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Generation Income Properties CEO Provides Update for Shareholders

Company reports on Nasdaq compliance, capital structure simplification, and balance sheet improvement

TAMPA, FL / ACCESS Newswire / July 20, 2026 / Generation Income Properties, Inc. (NASDAQ:GIPR) today issued the following letter from David Sobelman, Chief Executive Officer to the Company's shareholders.

Dear Fellow Shareholders,

A year ago, Generation Income Properties stood at a crossroads. We were a small net lease REIT carrying a capital structure built for a different interest rate environment, managing Nasdaq compliance obligations, a maturing preferred equity arrangement, and a portfolio of assets that needed to be rationalized. None of those challenges were hidden from us, and none of them were treated as afterthoughts.

This letter is an attempt to explain - plainly and directly - what we have done over the past twelve months, why we made each decision, and where the company stands today. Before we walk through the details, we want to state the outcomes clearly, because they are worth stating:

- The Company is fulfilling its commitments to Nasdaq with respect to stockholders' equity compliance, completing the steps required under its plan. Nasdaq's formal review process is ongoing.
- Following the reverse stock split, the Company's common stock must trade above the Nasdaq minimum bid price threshold for the required period.
- As disclosed in our press release on July 17, 2026. Certain LP unit obligations that had been classified as liabilities on GIPR's balance sheet have been restructured into permanent equity, eliminating a significant structural headwind.
- The preferred equity obligation to Loci Capital that has been the Company's most significant capital cost has been significantly reduced - through a combination of property sale proceeds, operating distributions, and redemption payments. Work to fully retire the remaining balance is actively underway.
- A $5 million capital raise was completed in 2026, strengthening the Company's financial position and demonstrating that access to the public capital markets - one of

GIPR's core assets as a Nasdaq-listed company - remains intact.

- Throughout all of this, GIPR's underlying real estate portfolio maintained its performance. Properties remained leased.

The path to these outcomes was not straightforward. Some of the actions we took were dilutive. Some required us to sell properties we had worked to acquire. All of them were taken with a single objective: to keep this company compliant, solvent, and positioned to grow.

Where We Started

Approximately one year ago, GIPR's capital structure included a preferred equity obligation carrying a significant annual preferred return, a senior secured loan from Valley National Bank, and LP unit obligations that - under their original terms - carried cash redemption rights that classified the related balances as liabilities on our balance sheet. That classification created a structural headwind to Nasdaq equity compliance that could not be addressed through operations alone.

At the same time, the Company's common stock bid price had declined to a level that triggered a separate Nasdaq compliance notice under the minimum bid price rules. We were, in plain terms, managing two compliance deadlines simultaneously - one on equity, one on price - while also preparing for the maturity of our preferred equity obligation and managing an active portfolio of properties.

We want shareholders to understand the weight of that starting position. Each obligation compounded the others. The preferred equity redemption required capital we did not yet have. The equity compliance issue was connected to how our LP unit obligations were structured on the balance sheet. The bid price compliance clock was running independently of both. Addressing any one of these in isolation would not have been sufficient.

What We Did - Step by Step

The actions taken over the past year were sequential by design. Each step was a prerequisite for the next.

Restructuring the LP Unit Obligations. The most direct path to addressing Nasdaq's equity compliance requirements was reclassifying certain LP unit obligations from a liability to permanent equity on GIPR's balance sheet. This required a formal amendment to remove the cash redemption right - a negotiated outcome, not a unilateral one. When that amendment was executed, approximately $5.3 million was reclassified as permanent equity. This action formed the foundation of the Company's equity compliance plan.

Executing the Reverse Stock Split. The Company completed a 1-for-10 reverse stock split as a necessary step toward addressing the minimum bid price deficiency. The reverse split itself does not satisfy the requirement - Nasdaq's rules require that the Company's common stock close above $1.00 per share for ten consecutive trading days. We are under no illusions about how reverse splits are perceived, but they are a recognized and legitimate compliance tool, and the step was necessary.

Selling Properties - at a Profit. Over the past year and into the current period, GIPR completed the sale of multiple properties from its portfolio. These dispositions were not distressed sales. In aggregate, the property sales generated profits to the Company. The proceeds have been applied directly to reducing the preferred equity obligation and simplifying the capital structure.

Reducing the Preferred Equity Obligation. The preferred equity obligation that originated as one of the Company's most significant capital costs has been reduced significantly from the balance owed at origination. This reduction has occurred through a combination of property sale proceeds, operating distributions, and redemption payments made over the past three years. Active work to retire the remaining balance is underway, and the Company expects to resolve this obligation in full.

Completing the 2026 Capital Raise. In 2026, GIPR completed a $5 million capital raise. This raise served multiple purposes: it contributed to the Company's ability to address its obligations, it demonstrated that GIPR's access to the public capital markets remained functional, and that investors were willing to commit capital to the Company during a period of restructuring. Now that the compliance work is substantially complete and the balance sheet is materially cleaner, we anticipate additional capital raises, however, there can be no assurance as to the timing and quantity of such anticipated raises.

The Real Estate Foundation Held

We want to be explicit about something that can get lost in the complexity of capital structure discussions: GIPR's real estate portfolio did its job throughout this entire period.

Properties remained occupied. Rent was collected.

The pressures GIPR faced were cost of capital pressures. The preferred equity carried a significant preferred return that compounded against the Company's balance sheet every month it remained outstanding. The work of the past year has been about eliminating that cost - not about rescuing a failing real estate operation. The properties were always fine. The financing structure around them needed to be corrected.

Where We Go From Here

With the Company's compliance work substantially complete and the capital structure materially simplified, GIPR's focus shifts to two objectives:

First, retiring the remaining preferred equity obligation in full. The combination of active property sale proceeds and the capital raise currently in process is designed to fully extinguish this obligation. When it is retired, the preferred return that has been accruing against the Company's cash flows will be eliminated - a meaningful and immediate improvement to the Company's free cash position and its ability to operate and grow without encumbrance.

Second, positioning the Company for its next chapter. The $5 million raise completed in 2026 was a beginning. With this work substantially behind us and the balance sheet cleaner than it has been in several years, we anticipate seeking additional capital rasies however, there can be no assurance as to the timing and quantity of those raises. GIPR retains a core portfolio of net leased properties and a management team that never forgot its obligations to shareholders to continue finding solutions to complex problems.

A Final Word

We recognize that this has been a difficult period for shareholders. The stock price reflects that difficulty. We do not minimize it.

What we can tell you is that the decisions made over the past year were not made lightly, and they were not made without regard for shareholder value. They were made because we believed - and continue to believe - that a compliant, solvent, operationally independent GIPR is more valuable to shareholders than the alternative. A delisted company cannot raise capital in the public markets. A company that loses operational control to its preferred equity investor forfeits the ability to chart its own course.

We are still here. The preferred equity obligation that dominated our balance sheet for three years has been substantially addressed. The foundation of the business - the properties, the tenants, the high credit worthiness of our portfolio - never wavered.

We are grateful for the patience you have extended to us during this period, and we remain committed to demonstrating that it was warranted.

Respectfully,

David Sobelman

Chief Executive Officer

Generation Income Properties, Inc. (Nasdaq: GIPR)

About Generation Income Properties, Inc.

Generation Income Properties, Inc. (Nasdaq: GIPR) is an internally managed real estate investment trust focused on acquiring and owning single-tenant net lease properties leased to high-credit-quality tenants. The Company's portfolio consists of retail, office, and industrial properties located across multiple states. For more information, visit www.gipreit.com.

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. When used in this press release, in future filings with the Securities and Exchange Commission (the "SEC") or in other written or oral communications, statements which are not historical in nature, including those containing words such as "continue," "anticipate," "will," "estimate," "expect," "intend," "plan," and "project" and other similar words and expressions, are intended to signify forward-looking statements. Forward-looking statements are not *guarantees of future results and conditions but rather are subject to various risks and uncertainties. Statements regarding the following subjects, among others, may be forward-looking: statements regarding compliance with Nasdaq's listing requirements; statements regarding the Company's stockholders' equity and recent reverse stock split; statements regarding the Company's general ability to maintain the listing of its common stock on The Nasdaq Capital Market; and statements regarding the Company's plans to redeem outstanding preferred equity interests and pursue additional capital raises. Such statements are based on current expectations of management of the Company and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, among others, the risk that Nasdaq may not confirm that Company's satisfaction of the continuing listing requirements and that the Company's common stock may be delisted, the risk that the Company may not be able to timely redeem outstanding preferred equity, and the risk that additional sources of capital may not be available to the Company on acceptable terms. Please also refer to the risks detailed from time to time in the reports that the Company files with the SEC, including the Company's Annual Report on Form 10-K/A for the year ended December 31, 2025 filed with the SEC on April 3, 2026, as well as the Company's subsequent filings on Form 10-Q and periodic filings on Form 8-K, for additional factors that could cause actual results to differ materially from those stated or implied by such forward-looking statements. All forward-looking statements speak only as of the date on which they are made. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.*

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