps	2,245	(15)	9,077	661
Total Other Comprehensive Income (Loss)	2,245	(15)	9,077	661
Total Comprehensive Income	$ 16,527	$ 289	$ 24,165	$ 1,405

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 June 30, 2022:

	Common Stock at Par	Additional Paid-in Capital	Retained Earnings (Dividends in Excess of Net Income)	Accumulated Other Comprehensive Income	Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance April 1, 2022	$ 118	$ 207,035	$ (8,779)	$ 8,754	$ 207,128	$ 31,037	$ 238,165
Net Income	—	—	14,282	—	14,282	2,054	16,336
Stock Issuance to Directors	—	79	—	—	79	—	79
Stock Issuance, Net of Equity Issuance Costs	1	1,592	—	—	1,593	—	1,593
Cash Dividends ($0.27 per share)	—	—	(3,202)	—	(3,202)	(460)	(3,662)
Other Comprehensive Income	—	—	—	2,245	2,245	—	2,245
Balance June 30, 2022	$ 119	$ 208,706	$ 2,301	$ 10,999	$ 222,125	$ 32,631	$ 254,756

For the three months ended June 30, 2021:

	Common Stock at Par	Additional Paid-in Capital	Retained Earnings (Dividends in Excess of Net Income)	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance April 1, 2021	$ 79	$ 140,591	$ (7,169)	$ 195	$ 133,696	$ 22,112	$ 155,808
Net Income	—	—	304	—	304	42	346
Stock Issuance to Directors	—	73	—	—	73	—	73
Stock Issuance, Net of Equity Issuance Costs	34	57,314	—	—	57,348	—	57,348
Operating Units Issued	—	—	—	—	—	8,010	8,010
Cash Dividends ($0.25 per share)	—	—	(2,824)	—	(2,824)	(306)	(3,130)
Other Comprehensive Loss	—	—	—	(15)	(15)	—	(15)
Balance June 30, 2021	$ 113	$ 197,978	$ (9,689)	$ 180	$ 188,582	$ 29,858	$ 218,440

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

For the six months ended June 30, 2022:

	Common Stock at Par	Additional Paid-in Capital	Retained Earnings (Dividends in Excess of Net Income)	Accumulated Other Comprehensive Income	Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2022	$ 114	$ 200,906	$ (6,419)	$ 1,922	$ 196,523	$ 31,379	$ 227,902
Net Income	—	—	15,088	—	15,088	2,172	17,260
Stock Issuance to Directors	—	158	—	—	158	—	158
Stock Issuance, Net of Equity Issuance Costs	5	7,642	—	—	7,647	—	7,647
Cash Dividends ($0.54 per share)	—	—	(6,368)	—	(6,368)	(920)	(7,288)
Other Comprehensive Income	—	—	—	9,077	9,077	—	9,077
Balance June 30, 2022	$ 119	$ 208,706	$ 2,301	$ 10,999	$ 222,125	$ 32,631	$ 254,756

For the six months ended June 30, 2021:

	Common Stock at Par	Additional Paid-in Capital	Retained Earnings (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	—	—	744	—	744	113	857
Stock Issuance to Directors	—	139	—	—	139	—	139
Stock Issuance, Net of Equity Issuance Costs	38	64,961	—	—	64,999	—	64,999
Operating Units Issued	—	—	—	—	—	8,010	8,010
Cash Dividends ($0.49 per share)	—	—	(4,720)	—	(4,720)	(599)	(5,319)
Other Comprehensive Income	—	—	—	661	661	—	661
Balance June 30, 2021	$ 113	$ 197,978	$ (9,689)	$ 180	$ 188,582	$ 29,858	$ 218,440

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)

	Six Months Ended	
	June 30, 2022	**June 30, 2021**
Cash Flow From Operating Activities:		
Net Income	$ 17,260	$ 857
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	11,366	6,606
Amortization of Intangible Lease Assets and Liabilities to Lease Income	(170)	(91)
Amortization of Deferred Financing Costs to Interest Expense	257	149
Gain on Disposition of Assets	(15,637)	—
Non-Cash Compensation	157	152
Decrease (Increase) in Assets:		
Straight-Line Rent Adjustment	(528)	(264)
COVID-19 Rent Repayments	45	385
Other Assets	278	46
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, and Other Liabilities	595	906
Prepaid Rent and Deferred Revenue	(371)	120
Net Cash Provided By Operating Activities	13,252	8,866
Cash Flow From Investing Activities:		
Acquisition of Real Estate, Including Capitalized Expenditures	(110,062)	(65,930)
Proceeds from Disposition of Assets	71,446	—
Net Cash Used In Investing Activities	(38,616)	(65,930)
Cash Flow from Financing Activities:		
Proceeds from Long-Term Debt	162,500	85,621
Payments on Long-Term Debt	(129,000)	(80,809)
Cash Paid for Loan Fees	(434)	(838)
Proceeds From Stock Issuance, Net	7,647	64,999
Dividends Paid	(7,288)	(5,319)
Net Cash Provided By Financing Activities	33,425	63,654
Net Decrease in Cash and Cash Equivalents	8,061	6,590
Cash and Cash Equivalents, Beginning of Period	9,497	1,894
Cash and Cash Equivalents, End of Period	$ 17,558	$ 8,484
Reconciliation of Cash to the Consolidated Balance Sheets:		
Cash and Cash Equivalents	$ 2,427	$ 6,294
Restricted Cash	15,131	2,190
Total Cash	$ 17,558	$ 8,484

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)

	Six Months Ended	
	June 30, 2022	June 30, 2021
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	$ 3,352	$ 1,105
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Unrealized Gain on Cash Flow Hedge	$ 9,077	$ 661
Right-of-Use Assets and Operating Lease Liability	$ 1,831	$ —
Operating Units Issued in Exchange for Real Estate	$ —	$ 8,010
Underwriting Discounts on Capital Raised Through Issuance of Common Stock	$ —	$ 2,866
Assumption of Mortgage Note Payable	$ —	$ 30,000

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 143 net leased properties located in 98 markets in 35 states. The properties in our portfolio are primarily subject to long-term, 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 real estate investment trust ("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. 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 from CTO. The remaining five properties in our initial portfolio were contributed by CTO in exchange for 1,223,854 units of the operating partnership (the "OP Units") for a value of $23.3 million based on the IPO Price. As of June 30, 2022, eight of the properties included within our initial portfolio have been sold. Subsequent to June 30, 2022, one additional property included within our initial portfolio was sold. 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 Alpine Income Property OP, LP (the "Operating Partnership"). Our wholly owned subsidiary, Alpine Income Property GP, LLC ("PINE GP"), is the sole general partner of the Operating Partnership. Substantially all of our assets are held by, and our operations are conducted through, the Operating Partnership. As of June 30, 2022, we have a total ownership interest in the Operating Partnership of 87.4%, with CTO holding, directly and indirectly, a 9.1% ownership interest in the Operating Partnership. The remaining 3.5% ownership interest is held by an unrelated third party in connection with the issuance of 479,640 OP Units valued at $9.0 million in the aggregate, or $18.85 per unit. The issuance of 479,640 OP Units includes (i) 424,951 OP Units issued as consideration for the portfolio of nine net lease properties acquired on June 30, 2021 and (ii) 54,689 OP Units issued as consideration for the acquisition of one net lease property on July 12, 2021 (see Note 3, "Property Portfolio"). 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 REIT for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "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 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.

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 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") Accounting Standards Codification ("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, a 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.

SALES OF REAL ESTATE

When properties are disposed of, the related cost basis of the real estate, intangible lease assets, and intangible lease liabilities, net of accumulated depreciation and/or amortization, and any accrued straight-line rental income balance for the underlying operating leases are removed, and gains or losses from the dispositions are reflected in net income within gain on dispositions of assets. In accordance with the FASB guidance, gains or losses on sales of real estate are generally recognized using the full accrual method.

PROPERTY LEASE REVENUE

The rental arrangements associated with the Company’s 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 June 30, 2022 and December 31, 2021, the Company’s allowance for doubtful accounts totaled $0.3 million.

OPERATING LAND LEASE EXPENSE

The Company is the lessee under operating land leases for certain of its properties, which leases are classified as operating leases pursuant to FASB ASC Topic 842, *Leases*. The corresponding lease expense is recognized on a straight-line basis over the term of the lease and is included in real estate expenses in the accompanying consolidated statements of operations.

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 June 30, 2022 and December 31, 2021 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.

RESTRICTED CASH

Restricted cash totaled $15.1 million as of June 30, 2022 of which $0.7 million is being held in a capital replacement and leasing commissions reserve account in connection with our financing of six properties and $14.4 million is being held in various escrow accounts to be reinvested through the like-kind exchange structure into other income properties.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITY

The Company accounts for its cash flow hedging derivatives in accordance with FASB ASC Topic 815-20, *Derivatives and Hedging*. Depending upon the hedge's value at each balance sheet date, the derivatives are included in either other assets or accounts payable, accrued expenses, and other liabilities on the accompanying consolidated balance sheet at its fair value. On the date each interest rate swap was entered into, the Company designated the derivatives as a hedge of the variability of cash flows to be paid related to the recognized long-term debt liabilities.

The Company documented the relationship between the hedging instruments and the hedged item, as well as its risk-management objective and strategy for undertaking the hedge transactions. At the hedges' inception, the Company assessed whether the derivatives that are used in hedging the transactions are highly effective in offsetting changes in cash flows of the hedged items and will continue to do so on a quarterly basis.

Changes in fair value of the hedging instruments that are highly effective and designated and qualified as cash-flow hedges are recorded in other comprehensive income and loss, until earnings are affected by the variability in cash flows of the designated hedged items (see Note 10, "Interest Rate Swaps").

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial assets and liabilities including cash and cash equivalents, restricted cash, accounts receivable included in other assets, accounts payable, and accrued expenses and other liabilities 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. The Company estimates the fair value of its mortgage note payable and term loans based on incremental borrowing rates for similar types of borrowing arrangements with the same remaining maturity and on the discounted estimated future cash payments to be made for other debt. The discount rate used to calculate the fair value of debt approximates current lending rates for loans and assumes the debt is outstanding through maturity. Since such amounts are estimates that are based on limited available market information for similar transactions, which is a Level 2 non-recurring measurement, there can be no assurance that the disclosed value of any financial instrument could be realized by immediate settlement of the instrument.

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 CREDIT RISK

There were no tenants who accounted for more than 10% of total revenues during the six months ended June 30, 2022. Wells Fargo Bank, NA accounted for 15% of total revenues during the six months ended June 30, 2021.

As of June 30, 2022 and December 31, 2021, 21% and 20%, respectively, of the Company's real estate portfolio, based on square footage, was located in the state of Texas.

NOTE 3. PROPERTY PORTFOLIO

As of June 30, 2022, the Company's property portfolio consisted of 143 properties with total square footage of 3.3 million.

Leasing revenue consists of long-term rental revenue from retail and office properties, which is recognized as earned, using the straight-line method over the life of each lease. Lease payments below include straight-line base rental revenue as well as the non-cash accretion of above and below market lease amortization. The variable lease payments are comprised of percentage rent payments and reimbursements from tenants for common area maintenance, insurance, real estate taxes, and other operating expenses.

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

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Lease Income				
Lease Payments	$ 10,160	$ 5,986	$ 19,891	$ 11,432
Variable Lease Payments	1,120	611	2,188	1,055
Total Lease Income	$ 11,280	$ 6,597	$ 22,079	$ 12,487

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 June 30, 2022, are summarized as follows (in thousands):

Year Ending December 31,	Amounts
Remainder of 2022	$ 19,597
2023	38,681
2024	37,621
2025	36,069
2026	35,202
2027	31,916
2028 and Thereafter (Cumulative)	117,851
Total	$ 316,937

2022 Activity. During the six months ended June 30, 2022, the Company acquired 35 properties for a combined purchase price of $109.1 million, or a total cost of $110.0 million including capitalized acquisition costs. The properties are located in 17 states, leased to 12 different tenants, and had a weighted average remaining lease term of 9.4 years at the time of acquisition. Of the total acquisition cost, $31.1 million was allocated to land, $67.0 million was allocated to buildings and improvements, $13.1 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and $1.2 million was allocated to intangible liabilities for the below market lease value. The weighted average amortization period for the intangible assets and liabilities was 9.7 years at acquisition.

During the six months ended June 30, 2022, the Company sold five properties for an aggregate sales price of $72.8 million, generating aggregate gains on sale of $15.6 million. One property was classified as held for sale as of June 30, 2022.

2021 Activity. During the six months ended June 30, 2021, the Company acquired 23 properties for a combined purchase price of $103.2 million, or a total cost of $103.8 million including capitalized acquisition costs. Of the total acquisition cost, $34.1 million was allocated to land, $57.5 million was allocated to buildings and improvements, $13.9 million was allocated to intangible assets pertaining to the in-place lease value, leasing fees, and above market lease value, and $1.5 million was allocated to intangible liabilities for the below market lease value. The weighted average amortization period for the intangible assets and liabilities was 8.3 years at acquisition. No properties were sold during the six months ended June 30, 2021.

NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying value and estimated fair value of the Company's financial instruments not carried at fair value on the consolidated balance sheets at June 30, 2022 and December 31, 2021 (in thousands):

	June 30, 2022		December 31, 2021	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and Cash Equivalents - Level 1	$ 2,427	$ 2,427	$ 8,851	$ 8,851
Restricted Cash - Level 1	$ 15,131	$ 15,131	$ 646	$ 646
Long-Term Debt - Level 2	$ 300,973	$ 296,198	$ 267,740	$ 272,637

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 measured on a recurring basis by level as of June 30, 2022 and December 31, 2021 (in thousands). See Note 10, "Interest Rate Swaps" for further disclosure related to the Company's interest rate swaps.

		Fair Value at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2022				
2026 Term Loan Interest Rate Swap (1)	$ 4,640	$ —	$ 4,640	$ —
2027 Term Loan Interest Rate Swap (2)	$ 6,359	$ —	$ 6,359	$ —
December 31, 2021				
2026 Term Loan Interest Rate Swap (1)	$ 945	$ —	$ 945	$ —
2027 Term Loan Interest Rate Swap (2)	$ 977	$ —	$ 977	$ —

(1) Effective May 21, 2021, as amended on April 14, 2022 in connection with the 2026 Term Loan Amendment (hereinafter defined), the Company utilized interest rate swaps to fix SOFR and achieve a weighted average fixed interest rate of 0.80% plus the applicable spread on $60.0 million of the $100.0 million 2026 Term Loan (hereinafter defined) balance (prior to the 2026 Term Loan Amendment, the swap was to fix LIBOR at a weighted average fixed interest rate of 0.81%).

(2) Effective September 30, 2021, as amended on April 14, 2022 in connection with the 2027 Term Loan Amendment (hereinafter defined), the Company utilized interest rate swaps, inclusive of its redesignation of the existing $50.0 million interest rate swap entered into as of April 30, 2020, to fix SOFR and achieve a weighted average fixed interest rate of 0.51% plus the applicable spread on $80.0 million of the $100.0 million 2027 Term Loan (hereinafter defined) balance (prior to the 2027 Term Loan Amendment, the swap was to fix LIBOR at a weighted average fixed interest rate of 0.53%). On September 30, 2021, the Company entered into an additional interest rate swap to extend the fixed interest rate through maturity on January 31, 2027.

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 June 30, 2022 and December 31, 2021 (in thousands):

	As of	
	June 30, 2022	December 31, 2021
Intangible Lease Assets:		
Value of In-Place Leases	$ 48,035	$ 45,301
Value of Above Market In-Place Leases	4,022	3,623
Value of Intangible Leasing Costs	20,450	19,066
Sub-total Intangible Lease Assets	72,507	67,990
Accumulated Amortization	(11,136)	(9,169)
Sub-total Intangible Lease Assets—Net	61,371	58,821
Intangible Lease Liabilities:		
Value of Below Market In-Place Leases	(6,063)	(6,397)
Sub-total Intangible Lease Liabilities	(6,063)	(6,397)
Accumulated Amortization	886	921
Sub-total Intangible Lease Liabilities—Net	(5,177)	(5,476)
Total Intangible Assets and Liabilities—Net	$ 56,194	$ 53,345

The following table reflects the net amortization of intangible assets and liabilities during the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Amortization Expense	$ 2,165	$ 1,303	$ 4,291	$ 2,498
Accretion to Properties Revenue	(69)	(50)	(170)	(91)
Net Amortization of Intangible Assets and Liabilities	$ 2,096	$ 1,253	$ 4,121	$ 2,407

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 Property Revenue	Net Future Amortization of Intangible Assets and Liabilities
Remainder of 2022	$ 4,324	$ (143)	$ 4,181
2023	8,420	(292)	8,128
2024	8,054	(284)	7,770
2025	7,392	(248)	7,144
2026	6,913	(237)	6,676
2027	5,618	(196)	5,422
2028 and Thereafter	17,134	(261)	16,873
Total	$ 57,855	$ (1,661)	$ 56,194

As of June 30, 2022, the weighted average amortization period of both the total intangible assets and liabilities was 9.2 years.

NOTE 6. OTHER ASSETS

Other assets consisted of the following (in thousands):

	As of	
	June 30, 2022	December 31, 2021
Tenant Receivables—Net of Allowance for Doubtful Accounts [1]	$ 498	$ 790
Accrued Unbilled Tenant Receivables	965	553
Prepaid Insurance	248	616
Deposits on Acquisitions	265	350
Prepaid Expenses, Deposits, and Other	1,819	1,496
Deferred Financing Costs—Net	344	469
Interest Rate Swaps	10,999	2,095
Operating Leases - Right-of-Use Asset [2]	1,771	—
Total Other Assets	$ 16,909	$ 6,369

(1) Includes $0.3 million allowance for doubtful accounts as of June 30, 2022 and December 31, 2021.
(2) See Note 7, "Operating Land Leases" for further disclosure related to the Company's right-of-use asset balance as of June 30, 2022.

NOTE 7. OPERATING LAND LEASES

The Company is the lessee under operating land leases for certain of its properties. FASB ASC Topic 842, *Leases*, requires a lessee to recognize right-of-use assets and lease liabilities that arise from leases, whether qualifying as an operating or finance lease. As of June 30, 2022, the Company's right-of-use assets and corresponding lease liabilities totaled $1.8 million, which balances are reflected within other assets and accounts payable, accrued expenses, and other liabilities, respectively, on the consolidated balance sheets. The right-of-use assets and lease liabilities are measured based on the present value of the lease payments utilizing discount rates estimated to be equal to that which the Company would pay to borrow on a collateralized basis over a similar term, for an amount equal to the lease payments, in a similar economic environment.

The Company's operating land leases do not include variable lease payments and generally provide renewal options, at the Company's election, to extend the terms of the respective leases. Renewal option periods are included in the calculation of the right-of-use assets and corresponding lease liabilities when it is reasonably certain that the Company, as lessee, will exercise the option to extend the lease.

Amortization of right-of-use assets for operating land leases is recognized on a straight-line basis over the term of the lease and is included within real estate expenses in the consolidated statements of operations. Amortization totaled less than $0.1 million during the three and six months ended June 30, 2022, with no such expense recognized during the three or six months ended June 30, 2021.

The following table reflects a summary of operating land leases, under which the Company is the lessee, for the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Operating Cash Outflows	$ 64	$ —	$ 69	$ —
Weighted Average Remaining Lease Term	8.2	—	8.2	—
Weighted Average Discount Rate	2.0 %	—	2.0 %	—

Minimum future lease payments under non-cancelable operating land leases, having remaining terms in excess of one year subsequent to June 30, 2022, are summarized as follows (in thousands):

Year Ending December 31,		
Remainder of 2022	$	128
2023		257
2024		251
2025		192
2026		202
2027		202
2028 and Thereafter		701
Total Lease Payments	$	1,933
Imputed Interest		(159)
Operating Leases – Liability	$	1,774

NOTE 8. ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND OTHER LIABILITIES

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

	As of			
	June 30, 2022		December 31, 2021	
Accounts Payable	$	29	$	213
Accrued Expenses		1,885		676
Tenant Security Deposits		164		—
Due to CTO		936		1,301
Interest Rate Swap		—		173
Operating Leases - Liability [(1)]		1,774		—
Total Accounts Payable, Accrued Expenses, and Other Liabilities	$	4,788	$	2,363

(1) See Note 7, "Operating Land Leases" for further disclosure related to the Company's operating lease liability balance as of June 30, 2022.

NOTE 9. LONG-TERM DEBT

As of June 30, 2022, the Company's outstanding indebtedness, at face value, was as follows (in thousands):

	Face Value Debt		Stated Interest Rate	Maturity Date
Credit Facility	$	72,500	30-Day LIBOR + [1.35% - 1.95%]	November 2023
2026 Term Loan [(1)]		100,000	30-Day SOFR + 0.10% + [1.35% - 1.95%]	May 2026
2027 Term Loan [(2)]		100,000	30-Day SOFR + 0.10% + [1.25% - 1.90%]	January 2027
Mortgage Note Payable – CMBS Portfolio		30,000	4.33%	October 2034
Total Debt/Weighted-Average Rate	$	302,500	3.04%	

(1) Effective May 21, 2021, as amended on April 14, 2022 in connection with the 2026 Term Loan Amendment (hereinafter defined), the Company utilized interest rate swaps to fix SOFR and achieve a weighted average fixed interest rate of 0.80% plus the applicable spread on $60.0 million of the $100.0 million 2026 Term Loan (hereinafter defined) balance. See Note 10, "Interest Rate Swaps" for further disclosure related to the Company's interest rate swaps.

(2) Effective September 30, 2021, as amended on April 14, 2022 in connection with the 2027 Term Loan Amendment (hereinafter defined), the Company utilized interest rate swaps, inclusive of the existing $50.0 million interest rate swap entered into as of April 30, 2020, to fix SOFR and achieve a weighted average fixed interest rate of 0.51% plus the applicable spread on $80.0 million of the $100.0 million 2027 Term Loan (hereinafter defined) balance. On September 30, 2021, the Company entered into an additional interest rate swap to extend the fixed interest rate through maturity on January 31, 2027. See Note 10, "Interest Rate Swaps" for further disclosure related to the Company's interest rate swaps.

Credit Facility. On November 26, 2019, the Company and the Operating Partnership entered into a credit agreement (the "Credit Facility 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 June 30, 2020, the Company and the Operating Partnership executed the first amendment to the Credit Facility Credit Agreement whereby the tangible net worth covenant was adjusted to be more reflective of market terms.

On October 16, 2020, the Company and the Operating Partnership 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.

On May 19, 2021, the Company and the Operating Partnership executed the third amendment to the Credit Facility (the "Third Amendment"). Among other things, the Third Amendment revised the Credit Facility Credit Agreement to provide that as of the last day of each fiscal quarter, the Operating Partnership shall not permit the ratio of Unsecured Indebtedness to Borrowing Base Value (as defined in the Credit Facility Credit Agreement) to be greater than 0.60 to 1:00. Prior to the Third Amendment, the Credit Facility Credit Agreement provided that as of the last day of each fiscal quarter, the Operating Partnership could not permit the ratio of Total Indebtedness to Total Asset Value (as defined in the Credit Facility Credit Agreement) to be greater than 0.60 to 1:00.

Pursuant to the Credit Facility 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 Facility 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 Credit Agreement, the 2026 Term Loan Credit Agreement (hereinafter defined), and the 2027 Term Loan Credit Agreement (hereinafter defined), collectively referred to herein as the "Credit Agreements", 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 Agreements also contain financial covenants covering the Operating Partnership, including but not limited to, tangible net worth and fixed charge coverage ratios.

At June 30, 2022, the commitment level under the Credit Facility was $150.0 million and the Company had an outstanding balance of $72.5 million.

2026 Term Loan. On May 21, 2021, the Operating Partnership, the Company and certain subsidiaries of the Company entered into a credit agreement (the "2026 Term Loan Credit Agreement") for a term loan (the "2026 Term Loan") in an aggregate principal amount of $60.0 million with a maturity of five years. On April 14, 2022, the Company entered into the Amendment, Increase and Joinder to the 2026 Term Loan Credit Agreement (the "2026 Term Loan Amendment"), which increased the term loan commitment under the 2026 Term Loan by $40 million to an aggregate of $100 million. The 2026 Term Loan Amendment also effectuated the transition of the underlying variable interest rate from LIBOR to SOFR. Truist Securities, Inc. acted as sole lead arranger and sole book runner, with Truist Bank, N.A. as administrative agent. Truist Bank, N.A., Bank of Montreal, Raymond James Bank, N.A., Stifel Bank, The Huntington National Bank, KeyBank National Association, Regions Bank, U.S. Bank National Association, and Synovus Financial Corporation are lenders under the 2026 Term Loan. In addition, subsequent to the 2026 Term Loan Amendment, the Operating Partnership may request additional lender commitments of up to an additional $60.0 million.

2027 Term Loan. On September 30, 2021, the Operating Partnership, the Company and certain subsidiaries of the Company entered into a credit agreement (the "2027 Term Loan Credit Agreement") for a term loan (the "2027 Term Loan") in an aggregate principal amount of $80.0 million (the "Term Commitment") maturing in January 2027. On April 14, 2022, the Company entered into the Amendment, Increase and Joinder to the 2027 Term Loan Credit Agreement (the "2027 Term Loan Amendment"), which increased the Term Commitment by $20 million to an aggregate of $100 million. The 2027 Term Loan Amendment also effectuated the transition of the underlying variable interest rate from LIBOR to SOFR. KeyBanc Capital Markets Inc., Regions Capital Markets, and U.S. Bank National Association acted as joint lead arrangers, with KeyBanc Capital Markets Inc. as sole book runner, and KeyBank National Association as administrative agent. KeyBank National Association, Regions Bank, U.S. Bank National Association, Bank of Montreal, Raymond James Bank, and The Huntington National Bank are lenders under the 2027 Term Loan. In addition, subsequent to the 2027 Term Loan Amendment, the Operating Partnership may request additional lender commitments of up to an additional $120.0 million.

Mortgage Notes Payable. On June 30, 2021, in connection with the acquisition of six net lease properties from CTO (the "CMBS Portfolio"), the Company assumed an existing $30.0 million secured mortgage, which bears interest at a fixed rate of 4.33%. The mortgage note matures in October 2034 and is prepayable without penalty beginning in October 2024. Additionally, on June 30, 2021, in connection with the acquisition of two net lease properties from an unrelated third party, the Company assumed mortgage notes totaling an aggregate of $1.6 million, which balance was repaid on July 1, 2021.

Long-term debt as of June 30, 2022 and December 31, 2021 consisted of the following (in thousands):

	June 30, 2022		December 31, 2021	
	Total	**Due Within One Year**	**Total**	**Due Within One Year**
Credit Facility	$ 72,500	$ —	$ 99,000	$ —
2026 Term Loan	100,000	—	60,000	—
2027 Term Loan	100,000	—	80,000	—
Mortgage Note Payable – CMBS Portfolio	30,000	—	30,000	—
Financing Costs, net of Accumulated Amortization	(1,527)	—	(1,260)	—
Total Long-Term Debt	$ 300,973	$ —	$ 267,740	$ —

Payments applicable to reduction of principal amounts as of June 30, 2022 will be required as follows (in thousands):

Year Ending December 31,	**Amount**
Remainder of 2022	$ —
2023	72,500
2024	—
2025	—
2026	100,000
2027	100,000
2028 and Thereafter	30,000
Total Long-Term Debt - Face Value	$ 302,500

The carrying value of long-term debt as of June 30, 2022 consisted of the following (in thousands):

	Total
Current Face Amount	$ 302,500
Financing Costs, net of Accumulated Amortization	(1,527)
Total Long-Term Debt	$ 300,973

In addition to the $1.5 million of financing costs, net of accumulated amortization included in the table above, as of June 30, 2022, the Company also had financing costs, net of accumulated amortization related to the Credit Facility 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 consolidated statements of operations.

The following table reflects a summary of interest expense incurred and paid during the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Interest Expense	$ 1,991	$ 594	$ 3,546	$ 1,084
Amortization of Deferred Financing Costs to Interest Expense	132	84	257	149
Total Interest Expense	$ 2,123	$ 678	$ 3,803	$ 1,233
Total Interest Paid	$ 1,840	$ 623	$ 3,352	$ 1,105

The Company was in compliance with all of its debt covenants as of June 30, 2022.

NOTE 10. INTEREST RATE SWAPS

The Company has entered into interest rate swap agreements to hedge against changes in future cash flows resulting from fluctuating interest rates related to the below noted borrowings. The interest rate agreements were 100% effective during the three and six months ended June 30, 2022. Accordingly, the changes in fair value on the interest rate swaps have been classified in accumulated other comprehensive income (loss). The fair value of the interest rate swap agreements are included in other assets and accrue and other liabilities, respectively, on the consolidated balance sheets. Information related to the Company's interest rate swap agreements are noted below (in thousands):

Hedged Item	Effective Date	Maturity Date	Rate	Amount	Fair Value as of June 30, 2022
2026 Term Loan (1)	5/21/2021	5/21/2026	0.80% + 0.10% + applicable spread	$ 60,000	$ 4,640
2027 Term Loan (2)	9/30/2021	11/26/2024	0.51%+ 0.10% + applicable spread	$ 80,000	$ 4,691
2027 Term Loan (3)	11/26/2024	1/31/2027	1.60%+ 0.10% + applicable spread	$ 80,000	$ 1,668

(1) Effective May 21, 2021, as amended on April 14, 2022 in connection with the 2026 Term Loan Amendment, the Company utilized interest rate swaps to fix SOFR and achieve a weighted average fixed interest rate of 0.80% plus the applicable spread on $60.0 million of the $100.0 million 2026 Term Loan balance. Prior to April 14, 2022, the swap was to fix LIBOR at a weighted average fixed interest rate of 0.81%)

(2) Effective September 30, 2021, as amended on April 14, 2022 in connection with the 2027 Term Loan Amendment, the Company utilized interest rate swaps, inclusive of its redesignation of the existing $50.0 million interest rate swap entered into as of April 30, 2020, to fix SOFR and achieve a weighted average fixed interest rate of 0.51% plus the applicable spread on $80.0 million of the $100.0 million 2027 Term Loan balance. Prior to April 14, 2022, the swap was to fix LIBOR at a weighted average fixed interest rate of 0.53%.

(3) The interest rate swap agreement hedges $80.0 million of the $100.0 million 2027 Term Loan balance under different terms and commences concurrent to the interest rate agreements maturing on November 26, 2024.

NOTE 11. 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. During the three months ended June 30, 2022, the Company sold 87,112 shares under the 2020 ATM Program for gross proceeds of $1.7 million at a weighted average price of $19.09 per share, generating net proceeds of $1.6 million after deducting transaction fees totaling $0.02 million. During the six months ended June 30, 2022, the Company sold 401,783 shares under the 2020 ATM Program for gross proceeds of $7.8 million at a weighted average price of $19.53 per share, generating net proceeds of $7.7 million after deducting transaction fees totaling $0.1 million. During the three months ended June 30, 2021, the Company sold 176,028 shares under the 2020 ATM Program for gross proceeds of $3.2 million at a weighted average price of $18.06 per share, generating net proceeds of $3.1 million after deducting transaction fees totaling $0.05 million. During the six months ended June 30, 2021, the Company sold 610,229 shares under the 2020 ATM Program for gross proceeds of $11.1 million at a weighted average price of $18.19 per share, generating net proceeds of $10.9 million after deducting transaction fees totaling $0.2 million.

FOLLOW-ON PUBLIC OFFERING

In June 2021, the Company completed a follow-on public offering of 3,220,000 shares of common stock, which included the full exercise of the underwriters' option to purchase an additional 420,000 shares of common stock. Upon closing, the Company issued 3,220,000 shares and received net proceeds of $54.3 million, after deducting the underwriting discount and expenses.

NONCONTROLLING INTEREST

As of June 30, 2022, CTO holds, directly and indirectly, a 9.1% noncontrolling ownership interest in the Operating Partnership as a result of 1,223,854 OP Units issued to CTO at the time of the Company's Formation Transactions, as further described in Note 1, "Business and Organization." An additional 3.5% noncontrolling ownership interest is held by an unrelated third party in connection with the issuance of 479,640 OP Units valued at $9.0 million in the aggregate, or $18.85 per unit. The issuance of 479,640 OP Units includes (i) 424,951 OP Units issued as consideration for the portfolio of nine net lease properties acquired on June 30, 2021 and (ii) 54,689 OP Units issued as consideration for the acquisition of one net lease property on July 12, 2021.

DIVIDENDS

The Company has elected to be taxed as a REIT for U.S. federal income tax purposes under the 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 June 30, 2022 and 2021, the Company declared and paid cash dividends on its common stock and OP Units of $0.27 per share and $0.25 per share, respectively. During the six months ended June 30, 2022 and 2021, the Company declared and paid cash dividends on its common stock and OP Units of $0.54 per share and $0.49 per share, respectively.

NOTE 12. 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.

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

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 14,282	$ 304	$ 15,088	$ 744
Weighted Average Number of Common Shares Outstanding	11,844,108	8,853,259	11,753,904	8,212,902
Weighted Average Number of Common Shares Applicable to OP Units using Treasury Stock Method [(1)]	1,703,494	1,228,524	1,703,494	1,226,202
Total Shares Applicable to Diluted Earnings per Share	13,547,602	10,081,783	13,457,398	9,439,104
Per Common Share Data:				
Net Income Attributable to Alpine Income Property Trust, Inc.				
Basic	$ 1.21	$ 0.03	$ 1.28	$ 0.09
Diluted	$ 1.05	$ 0.03	$ 1.12	$ 0.08

(1) Represents shares underlying OP units including (i) 1,223,854 shares underlying OP Units issued to CTO in connection with our Formation Transactions and (ii) 479,640 shares underlying OP Units issued to an unrelated third party in connection with the acquisition of ten net lease properties during the year ended December 31, 2021 (see Note 11, “Equity”).

NOTE 13. 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. There were no repurchases of the Company’s common stock during the six months ended June 30, 2022, or 2021.

NOTE 14. STOCK-BASED COMPENSATION

In connection with the closing of the IPO, 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.

On November 26, 2019, the Company granted restricted shares of common stock to each of the inaugural non-employee directors under the Individual Plan. Each of the inaugural 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 December 31, 2021, the first and second increments of this award had vested, leaving 2,668 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 one-time IPO-related grant of these 8,000 restricted shares of common stock, and the quarterly common stock grants to the non-employee directors in lieu of cash retainer fees (pursuant to the directors’ annual election under the Company’s Non-Employee Director Compensation Policy), 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.

A summary of activity for these awards during the six months ended June 30, 2022 is presented below:

Non-Vested Restricted Shares	Shares		Wtd. Avg. Fair Value
Non-Vested at January 1, 2022	2,668	$	18.80
Granted	—		—
Vested	—	$	—
Expired	—		—
Forfeited	—		—
Non-Vested at June 30, 2022	2,668	$	18.80

As of June 30, 2022, there was $0.02 million of unrecognized compensation cost related to the three-year vest restricted shares, which will be recognized over a remaining period of 0.4 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 six months ended June 30, 2022, the expense recognized for the value of the Company's common stock received by non-employee directors totaled $0.1 million, or 7,203 shares, of which 3,514 shares were issued on April 1, 2022 and 3,689 shares were issued on July 1, 2022. During the six months ended June 30, 2021, the expense recognized for the value of the Company's common stock received by non-employee directors totaled $0.1 million, or 6,978 shares, of which 3,453 were issued on April 1, 2021 and 3,525 shares were issued on July 1, 2021.

Stock compensation expense for the three and six months ended June 30, 2022 and 2021 is summarized as follows (in thousands):

	Three Months Ended				Six Months Ended			
	June 30, 2022		June 30, 2021		June 30, 2022		June 30, 2021	
Stock Compensation Expense – Director Restricted Stock	$	12	$	13	$	25	$	25
Stock Compensation Expense – Director Retainers Paid in Stock		66		66		132		127
Total Stock Compensation Expense	$	78	$	79	$	157	$	152

NOTE 15. RELATED PARTY MANAGEMENT COMPANY

We are externally managed by the Manager, a wholly owned subsidiary of CTO. Subsequent to the IPO, CTO purchased an aggregate 107,866 shares of PINE common stock in the open market including (i) 99,778 shares purchased during the six months ended June 30, 2022 for $1.8 million, or an average price per share of $17.99 and (ii) 8,088 shares purchased during the year ended December 31, 2021 for $0.1 million, or an average price per share of $17.65. As of June 30, 2022, CTO owns, in the aggregate, 1,223,854 OP Units and 923,656 shares of PINE common stock, inclusive of (i) 394,737 shares of common stock totaling $7.5 million issued in connection with the CTO Private Placement, (ii) 421,053 shares of common stock totaling $8.0 million issued in connection with the IPO, and (iii) 107,866 shares of common stock totaling $1.9 million purchased by CTO subsequent to the IPO. The aggregate 1,223,854 OP Units and 923,656 shares of PINE common stock held by CTO represent an investment totaling $38.5 million, or 15.8% of PINE's outstanding equity, as of June 30, 2022.

Management Agreement

On November 26, 2019, the Operating Partnership and PINE entered into a 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 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, 2021.

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

The Company incurred management fee expenses totaling $0.9 million and $1.9 million during the three and six months ended June 30, 2022, respectively. The Company also paid dividends on the common stock and OP Units owned by affiliates of the Manager in the amount of $0.6 million and $1.1 million for the three and six months ended June 30, 2022, respectively. The Company incurred management fee expenses totaling $0.7 million and $1.4 million during the three and six months ended June 30, 2021, respectively. 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 $1.0 million for the three and six months ended June 30, 2021, respectively.

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

	As of	
Description	**June 30, 2022**	**December 31, 2021**
Management Fee due to CTO	$ 948	$ 913
Other	(12)	388
Total (1)	$ 936	$ 1,301

(1) Included in accrued expenses, see Note 8, "Accounts Payable, Accrued Expenses, and Other Liabilities".

ROFO Agreement

On November 26, 2019, PINE also entered into an Exclusivity and Right of First Offer Agreement with CTO (the "ROFO Agreement"). During the term of the ROFO Agreement, CTO will not, and will cause each of its affiliates (which for purposes of the 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 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 ROFO Agreement, neither CTO nor any of its affiliates (which for purposes of the 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 ROFO Agreement will continue for so long as the Management Agreement with our Manager is in effect.

On April 6, 2021, the Company entered into a purchase and sale agreement with a certain subsidiary of CTO for the purchase of one net lease property for $11.5 million. The acquisition was completed on April 23, 2021.

On April 2, 2021, the Company entered into a purchase and sale agreement with certain subsidiaries of CTO for the purchase of the CMBS Portfolio. The terms of the purchase and sale agreement, as amended on April 20, 2021, provided a total purchase price of $44.5 million for the CMBS Portfolio. The acquisition of the CMBS Portfolio was completed on June 30, 2021.

On January 5, 2022, the Company entered into a purchase and sale agreement with a certain subsidiary of CTO for the purchase of one net lease property for $6.9 million. The acquisition was completed on January 7, 2022.

The entry into these purchase and sale agreements, and subsequent completion of the related acquisitions, are a result of the Company exercising its right to purchase the aforementioned properties under the ROFO Agreement.

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 net leased properties that would potentially fit the investment criteria for our Manager or its affiliates. Similarly, our Manager or its affiliates may acquire or sell net leased properties that would potentially fit our investment criteria. Although such acquisitions or dispositions could 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 of assets. If we acquire a net leased property from CTO or one of its affiliates or sell a 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 arm's 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 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 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 16. 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 17. SUBSEQUENT EVENTS

Subsequent events and transactions were evaluated through July 21, 2022 the date the consolidated financial statements were issued. There were no 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," 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, 2021.

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")). 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 properties; the impact of competitive real estate activity; the loss of any major property tenants; the ultimate geographic spread, severity and duration of pandemics such as the outbreak of COVID-19 and its variants, 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, 2021 for further discussion of these risks, as well as additional risks and uncertainties that could cause actual results or events to differ materially from those described in the Company's forward-looking statements. Given these risks and 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 143 net leased retail and office properties located in 98 markets in 35 states.

Twenty properties, representing our initial portfolio, were acquired from CTO Realty Growth, Inc. (“CTO”) in the formation transactions, 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”). As of June 30, 2022, eight of the properties included within our initial portfolio have been sold. Subsequent to June 30, 2022, one additional property included within our initial portfolio was sold.

We seek to acquire, own and operate primarily freestanding, commercial real estate properties located in the United States leased primarily pursuant to triple-net, long-term leases. We focus on investments primarily in retail properties. We 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 or who use a physical presence as a component of their omnichannel strategy. We also 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 respective markets and have rents at-or-below market rent levels. Furthermore, we believe that the size of our company allows us, for at least the near term, 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 143 properties in our portfolio are 100% occupied and represent 3.3 million of gross rentable square feet. As of June 30, 2022, our leases have a weighted-average remaining lease term of 8.0 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, including 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.

COMPARISON OF THE THREE MONTHS ENDED JUNE 30, 2022 AND 2021

The following presents the Company's results of operations for the three months ended June 30, 2022, as compared to the three months ended June 30, 2021 (in thousands):

	Three Months Ended			
	June 30, 2022	June 30, 2021	$ Variance	% Variance
Revenues:				
Lease Income	$ 11,280	$ 6,597	$ 4,683	71.0%
Total Revenues	11,280	6,597	4,683	71.0%
Operating Expenses:				
Real Estate Expenses	1,285	824	461	55.9%
General and Administrative Expenses	1,479	1,286	193	15.0%
Depreciation and Amortization	5,694	3,463	2,231	64.4%
Total Operating Expenses	8,458	5,573	2,885	51.8%
Gain on Disposition of Assets	15,637	—	15,637	100.0%
Net Income from Operations	18,459	1,024	17,435	1702.6%
Interest Expense	2,123	678	1,445	213.1%
Net Income	16,336	346	15,990	4621.4%
Less: Net Income Attributable to Noncontrolling Interest	(2,054)	(42)	(2,012)	(4790.5)%
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 14,282	$ 304	$ 13,978	4598.0%

Revenue and Direct Cost of Revenues

Revenue from our property operations during the three months ended June 30, 2022 and 2021, totaled $11.3 million and $6.6 million, respectively. The $4.7 million increase in revenues is reflective of the Company's volume of property acquisitions, partially offset by property sales. The direct costs of revenues for our property operations totaled $1.3 million and $0.8 million for the three months ended June 30, 2022 and 2021, respectively. The $0.5 million increase in the direct cost of revenues is also attributable to the Company's expanded property portfolio.

General and Administrative Expenses

The following table represents the Company's general and administrative expenses for the three months ended June 30, 2022, as compared to the three months ended June 30, 2021 (in thousands):

	Three Months Ended			
	June 30, 2022	June 30, 2021	$ Variance	% Variance
Management Fee to Manager	$ 948	$ 721	$ 227	31.5%
Director Stock Compensation Expense	78	79	(1)	(1.3)%
Director & Officer Insurance Expense	96	129	(33)	(25.6)%
Additional General and Administrative Expense	357	357	—	0.0%
Total General and Administrative Expenses	$ 1,479	$ 1,286	$ 193	15.0%

General and administrative expenses totaled $1.5 million and $1.3 million during the three months ended June 30, 2022 and 2021, respectively. The $0.2 million increase is primarily attributable to growth in the Company's equity base, which led to increased management fee expenses totaling $0.2 million.

Depreciation and Amortization

Depreciation and amortization expense totaled $5.7 million and $3.5 million during the three months ended June 30, 2022 and 2021, respectively. The $2.2 million increase in the depreciation and amortization expense is reflective of the Company's expanded property portfolio.

Gain on Disposition of Assets

During the three months ended June 30, 2022, the Company sold five properties for an aggregate sales price of $72.8 million, generating aggregate gains on sale of $15.6 million. No properties were sold during the three months ended June 30, 2021.

Interest Expense

Interest expense totaled $2.1 million and $0.7 million during the three months ended June 30, 2022 and 2021, respectively. The $1.4 million increase in interest expense is attributable to the higher average outstanding debt balance during the three months ended June 30, 2022 as compared to the same period in 2021. The overall increase in the Company's long-term debt was primarily utilized to fund the acquisitions of properties during the latter half of 2021 and year to date in 2022.

Net Income

Net income totaled $16.3 million and $0.3 million during the three months ended June 30, 2022 and 2021, respectively. The increase in net income is attributable to the factors described above.

COMPARISON OF THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

The following presents the Company's results of operations for the six months ended June 30, 2022, as compared to the six months ended June 30, 2021 (in thousands):

	Six Months Ended			
	June 30, 2022	**June 30, 2021**	**$ Variance**	**% Variance**
Revenues:				
Lease Income	$ 22,079	$ 12,487	$ 9,592	76.8%
Total Revenues	22,079	12,487	9,592	76.8%
Operating Expenses:				
Real Estate Expenses	2,377	1,475	902	61.2%
General and Administrative Expenses	2,910	2,316	594	25.6%
Depreciation and Amortization	11,366	6,606	4,760	72.1%
Total Operating Expenses	16,653	10,397	6,256	60.2%
Gain on Disposition of Assets	15,637	—	15,637	100.0%
Net Income from Operations	21,063	2,090	18,973	907.8%
Interest Expense	3,803	1,233	2,570	208.4%
Net Income	17,260	857	16,403	1914.0%
Less: Net Income Attributable to Noncontrolling Interest	(2,172)	(113)	(2,059)	(1822.1)%
Net Income Attributable to Alpine Income Property Trust, Inc.	$ 15,088	$ 744	$ 14,344	1928.0%

Revenue and Direct Cost of Revenues

Revenue from our property operations during the six months ended June 30, 2022 and 2021, totaled $22.1 million and $12.5 million, respectively. The $9.6 million increase in revenues is reflective of the Company's volume of property acquisitions, partially offset by property sales. The direct costs of revenues for our property operations totaled $2.4 million and $1.5 million for the six months ended June 30, 2022 and 2021, respectively. The $0.9 million increase in the direct cost of revenues is also attributable to the Company's expanded property portfolio.

General and Administrative Expenses

The following table represents the Company's general and administrative expenses for the six months ended June 30, 2022, as compared to the six months ended June 30, 2021 (in thousands):

	Six Months Ended			
	June 30, 2022	June 30, 2021	$ Variance	% Variance
Management Fee to Manager	$ 1,884	$ 1,359	$ 525	38.6%
Director Stock Compensation Expense	157	152	5	3.3%
Director & Officer Insurance Expense	192	257	(65)	(25.3)%
Additional General and Administrative Expense	677	548	129	23.5%
Total General and Administrative Expenses	$ 2,910	$ 2,316	$ 594	25.6%

General and administrative expenses totaled $2.9 million and $2.3 million during the six months ended June 30, 2022 and 2021, respectively. The $0.6 million increase is primarily attributable to growth in the Company's equity base, which led to increased management fee expenses totaling $0.5 million.

Depreciation and Amortization

Depreciation and amortization expense totaled $11.4 million and $6.6 million during the six months ended June 30, 2022 and 2021, respectively. The $4.8 million increase in the depreciation and amortization expense is reflective of the Company's expanded property portfolio.

Gain on Disposition of Assets

During the six months ended June 30, 2022, the Company sold five properties for an aggregate sales price of $72.8 million, generating aggregate gains on sale of $15.6 million. No properties were sold during the six months ended June 30, 2021.

Interest Expense

Interest expense totaled $3.8 million and $1.2 million during the six months ended June 30, 2022 and 2021, respectively. The $2.6 million increase in interest expense is attributable to the higher average outstanding debt balance during the six months ended June 30, 2022 as compared to the same period in 2021. The overall increase in the Company's long-term debt was primarily utilized to fund the acquisitions of properties during the latter half of 2021 and year to date in 2022.

Net Income

Net income totaled $17.3 million and $0.9 million during the six months ended June 30, 2022 and 2021, respectively. The increase in net income is attributable to the factors described above.

LIQUIDITY AND CAPITAL RESOURCES

Cash totaled $17.6 million as of June 30, 2022, including restricted cash of $15.1 million, see Note 2 "Summary of Significant Accounting Policies" under the heading Restricted Cash for the Company's disclosure related to its restricted cash balance as of June 30, 2022.

Long-Term Debt. As of June 30, 2022, the Company had an outstanding balance of $72.5 million on the $150 million revolving Credit Facility. The Company also had $200.0 million in term loans and $30.0 million in mortgage notes payable outstanding as of June 30, 2022. See Note 9, "Long-Term Debt" for the Company's disclosure related to its long-term debt balance at June 30, 2022.

Acquisitions and Dispositions. As further described in Note 3, "Property Portfolio," the Company (i) acquired 35 properties during the six months ended June 30, 2022 for an aggregate purchase price of $109.1 million and (ii) sold five properties for an aggregate sales price of $72.8 million, generating aggregate gains on sale of $15.6 million. One property was classified as held for sale as of June 30, 2022.

ATM Program. During the six months ended June 30, 2022, the Company sold 401,783 shares under the 2020 ATM Program for gross proceeds of $7.8 million at a weighted average price of $19.53 per share, generating net proceeds of $7.7 million.

Capital Expenditures. As of June 30, 2022, the Company had no commitments related to capital expenditures for the maintenance of fixed assets, such as land, buildings, and equipment.

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, proceeds from the completion of the sale of assets utilizing the reverse like-kind 1031 exchange structure, $78.2 million of availability remaining under the 2020 ATM Program, and $77.5 million of available capacity on the existing $150.0 million Credit Facility.

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 properties by utilizing capital that we raise 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 FFO and 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 above- and below-market lease related intangibles, non-cash compensation, and other non-cash income or expense. 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 or losses 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):

	Three Months Ended		Six Months Ended	
	June 30, 2022	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
Net Income	$ 16,336	$ 346	$ 17,260	$ 857
Depreciation and Amortization	5,694	3,463	11,366	6,606
Gain on Disposition of Assets	(15,637)	—	(15,637)	—
Funds From Operations	$ 6,393	$ 3,809	$ 12,989	$ 7,463
Adjustments:				
Straight-Line Rent Adjustment	(234)	(117)	(528)	(264)
COVID-19 Rent Repayments	22	114	45	385
Non-Cash Compensation	78	79	157	152
Amortization of Deferred Financing Costs to Interest Expense	132	84	257	149
Amortization of Intangible Assets and Liabilities to Lease Income	(69)	(50)	(170)	(91)
Other Non-Cash Expense (Income)	23	(5)	47	(11)
Recurring Capital Expenditures	—	(22)	—	(41)
Adjusted Funds From Operations	$ 6,345	$ 3,892	$ 12,797	$ 7,742
Weighted Average Number of Common Shares:				
Basic	11,844,108	8,853,259	11,753,904	8,212,902
Diluted	13,547,602	10,081,783	13,457,398	9,439,104

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

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
FFO	$ 6,393	$ 3,809	$ 12,989	$ 7,463
FFO per Diluted Share	$ 0.47	$ 0.38	$ 0.97	$ 0.79
AFFO	$ 6,345	$ 3,892	$ 12,797	$ 7,742
AFFO per Diluted Share	$ 0.47	$ 0.39	$ 0.95	$ 0.82

OFF-BALANCE SHEET ARRANGEMENTS

None.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates include those estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the Company's financial condition or results of operations. Our most significant estimate is as follows:

Purchase Accounting for Acquisitions of Real Estate Subject to a Lease. As required by GAAP, 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 assumptions underlying the allocation of relative fair values are based on market information including, but not limited to: (i) the estimate of replacement cost of improvements under the cost approach, (ii) the estimate of land values based on comparable sales under the sales comparison approach, and (iii) the estimate of future benefits determined by either a reasonable rate of return over a single year's net cash flow, or a forecast of net cash flows projected over a reasonable investment horizon under the income capitalization approach. The underlying assumptions are subject to uncertainty and thus any changes to the allocation of fair value to each of the various line items within the Company's consolidated balance sheets could have an impact on the Company's financial condition as well as results of operations due to resulting changes in depreciation and amortization as a result of the fair value allocation. The acquisitions of real estate subject to this estimate totaled 35 properties for a combined purchase price of $109.1 million for the six months ended June 30, 2022 and 23 properties for a combined purchase price of $103.2 million for the six months ended June 30, 2021.

See Note 2, "Summary of Significant Accounting Policies", for further discussion of the Company's accounting estimates and policies.

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 13(a)-15 and 15(d)-15 of the Securities Exchange Act of 1934 (the "Exchange Act") was carried out under the supervision and with the participation of the Company's management, including the 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) of the Exchange Act). Based on that evaluation, the CEO and CFO have concluded that the design and operation of the Company's disclosure controls and procedures are effective 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 SEC 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 its 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 six months ended June 30, 2022, 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 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.

ITEM 1A. RISK FACTORS

As of June 30, 2022, there have been no material changes in our risk factors from those set forth under the heading Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K"). The risks described in the 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.

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	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).
Exhibit 3.2	Second Amended and Restated Bylaws 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 July 22, 2021).
Exhibit 4.1	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).
Exhibit 10.1	Amendment, Increase and Joinder to Credit Agreement, dated as of April 14, 2022, among Alpine Income Property, OP, LP, Alpine Income Property Trust, Inc., the other Guarantors from time to time parties thereto, Truist Bank, N.A., and certain other lenders named therein (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 18, 2022).
Exhibit 10.2	Amendment, Increase and Joinder to Credit Agreement, dated as of April 14, 2022, among Alpine Income Property, OP, LP, Alpine Income Property Trust, Inc., the other Guarantors from time to time parties thereto, the Lenders from time to time parties thereto, and KeyBank National Association (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on April 18, 2022).
Exhibit 31.1	Certification filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification filed pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certification furnished pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	Certification furnished pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	Inline XBRL Instance Document
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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)
July 21, 2022	By: /s/ John P. Albright **John P. Albright** **President and Chief Executive Officer** **(Principal Executive Officer)**
July 21, 2022	By: /s/ Matthew M. Partridge **Matthew M. Partridge, Senior Vice President and Chief Financial Officer and Treasurer** **(Principal Financial Officer)**
July 21, 2022	By: /s/ Lisa M. Vorakoun **Lisa M. Vorakoun, Vice President and Chief Accounting Officer** **(Principal Accounting Officer)**

Exhibit 31.1

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: July 21, 2022

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

Exhibit 31.2

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: July 21, 2022

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

Exhibit 32.1

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 June 30, 2022, 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: July 21, 2022

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

**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 June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Matthew M. Partridge, Senior Vice President, Chief Financial Officer, and Treasurer 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: July 21, 2022

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