

August 15, 2025



Generation Income Properties Announces Q2 2025 Financial and Operating Results

TAMPA, FL / [ACCESS Newswire](#) / August 15, 2025 / Generation Income Properties, Inc. (NASDAQ:GIPR) ("GIPR" or the "Company") today announced its three-month financial and operating results for the period ended June 30, 2025.

Portfolio

- Approximately **60%** of our portfolio's annualized rent as of June 30, 2025, was derived from tenants that have (or whose parent company has) an investment grade credit rating from a recognized credit rating agency of "BBB-" or better. Our largest tenants are General Services Administration, Dollar General, the City of San Antonio, exp U.S. Services, and Kohl's Corporation, who collectively contributed approximately **59%** our portfolio's annualized base rent as of June 30, 2025.
- Our portfolio is **98.6%** leased and occupied and tenants are currently 100% rent paying.
- Approximately **92%** of the leases in our current portfolio (based on ABR as of June 30, 2025) provide for increases in contractual base rent during future years of the current term or during the lease extension periods.
- Average effective annual rental per square foot is **\$16.24**.

Liquidity and Capital Resources

- \$356 thousand in total cash and cash equivalents as of June 30, 2025.
- Total mortgage loans, net was \$54.8 million as of June 30, 2025.

Financial Results

- During the six months ended June 30, 2025, total revenue from operations was \$4.8 million, as compared to \$4.7 million for the six months ended June 30, 2024.
- Operating expenses, including G&A, for the six months ended June 30, 2025 were \$1.06 million as compared to \$1.05 million for the six months ended June 30, 2024. Compensation costs decreased by \$79,519, or approximately 15.3% as management optimized staffing levels and overhead to align with the Company's scale.

- Net loss attributable to common shareholders was \$7.15 million for the six months ended June 30, 2025 as compared to \$5.18 million for the six months ended June 30, 2024.

Commenting on the quarter, a letter from CEO David Sobelman:

To my fellow GIPR Shareholders,

I would like to take this opportunity to update you on several important developments at Generation Income Properties (Nasdaq: GIPR). Most notably, over the past few weeks, you may have seen volatility in our share price and this letter will provide context on that as well as other portions of our efforts.

Extension and Compliance of Preferred Equity

As previously reported, we are pleased to report the successful extension of our preferred equity expiration date in our JV subsidiary by an additional year. This outcome was achieved because we remained in full compliance with the stringent covenants and underwriting thresholds established at the time of the original equity investment in 2023. This extension reinforces the strength of our financial management and provides us with additional flexibility in executing our long-term business strategy.

LOCI Capital Recapitalization Efforts

Separately, we remain in active discussions to fully recapitalize LOCI Capital's preferred equity in our JV subsidiary. While there is no definitive timeline to do so, our intention is to complete this process as soon as possible. In the meantime, GIPR currently remains able to meet all of its debt and equity obligations without interruption and remains in regular communication with LOCI and their principals.

Recent Share Price Activity

We have seen a notable decline in GIPR's share price recently. We believe that this has been driven primarily by large block trades executed over a short period by, what we believe to be, our former largest shareholder, who appears to have sold either all or a substantial portion of their holdings based on information available to us. This shareholder acquired their shares in the Modiv Industrial REIT (NYSE: MDV) transaction we completed in 2023, so they did not actually purchase GIPR shares in a traditional cash transaction. With that, we believe that the vast majority of MDV shareholders, at least the largest ones, may no longer be significant shareholders of GIPR.

While shareholder transactions are outside of our control, the size and speed of these recent trades created short-term market pressure on the stock. As a result of these changes in ownership, at last look, I am now the second largest shareholder of GIPR and continue to be the most financially exposed individual to the company's performance-aligning my interests directly with all shareholders.

Personal Financial Commitment

While I have previously outlined portions of my personal financial exposure to Generation Income Properties, it's important that, during this market, I am more emphatic about this

topic. My exposure to GIPR is significant, encompassing the shares I have both purchased and been granted, as well as the personal guarantees I have undertaken to secure the most favorable loan rates and terms possible for a company of our size. I have also contributed personal cash to the company at various times to ensure short-term cash flow needs were met without placing an additional burden on shareholders. In addition, I have deferred substantial portions of my compensation in order to preserve liquidity and help the company navigate the challenging capital markets environment we face today. These actions were taken with one objective in mind - to protect shareholders while providing every opportunity possible to get through this period.

Portfolio Rent Collection

Our portfolio continues to perform at a high level, with 100% rent collection across all leased properties. This consistent performance is underpinned by the composition of our portfolio, which is approximately 60% leased to investment-grade tenants. Historically, such tenants demonstrate a higher probability of timely rent payments and greater resilience-particularly during periods of capital market volatility or broader economic uncertainty. We actively monitor every asset on a daily basis to ensure operational stability, maintain tenant satisfaction, and safeguard the income stream that supports our long-term shareholder value.

Property Sale in Progress

We are exploring strategic asset sales to maximize property values in the current market and to pay off debt and equity obligations. We are under contract to sell our Fresenius (NYSE: FMS) property in Chicago, IL with a scheduled closing date at the end of August 2025. This transaction is consistent with our strategy to optimize our portfolio and provide future opportunities for both debt and equity.

Strategic Alternatives Process

As previously disclosed, we are engaged in a strategic alternatives process to explore potential paths to maximize shareholder value. These alternatives may include a merger, reverse merger, or outright sale of the Company. While we are ultimately unsure of whether a transaction will occur altogether, we are encouraged by the level of interest we have received-many potential counterparties have already executed and returned non-disclosure agreements (NDAs), which is a mandatory step in any strategic transaction process.

In Closing

I realize that there are a lot of "moving parts" within our Company and, as a shareholder, you may not want to delve deeply into our filings, hence the reason I outline our most material efforts in this letter. To reiterate this point, our portfolio remains strong, our rent collections are at 100% and we have managed our maturity schedules well. These facts are not reflected in our current price and an undervaluation of our securities remains a topic of discussion. Our focus remains on protecting and growing shareholder value through prudent asset management, disciplined financial practices, and the exploration of all opportunities that can enhance the company's future. I deeply appreciate your continued confidence in our management team and strategy, and I remain fully aligned with you in seeking the best possible ways to maximize the value of our Company for our stakeholders.

Sincerely,

David Sobelman
Chairman & Chief Executive Officer
Generation Income Properties, Inc.
(Nasdaq:GIPR)

About Generation Income Properties

Generation Income Properties, Inc., located in Tampa, Florida, is an internally managed real estate investment trust formed to acquire and own, directly and jointly, real estate investments focused on retail, office, and industrial net lease properties in densely populated submarkets. Additional information about Generation Income Properties, Inc. can be found at the Company's corporate website: www.gipreit.com.

Forward-Looking Statements

This Current Report on Form 8-K may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. Words such as "anticipate," "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. Such statements are based on management's current expectations 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.

Investors are cautioned that there can be no assurance actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Please refer to the risks detailed from time to time in the reports we file with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 28, 2025, as well as other 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. We disclaim 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.

Notice Regarding Non-GAAP Financial Measures

In addition to our reported results and net earnings per diluted share, which are financial measures presented in accordance with GAAP, this press release contains and may refer to certain non-GAAP financial measures, including Funds from Operations ("FFO"), Core Funds From Operations ("Core FFO"), Adjusted Funds from Operations ("AFFO"), Core Adjusted Funds from Operations ("Core AFFO"), and Net Operating Income ("NOI"). We believe the use of Core FFO, Core AFFO and NOI 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 related measures, including NOI, should not be considered alternatives to net income as a performance measure or to cash flows from operations, as reported on our statement of cash flows, or as a liquidity measure, and should be considered in addition to, and not in lieu of, GAAP financial measures. You should not consider our Core FFO, Core AFFO, or NOI as an alternative to net income or cash flows from operating

activities determined in accordance with GAAP. Our reconciliation of non-GAAP measures to the most directly comparable GAAP financial measure and statements of why management believes these measures are useful to investors are included below.

Our reported results are presented in accordance with GAAP. We also disclose funds from operations ("FFO"), adjusted funds from operations ("AFFO"), core funds from operations ("Core FFO") and core adjusted funds of operations ("Core AFFO") all of which are non-GAAP financial measures. We believe these 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 related measures 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 or loss 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 ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude extraordinary items (as defined by GAAP), net gains 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. We then adjust FFO for non-cash revenues and expenses such as amortization of deferred financing costs, above and below market lease intangible amortization, straight line rent adjustment where the Company is both the lessor and lessee, and non-cash stock compensation to calculate Core AFFO.

FFO is used by management, investors, and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers primarily because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. We believe that AFFO is an additional useful supplemental measure for investors to consider because it will help them to better assess our operating performance without the distortions created by other non-cash revenues or expenses. FFO and AFFO may not be comparable to similarly titled measures employed by other companies. We believe that Core FFO and Core AFFO are useful measures for management and investors because they further remove the effect of non-cash expenses and certain other expenses that are not directly related to real estate operations. We use each as measures of our performance when we formulate corporate goals.

As FFO excludes depreciation and amortization, gains and losses from property dispositions that are available for distribution to stockholders and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs, providing a perspective not immediately apparent from net income or loss. However, FFO should not be viewed as an alternative measure of our operating performance since it does not reflect either depreciation and amortization costs or the level of capital expenditures and leasing costs necessary to maintain the operating

performance of our properties which could be significant economic costs and could materially impact our results from operations. Additionally, FFO does not reflect distributions paid to redeemable non-controlling interests.

Investor Contacts

Investor Relations

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SOURCE: Generation Income Properties

View the original [press release](#) on ACCESS Newswire