
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2024

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: 001-36769

FRP HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of
incorporation or organization)

47-2449198

(I.R.S. Employer Identification No.)

**200 W. Forsyth St., 7th Floor,
Jacksonville, FL**

(Address of principal executive offices)

32202

(Zip Code)

904- 396-5733

(Registrant's telephone number, including area code)

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$.10 par value	FRPH	NASDAQ

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," "non-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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 5, 2024
Common Stock, \$.10 par value per share	19,030,474 shares

FRP HOLDINGS, INC.
FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2024

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Preliminary Note Regarding Forward-Looking Statements.

This Quarterly Report on Form 10-Q, together with other statements and information publicly disseminated by us, contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words or phrases “anticipate,” “estimate,” “believe,” “budget,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” and similar expressions identify forward-looking statements. Such statements reflect management’s current views with respect to financial results related to future events and are based on assumptions and expectations that may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial or otherwise, may differ, perhaps materially, from the results discussed in the forward-looking statements. Risk factors discussed in Item 1A of this Form 10-Q and other factors that might cause differences, some of which could be material, include, but are not limited to: the possibility that we may be unable to find appropriate investment opportunities; levels of construction activity in the markets served by our mining properties; demand for flexible warehouse/office facilities in the MidAtlantic and Florida; multifamily demand in Washington D.C., and Greenville, South Carolina; our ability to obtain zoning and entitlements necessary for property development; the impact of lending and capital market conditions on our liquidity, our ability to finance projects or repay our debt; general real estate investment and development risks; vacancies in our properties; risks associated with developing and managing properties in partnership with others; competition; our ability to renew leases or re-lease spaces as leases expire; illiquidity of real estate investments; bankruptcy or defaults of tenants; the impact of restrictions imposed by our credit facility; the level and volatility of interest rates; environmental liabilities; inflation risks; cyber security risks; as well as other risks listed from time to time in our SEC filings, including but not limited to, our annual and quarterly reports. We have no obligation to revise or update any forward-looking statements, other than as imposed by law, as a result of future events or new information. Readers are cautioned not to place undue reliance on such forward-looking statements. Additional information regarding these and other risk factors may be found in the Company’s other filings made from time to time with the Securities and Exchange Commission.

PART I. FINANCIAL INFORMATION, ITEM 1. FINANCIAL STATEMENTS

FRP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited) (In thousands, except share data)

	September 30 2024	December 31 2023
Assets:		
Real estate investments at cost:		
Land	\$ 168,958	141,602
Buildings and improvements	283,104	282,631
Projects under construction	29,414	10,845
Total investments in properties	481,476	435,078
Less accumulated depreciation and depletion	75,183	67,758
Net investments in properties	406,293	367,320
Real estate held for investment, at cost	11,290	10,662
Investments in joint ventures	157,272	166,066
Net real estate investments	574,855	544,048
Cash and cash equivalents	144,681	157,555
Cash held in escrow	981	860
Accounts receivable, net	1,826	1,046
Federal and state income taxes receivable	—	337
Unrealized rents	1,395	1,640
Deferred costs	2,569	3,091
Other assets	611	589
Total assets	\$ 726,918	709,166
Liabilities:		
Secured notes payable	\$ 178,816	178,705
Accounts payable and accrued liabilities	6,060	8,333
Other liabilities	1,487	1,487
Federal and state income taxes payable	452	—
Deferred revenue	2,392	925
Deferred income taxes	68,356	69,456
Deferred compensation	1,451	1,409
Tenant security deposits	801	875
Total liabilities	259,815	261,190
Commitments and contingencies	—	—
Equity:		
Common stock, \$.10 par value		
25,000,000 shares authorized,		
19,030,474 and 18,968,448 shares issued		
and outstanding, respectively	1,903	1,897
Capital in excess of par value	68,313	66,706
Retained earnings	350,588	345,882
Accumulated other comprehensive income, net	80	35
Total shareholders' equity	420,884	414,520
Noncontrolling interests	46,219	33,456
Total equity	467,103	447,976
Total liabilities and equity	\$ 726,918	709,166

See accompanying notes.

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share amounts)
(Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2024	2023	2024	2023
Revenues:				
Lease revenue	\$ 7,434	7,509	\$ 21,850	21,773
Mining royalty and rents	3,199	3,082	9,393	9,628
Total revenues	10,633	10,591	31,243	31,401
Cost of operations:				
Depreciation/depletion/amortization	2,551	2,816	7,629	8,415
Operating expenses	1,860	2,012	5,429	5,574
Property taxes	850	919	2,517	2,745
General and administrative	2,289	1,948	6,883	6,150
Total cost of operations	7,550	7,695	22,458	22,884
Total operating profit	3,083	2,896	8,785	8,517
Net investment income	2,304	2,700	8,795	8,207
Interest expense	(742)	(1,116)	(2,482)	(3,251)
Equity in loss of joint ventures	(2,839)	(2,913)	(8,582)	(10,585)
(Loss) gain on sale of real estate	—	(1)	—	7
Income before income taxes	1,806	1,566	6,516	2,895
Provision for income taxes	427	467	1,743	898
Net income	1,379	1,099	4,773	1,997
Income (loss) attributable to noncontrolling interest	18	(160)	67	(425)
Net income attributable to the Company	<u>\$ 1,361</u>	<u>1,259</u>	<u>\$ 4,706</u>	<u>2,422</u>
Earnings per common share ⁽¹⁾:				
Net income attributable to the Company-				
Basic	\$.07	.07	\$.25	.13
Diluted	\$.07	.07	\$.25	.13
Number of shares (in thousands) used in computing ⁽¹⁾:				
-basic earnings per common share	18,887	18,846	18,877	18,846
-diluted earnings per common share	18,972	18,920	18,967	18,926

(1) Adjusted for the 2 for 1 stock split that occurred in April 2024

See accompanying notes.

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands except per share amounts)
(Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30,	
	2024	2023	2024	2023
Net income	\$ 1,379	1,099	\$ 4,773	1,997
Other comprehensive income (loss) net of tax:				
Unrealized gain on investments, net of income tax effect of \$21, \$145, \$21 and \$360	66	392	68	972
Minimum pension liability, net of income tax effect of \$(2), \$(3), \$(8) and \$(8)	(8)	(8)	(23)	(24)
Comprehensive income	\$ 1,437	1,483	\$ 4,818	2,945
Less comp. income (loss) attributable to noncontrolling interests	18	(160)	67	(425)
Comprehensive income attributable to the Company	<u>\$ 1,419</u>	<u>1,643</u>	<u>\$ 4,751</u>	<u>3,370</u>

See accompanying notes

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands) (Unaudited)

	2024	2023
Cash flows from operating activities:		
Net income	\$ 4,773	1,997
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	7,840	8,557
Deferred income taxes	(1,100)	(57)
Equity in loss of joint ventures	8,582	10,585
Gain on sale of equipment and property	(27)	(14)
Stock-based compensation	1,613	1,472
Net changes in operating assets and liabilities:		
Accounts receivable	(780)	(517)
Deferred costs and other assets	552	(538)
Accounts payable and accrued liabilities	(806)	(1,512)
Income taxes payable and receivable	789	686
Other long-term liabilities	(32)	62
Net cash provided by operating activities	<u>21,404</u>	<u>20,721</u>
Cash flows from investing activities:		
Investments in properties	(47,089)	(4,634)
Investments in joint ventures	(14,219)	(31,648)
Return of capital from investments in joint ventures	14,428	7,559
Proceeds from the sale of assets	27	16
Cash held in escrow	(121)	151
Net cash used in investing activities	<u>(46,974)</u>	<u>(28,556)</u>
Cash flows from financing activities:		
Distribution to noncontrolling interests	(2,406)	(2,437)
Contributions from noncontrolling interest	15,102	—
Repurchase of Company stock	—	(2,000)
Exercise of employee stock options	—	803
Net cash provided by (used in) financing activities	<u>12,696</u>	<u>(3,634)</u>
Net decrease in cash and cash equivalents	(12,874)	(11,469)
Cash and cash equivalents at beginning of year	<u>157,555</u>	<u>177,497</u>
Cash and cash equivalents at end of the period	<u><u>\$ 144,681</u></u>	<u><u>166,028</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ 2,459	\$ 3,248
Income taxes	2,067	622

See accompanying notes.

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands, except share amounts) (Unaudited)

	Common Stock		Capital in Excess of Par	Retained Earnings	Accum. Other Comp- rehensive Income (loss), net	Total Share holders' Equity	Non- Controlling Interests	Total Equity
	Shares	Amount	Value					
Balance at July 1, 2024	19,030,474	\$ 1,903	\$ 67,980	\$349,227	\$ 22	\$419,132	\$ 32,016	\$451,148
Stock option grant compensation	—	—	19	—	—	19	—	19
Restricted stock compensation	—	—	314	—	—	314	—	314
Net income	—	—	—	1,361	—	1,361	18	1,379
Contributions from partner	—	—	—	—	—	—	15,102	15,102
Distributions to partners	—	—	—	—	—	—	(917)	(917)
Minimum pension liability, net	—	—	—	—	(8)	(8)	—	(8)
Unrealized loss on investment, net	—	—	—	—	66	66	—	66
Balance at September 30, 2024	<u>19,030,474</u>	<u>\$ 1,903</u>	<u>\$ 68,313</u>	<u>\$350,588</u>	<u>\$ 80</u>	<u>\$420,884</u>	<u>\$ 46,219</u>	<u>\$467,103</u>
Balance at January 1, 2024	18,968,448	1,897	66,706	345,882	35	414,520	33,456	447,976
Stock option grant compensation	—	—	58	—	—	58	—	58
Restricted stock compensation	—	—	955	—	—	955	—	955
Shares granted to Directors	19,356	2	598	—	—	600	—	600
Restricted stock award	42,670	4	(4)	—	—	—	—	—
Net income	—	—	—	4,706	—	4,706	67	4,773
Contributions from partner	—	—	—	—	—	—	15,102	15,102
Distributions to partners	—	—	—	—	—	—	(2,406)	(2,406)
Minimum pension liability, net	—	—	—	—	(23)	(23)	—	(23)
Unrealized loss on investment, net	—	—	—	—	68	68	—	68
Balance at September 30, 2024	<u>19,030,474</u>	<u>\$ 1,903</u>	<u>\$ 68,313</u>	<u>\$350,588</u>	<u>\$ 80</u>	<u>\$420,884</u>	<u>\$ 46,219</u>	<u>\$467,103</u>
Balance at July 1, 2023	18,991,346	\$ 1,900	\$ 66,078	\$342,610	\$ (712)	\$409,876	\$ 35,116	\$444,992
Stock option grant compensation	—	—	16	—	—	16	—	16
Restricted stock compensation	—	—	255	—	—	255	—	255
Shares purchased and cancelled	(37,138)	(4)	(129)	(867)	—	(1,000)	—	(1,000)
Net income	—	—	—	1,259	—	1,259	(160)	1,099
Distributions to partners	—	—	—	—	—	—	(752)	(752)
Minimum pension liability, net	—	—	—	—	(8)	(8)	—	(8)
Unrealized loss on investment, net	—	—	—	—	392	392	—	392
Balance at September 30, 2023	<u>18,954,208</u>	<u>\$ 1,896</u>	<u>\$ 66,220</u>	<u>\$343,002</u>	<u>\$ (328)</u>	<u>\$410,790</u>	<u>\$ 34,204</u>	<u>\$444,994</u>
Balance at January 1, 2023	18,919,372	\$ 1,892	\$ 64,212	\$342,317	\$ (1,276)	\$407,145	\$ 37,066	\$444,211
Exercise of stock options	35,470	4	799	—	—	803	—	803
Stock option grant compensation	—	—	49	—	—	49	—	49
Restricted stock compensation	—	—	773	—	—	773	—	773
Shares granted to Employees	1,856	—	50	—	—	50	—	50
Shares granted to Directors	20,760	2	598	—	—	600	—	600
Restricted stock award	50,568	4	(4)	—	—	—	—	—
Shares purchased and cancelled	(73,818)	(6)	(257)	(1,737)	—	(2,000)	—	(2,000)
Net income	—	—	—	2,422	—	2,422	(425)	1,997
Distributions to partners	—	—	—	—	—	—	(2,437)	(2,437)
Minimum pension liability, net	—	—	—	—	(24)	(24)	—	(24)
Unrealized loss on investment, net	—	—	—	—	972	972	—	972
Balance at September 30, 2023	<u>18,954,208</u>	<u>\$ 1,896</u>	<u>\$ 66,220</u>	<u>\$343,002</u>	<u>\$ (328)</u>	<u>\$410,790</u>	<u>\$ 34,204</u>	<u>\$444,994</u>

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024
(Unaudited)

(1) Description of Business and Basis of Presentation.

FRP Holdings, Inc. is a holding company engaged in the real estate business, namely (i) leasing and management of commercial properties owned by the Company, (ii) leasing and management of mining royalty land owned by the Company, (iii) real property acquisition, entitlement, development and construction primarily for apartment, retail, warehouse, and office, (iv) leasing and management of residential apartment buildings.

The accompanying consolidated financial statements include the accounts of FRP Holdings, Inc. (the "Company" or "FRP") inclusive of our operating real estate subsidiaries, FRP Development Corp. ("Development"), Florida Rock Properties, Inc. ("Properties"), Riverfront Investment Partners I, LLC, and Riverfront Investment Partners II, LLC. Our investments accounted for under the equity method of accounting are detailed in Note 11. Our ownership of Riverfront Investment Partners I, LLC, Riverfront Investment Partners II, LLC, Lakeland Logistics Park Venture, LLC, and Davie Logistics Park Venture, LLC includes a non-controlling interest representing the ownership of our partners.

These statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-Q and do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair statement of the results for the interim periods have been included. Operating results for the nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. The accompanying consolidated financial statements and the information included under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's Form 10-K for the year ended December 31, 2023.

During the 4th quarter of 2023, the Company renamed two of its reportable segments in order to clearly define projects within those segments. The Asset Management segment was renamed the Industrial and Commercial segment and the Stabilized Joint Venture segment was renamed the Multifamily Segment.

On April 12, 2024, the Company effected a 2-for-1 forward split of its common stock in the nature of a dividend. All share and per share information, including share-based compensation, throughout this report have been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of \$0.10 per share. Accordingly, an amount equal to the par value of the increased shares resulting from the stock split was reclassified from capital in excess of par value to common stock.

(2) Recently Issued Accounting Standards.

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023 - 07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which requires disclosure of the significant segment expense categories that are regularly provided to the chief operating decision maker (CODM) and disclosure of the individual or committee identified as the CODM beginning with our 10-K for 2024. We are evaluating the impact of this standard on our segment disclosures.

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires additional information about the effective tax rate reconciliation and income taxes paid beginning with our 10-K for 2025. We are evaluating the impact of this standard on our income tax disclosures.

(3) Business Segments.

The Company is reporting its financial performance based on four reportable segments, Industrial and Commercial (previously named Asset Management), Mining Royalty Lands, Development, and Multifamily (previously named Stabilized Joint Venture), as described below.

The Industrial and Commercial Segment owns, leases and manages in-service commercial properties. Currently this includes nine warehouses in two business parks, an office building partially occupied by the Company, and two ground leases all wholly owned by the Company. This segment will also include joint ventures of commercial properties when they are stabilized.

Our Mining Royalty Lands Segment owns several properties totaling approximately 16,650 acres currently under lease for mining rents or royalties (this does not include the 4,280 acres owned in our Brooksville joint venture with Vulcan Materials). Other than one location in Virginia, all of these properties are located in Florida and Georgia.

Through our Development Segment, we own and are continuously assessing the highest and best use of several parcels of land that are in various stages of development. Our overall strategy in this segment is to convert all of our non-income producing lands into income production through (i) an orderly process of constructing new buildings for us to own and operate or (ii) a sale to, or joint venture with, third parties. Additionally, our Development segment will form joint ventures on new developments of land not previously owned by the Company. Two of our joint ventures in the segment, Lakeland Logistics Park Venture, LLC ("Lakeland") and Davie Logistics Park Venture, LLC ("Davie") are consolidated.

The Multifamily Segment includes joint ventures which own, lease and manage apartment projects that have met our initial lease-up criteria. Two of our joint ventures in the segment, Riverfront Investment Partners I, LLC ("Dock 79") and Riverfront Investment Partners II, LLC ("The Maren") are consolidated.

The ownership of our consolidated joint ventures attributable to our partners are reflected on our consolidated balance sheet as a noncontrolling interest. Such noncontrolling interests are reported on the Consolidated Balance Sheets within equity but separately from shareholders' equity. On the Consolidated Statements of Income, all of the revenues and expenses from our consolidated joint ventures are reported in net income, including both the amounts attributable to the Company and the noncontrolling interest. The amounts of consolidated net income attributable to the noncontrolling interest is clearly identified on the accompanying Consolidated Statements of Income.

Operating results and certain other financial data for the Company's business segments are as follows (in thousands):

	Three Months ended September 30,		Nine Months ended September 30,	
	2024	2023	2024	2023
Revenues:				
Industrial and commercial	\$ 1,455	1,442	\$ 4,353	3,932
Mining royalty lands	3,199	3,082	9,393	9,628
Development	297	434	905	1,387
Multifamily	5,682	5,633	16,592	16,454
	<u>\$ 10,633</u>	<u>10,591</u>	<u>\$ 31,243</u>	<u>31,401</u>
Operating profit (loss):				
Before general and administrative expenses:				
Industrial and commercial	\$ 842	838	\$ 2,484	2,251
Mining royalty lands	2,946	2,745	8,655	8,781
Development	25	221	102	445
Multifamily	1,559	1,040	4,427	3,190
Operating profit before G&A	<u>5,372</u>	<u>4,844</u>	<u>15,668</u>	<u>14,667</u>
Total general and administrative expenses	<u>2,289</u>	<u>1,948</u>	<u>6,883</u>	<u>6,150</u>
	<u>\$ 3,083</u>	<u>2,896</u>	<u>\$ 8,785</u>	<u>8,517</u>
Interest expense	\$ 742	\$ 1,116	\$ 2,482	3,251
Depreciation, depletion and amortization:				
Industrial and commercial	\$ 360	369	\$ 1,083	1,006
Mining royalty lands	163	138	471	472
Development	43	44	128	140
Multifamily	1,985	2,265	5,947	6,797
	<u>\$ 2,551</u>	<u>2,816</u>	<u>\$ 7,629</u>	<u>8,415</u>
Capital expenditures:				
Industrial and commercial	\$ 235	12	\$ 628	557
Mining royalty lands	18	—	60	—
Development	34,265	2,179	46,146	3,640
Multifamily	53	258	255	437
	<u>\$ 34,571</u>	<u>2,449</u>	<u>\$ 47,089</u>	<u>4,634</u>

	September 30, 2024	December 31, 2023
Identifiable net assets		
Industrial and commercial	\$ 38,117	38,784
Mining royalty lands	47,733	48,072
Development	142,269	212,384
Multifamily	351,637	249,750
Cash items	145,662	158,415
Unallocated corporate assets	1,500	1,761
	<u>\$ 726,918</u>	<u>709,166</u>

(4) Related Party Transactions.

The Company was a party to an Administrative Services Agreement which resulted from our January 30, 2015 spin-off of Patriot Transportation Holding, Inc. (Patriot). The Administrative Services Agreement set forth the terms on which Patriot provided FRP certain services that were shared prior to the Spin-off, including the services of certain shared executive officers. The boards of the respective companies amended and extended this agreement for one year effective April 1, 2023. Patriot was purchased by an unaffiliated company in December 2023 resulting in FRP and Patriot no longer being related parties. The previously shared executive officers became FRP employees as of January 1, 2024.

The consolidated statements of income reflect charges and/or allocation from Patriot for these services of \$687,000 for the nine months ended September 30, 2023. These charges are reflected as part of general and administrative expense.

To determine these allocations between FRP and Patriot as set forth in the Administrative Services Agreement, we employ an allocation method to allocate said expenses and thus we believe that the allocations to FRP are a reasonable approximation of the costs related to FRP's operations, but any such related-party transactions cannot be presumed to be carried out on an arm's-length basis.

(5) Long-Term Debt.

The Company's outstanding debt, net of unamortized debt issuance costs, consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Fixed rate mortgage loans, 3.03% interest only, matures 4/1/2033	\$ 180,070	180,070
Unamortized debt issuance costs	(1,254)	(1,365)
Credit agreement	—	—
	<u>\$ 178,816</u>	<u>178,705</u>

On December 22, 2023, the Company entered into a 2023 Amended and Restated Credit Agreement (the "Credit Agreement") with Wells Fargo Bank, N.A. ("Wells Fargo"), effective December 22, 2023. The Credit Agreement modifies the Company's prior Credit Agreement with Wells Fargo dated January 30, 2015. The Credit Agreement establishes a three-year revolving credit facility with a maximum facility amount of \$35 million. The interest rate under the Credit Agreement will be 2.25% over the Daily Simple SOFR in effect. A commitment fee of 0.35% per annum is payable quarterly on the unused portion of the commitment. As of September 30, 2024, there was no debt outstanding on this revolver, \$548,000 outstanding under letters of credit and \$34,452,000 available for borrowing. The letters of credit were issued to guarantee certain obligations to

state agencies related to real estate development. Most of the letters of credit are irrevocable for a period of one year and typically are automatically extended for additional one-year periods. The letter of credit fee is 2.25% and applicable interest rate would have been 7.08% on September 30, 2024. The credit agreement contains affirmative financial covenants and negative covenants, including a minimum tangible net worth. As of September 30, 2024, these covenants would have limited our ability to pay dividends to a maximum of \$102.6 million combined.

On March 19, 2021, the Company refinanced Dock 79 and The Maren pursuant to separate Loan Agreements and Deed of Trust Notes entered into with Teachers Insurance and Annuity Association of America, LLC. Dock 79 and The Maren borrowed principal sums of \$92,070,000 and \$88,000,000 respectively, in connection with the refinancing. The loans are separately secured by the Dock 79 and The Maren real property and improvements, bear a fixed interest rate of 3.03% per annum, and require monthly payments of interest only with the principal due in full April 1, 2033. Either loan may be prepaid subsequent to April 1, 2024, subject to yield maintenance premiums. Either loan may be transferred to a qualified buyer as part of a one-time sale subject to a 60% loan to value, minimum of 7.5% debt yield and a 0.75% transfer fee.

Debt cost amortization of \$45,000 and \$37,000 was recorded during the three months ended September 30, 2024 and 2023, respectively. Debt cost amortization of \$134,000 and \$111,000 was recorded during the nine months ended September 30, 2024 and 2023, respectively. During the three months ended September 30, 2024 and 2023 the Company capitalized interest costs of \$705,000 and \$297,000, respectively. During the nine months ended September 30, 2024 and 2023 the Company capitalized interest costs of \$1,855,000 and \$986,000, respectively.

The Company was in compliance with all debt covenants as of September 30, 2024.

(6) Earnings per Share.

The following details the computations of the basic and diluted earnings per common share as adjusted for the 2 for 1 stock split that occurred in April 2024 (in thousands, except per share amounts):

	Three Months ended September 30,		Nine Months ended September 30,	
	2024	2023	2024	2023
Weighted average common shares outstanding during the period – shares used for basic earnings per common share	18,887	18,846	18,877	18,846
Common shares issuable under share-based payment plans which are potentially dilutive	85	74	90	80
Common shares used for diluted earnings per common share	18,972	18,920	18,967	18,926
Net income attributable to the Company	\$ 1,361	1,259	\$ 4,706	2,422
Earnings per common share:				
-basic	\$.07	.07	\$.25	.13
-diluted	\$.07	.07	\$.25	.13

For the three and nine months ended September 30, 2024, the Company had 3,236 shares of stock options outstanding which were not used in the calculation above because the effect would have been anti-dilutive.

(7) Stock-Based Compensation Plans.

The Company has two Stock Option Plans (the 2006 Stock Incentive Plan and the 2016 Equity Incentive Option Plan) under which stock options, restricted stock, and stock awards were granted to directors, officers and key employees. The 2016 plan permits the grant of stock options, stock appreciation rights, restricted stock awards, restricted stock units, or stock awards. The options awarded under the plans have similar characteristics. All stock options are non-qualified and expire ten years from the date of grant. Stock based compensation awarded to directors, officers and employees are exercisable immediately or become exercisable in cumulative installments of 20% or 25% at the end of each year following the date of grant. When stock options are exercised, the Company issues new shares after receipt of exercise proceeds and taxes due, if any, from the grantee. The number of common shares available for future issuance was 569,118 at September 30, 2024.

The Company utilizes the Black-Scholes valuation model for estimating fair value of stock compensation for options awarded to officers and employees. Each grant is evaluated based upon assumptions at the time of grant. The assumptions were no dividend yield, expected volatility between 28.5% and 41.2%, risk-free interest rate of 2.0% to 3.8% and expected life of 5.0 to 7.0 years.

The dividend yield of zero is based on the fact that the Company does not pay cash dividends and has no present intention to pay cash dividends. Expected volatility is estimated based on the Company's historical experience over a period equivalent to the expected life in years. The risk-free interest rate is based on the U.S. Treasury constant maturity interest rate at the date of grant with a term consistent with the expected life of the options granted. The expected life calculation is based on the observed and expected time to exercise options by the employees.

The Company recorded the following stock compensation expense in its consolidated statements of income (in thousands):

	Three Months ended September 30,		Nine Months ended September 30,	
	2024	2023	2024	2023
Stock option grants	\$ 19	\$ 16	\$ 58	\$ 49
Restricted stock awards	314	255	955	773
Annual director stock award	—	—	600	600
Employee stock grant	—	—	—	50
	<u>\$ 333</u>	<u>\$ 271</u>	<u>\$ 1,613</u>	<u>\$ 1,472</u>

A summary of changes in outstanding options is presented below (in thousands, except share and per share amounts):

Options	Number Of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term (yrs)	Weighted Average Grant Date Fair Value(000's)
Outstanding at January 1, 2024	126,880	\$ 20.00	3.5	\$ 981
Time-based awards granted	12,200	31.44		150
Performance-based awards granted	20,330	31.44		250
Outstanding at September 30, 2024	159,410	\$ 22.33	4.0	\$ 1,381
Exercisable at September 30, 2024	126,880	\$ 20.00	2.7	\$ 981
Vested during three months ended September 30, 2024	—			\$ —

The aggregate intrinsic value of exercisable in-the-money options was \$1,252,000 and the aggregate intrinsic value of outstanding in-the-money options was \$1,252,000 based on the market closing price of \$29.86 on September 30, 2024 less exercise prices.

The unrecognized compensation cost of options granted to FRP employees but not yet vested as of September 30, 2024 was \$292,000, which is expected to be recognized over a weighted-average period of 3.8 years.

A summary of changes in restricted stock awards is presented below (in thousands, except share and per share amounts):

Restricted stock	Number Of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term (yrs)	Weighted Average Grant Date Fair Value(000's)
Non-vested at January 1, 2024	109,454	\$ 26.47	2.8	\$ 2,897
Time-based awards granted	12,780	31.30		400
Performance-based awards granted	29,890	31.05		928
Vested	(8,684)	29.16		(253)
Non-vested at September 30, 2024	143,440	\$ 27.44	2.8	\$ 3,972

Total unrecognized compensation cost of restricted stock granted but not yet vested as of September 30, 2024 was \$2,736,000 which is expected to be recognized over a weighted-average period of 2.8 years.

(8) Contingent Liabilities.

The Company may be involved in litigation on a number of matters and is subject to certain claims which arise in the normal course of business. The Company has retained certain self-insurance risks with respect to losses

for third party liability and property damage. In the opinion of management, none of these matters are expected to have a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows.

The Company is subject to numerous environmental laws and regulations. The Company believes that the ultimate disposition of currently known environmental matters will not have a material effect on its financial position, liquidity, or operations. The Company can give no assurance that previous environmental studies with respect to its properties have revealed all potential environmental contaminants; that any previous owner, occupant or tenant did not create any material environmental condition not known to the Company; that the current environmental condition of the properties will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties; and that changes in applicable environmental laws and regulations or their interpretation will not result in additional environmental liability to the Company.

As of September 30, 2024, there was \$548,000 outstanding under letters of credit. The letters of credit were issued to guarantee certain obligations to state agencies related to real estate development.

The Company and MidAtlantic Realty Partners (MRP) provided a guaranty for the interest carry cost of \$110 million loan on the Bryant Street Partnerships issued in December 2023. The Company and MRP have a side agreement limiting the Company's guaranty to its proportionate ownership. The value of the guaranty was calculated at \$1.5 million based on the present value of our assumption of 0.8% interest savings over the anticipated 36-month term. This amount is included as part of the Company's investment basis and is amortized to expense over the 36 months. The Company will evaluate the guaranty liability based upon the success of the project and assuming no payments are made under the guaranty, the Company will have a gain for \$1.5 million when the loan is paid in full.

(9) Concentrations.

The mining royalty lands segment has a total of five tenants currently leasing mining locations and one lessee that accounted for 22.4% of the Company's consolidated revenues during the nine months ended September 30, 2024, and \$517,000 of accounts receivable at September 30, 2024. The termination of these lessees' underlying leases could have a material adverse effect on the Company. The Company places its cash and cash equivalents with Wells Fargo Bank and TD Bank. At times, such amounts may exceed FDIC limits.

(10) Fair Value Measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 means the use of quoted prices in active markets for identical assets or liabilities. Level 2 means the use of values that are derived principally from or corroborated by observable market data. Level 3 means the use of inputs are those that are unobservable and significant to the overall fair value measurement.

At September 30, 2024, the Company was invested in U.S. Treasury notes valued at \$117,933,000 maturing in 2024. The unrealized gain on these investments of \$89,000 was recorded as part of comprehensive income and based on the estimated market value by Wells Fargo Bank, N.A. (Level 1).

At September 30, 2024 and December 31, 2023, the carrying amount reported in the consolidated balance sheets for cash and cash equivalents including U.S. Treasury notes was adjusted to fair value as described above.

The fair values of the Company's other mortgage notes payable were estimated based on current rates available to the Company for debt of the same remaining maturities. At September 30, 2024, the carrying amount and fair value of such other long-term debt was \$180,070,000 and \$149,366,000, respectively. At December 31, 2023, the carrying amount and fair value of such other long-term debt was \$180,070,000 and \$145,678,000, respectively.

(11) Investments in Joint Ventures.

The Company has investments in joint ventures, primarily with other real estate developers. Joint ventures where FRP is not the primary beneficiary are reflected in the line “Investment in joint ventures” on the balance sheet and “Equity in loss of joint ventures” on the income statement. The assets of these joint ventures are restricted to use by the joint ventures and their obligations can only be settled by their assets or additional contributions by the partners.

The following table summarizes the Company’s investments in unconsolidated joint ventures (in thousands):

	FRP Ownership	The Company's Total Investment	Total Assets of The Partnership	Profit (Loss) Of the Partnership	The Company's Share of Profit (Loss) of the Partnership
As of September 30, 2024					
Brooksville Quarry, LLC	50.00%	\$ 7,514	14,432	(70)	(35)
BC FRP Realty, LLC	50.00%	5,484	21,996	(728)	(364)
Buzzard Point Sponsor, LLC	50.00%	2,424	4,848	—	—
Bryant Street Partnerships	72.10%	66,747	198,821	(6,748)	(4,969)
Lending ventures		27,374	16,929	—	—
Estero Partnership	16.00%	3,683	38,520	—	—
The Verge Partnership	61.37%	37,849	127,103	(3,969)	(2,436)
Greenville Partnerships	40.00%	6,197	100,735	(1,945)	(778)
Total		<u>\$ 157,272</u>	<u>523,384</u>	<u>(13,460)</u>	<u>(8,582)</u>

The Company completed negotiations with MRP concerning the ownership adjustment related to the Bryant Street stabilization and conversion of FRP preferred equity to common equity resulting in FRP ownership of 72.10% effective in 2024 compared to 61.36% prior ownership.

The major classes of assets, liabilities and equity of the Company's Investments in Joint Ventures as of September 30, 2024 are summarized in the following two tables (in thousands):

As of September 30, 2024						
	Buzzard Point Sponsor, LLC	Bryant Street Partnership	Estero Partnership	Verge Partnership	Greenville Partnership	Total Multifamily JV's
Investments in real estate, net	\$ 0	185,176	37,495	125,044	97,101	\$ 444,816
Cash and restricted cash	0	5,193	1,025	1,580	3,027	10,825
Unrealized rents & receivables	0	6,960	0	310	494	7,764
Deferred costs	4,848	1,492	0	169	113	6,622
Total Assets	<u>\$ 4,848</u>	<u>198,821</u>	<u>38,520</u>	<u>127,103</u>	<u>100,735</u>	<u>\$ 470,027</u>
Secured notes payable	\$ 0	110,802	16,000	68,178	81,756	\$ 276,736
Other liabilities	0	2,459	0	856	2,225	5,540
Capital – FRP	2,424	64,740	3,600	35,575	5,356	111,695
Capital – Third Parties	2,424	20,820	18,920	22,494	11,398	76,056
Total Liabilities and Capital	<u>\$ 4,848</u>	<u>198,821</u>	<u>38,520</u>	<u>127,103</u>	<u>100,735</u>	<u>\$ 470,027</u>

	Brooksville Quarry, LLC	BC FRP Realty, LLC	Lending Ventures	Multifamily JV's	Grand Total
Investments in real estate, net	\$ 14,356	21,084	16,929	444,816	\$ 497,185
Cash and restricted cash	74	108	0	10,825	11,007
Unrealized rents & receivables	0	451	0	7,764	8,215
Deferred costs	2	353	0	6,622	6,977
Total Assets	<u>\$ 14,432</u>	<u>21,996</u>	<u>16,929</u>	<u>470,027</u>	<u>\$ 523,384</u>
Secured notes payable	\$ 0	10,857	(10,445)	276,736	\$ 277,148
Other liabilities	66	283	0	5,540	5,889
Capital – FRP	7,515	5,428	27,374	111,695	152,012
Capital – Third Parties	6,851	5,428	0	76,056	88,335
Total Liabilities and Capital	<u>\$ 14,432</u>	<u>21,996</u>	<u>16,929</u>	<u>470,027</u>	<u>\$ 523,384</u>

The Company's capital recorded by the unconsolidated Joint Ventures is \$5,260,000 less than the Investment in Joint Ventures reported in the Company's consolidated balance sheet due primarily to capitalized interest.

The major classes of assets, liabilities and equity of the Company's Investments in Joint Ventures as of December 31, 2023 are summarized in the following two tables (in thousands):

As of December 31, 2023						
	Buzzard Point Sponsor, LLC	Bryant Street Partnership	Estero Partnership	Verge Partnership	Greenville Partnership	Total Multifamily JV's
Investments in real estate, net	\$ 0	187,616	35,576	128,154	95,911	\$ 447,257
Cash and restricted cash	0	7,543	3,076	1,323	2,000	13,942
Unrealized rents & receivables	0	6,737	0	403	127	7,267
Deferred costs	4,652	738	0	293	185	5,868
Total Assets	<u>\$ 4,652</u>	<u>202,634</u>	<u>38,652</u>	<u>130,173</u>	<u>98,223</u>	<u>\$ 474,334</u>
Secured notes payable	\$ 0	107,084	16,000	72,691	66,434	\$ 262,209
Other liabilities	0	3,129	0	1,344	3,867	8,340
Capital – FRP	2,326	69,779	3,600	34,391	10,450	120,546
Capital – Third Parties	2,326	22,642	19,052	21,747	17,472	83,239
Total Liabilities and Capital	<u>\$ 4,652</u>	<u>202,634</u>	<u>38,652</u>	<u>130,173</u>	<u>98,223</u>	<u>\$ 474,334</u>

As of December 31, 2023					
	Brooksville Quarry, LLC	BC FRP Realty, LLC	Lending Ventures	Multifamily JV's	Grand Total
Investments in real estate, net	\$ 14,358	21,503	17,117	447,257	\$ 500,235
Cash and restricted cash	80	127	0	13,942	14,149
Unrealized rents & receivables	0	464	0	7,267	7,731
Deferred costs	1	360	0	5,868	6,229
Total Assets	<u>\$ 14,439</u>	<u>22,454</u>	<u>17,117</u>	<u>474,334</u>	<u>\$ 528,344</u>
Secured notes payable	\$ 0	12,086	(10,578)	262,209	\$ 263,717
Other liabilities	0	402	0	8,340	8,742
Capital – FRP	7,552	4,983	27,695	120,546	160,776
Capital - Third Parties	6,887	4,983	0	83,239	95,109
Total Liabilities and Capital	<u>\$ 14,439</u>	<u>22,454</u>	<u>17,117</u>	<u>474,334</u>	<u>\$ 528,344</u>

The amount of consolidated retained earnings (accumulated deficit) for these joint ventures was \$(28,388,000) and \$(21,823,000) as of September 30, 2024 and December 31, 2023, respectively.

The income statements of the Bryant Street Partnerships are as follows (in thousands):

	Bryant Street Partnerships Total JV Nine Months ended September 30,	Bryant Street Partnerships Total JV Nine Months ended September 30,	Bryant Street Partnerships Company Share Nine Months ended September 30,	Bryant Street Partnerships Company Share Nine Months ended September 30,
	2024	2023	2024	2023
Revenues:				
Rental Revenue	\$ 10,191	\$ 9,322	\$ 7,341	\$ 5,720
Revenue – other	1,623	1,784	1,169	1,095
Total Revenues	11,814	11,106	8,510	6,815
Cost of operations:				
Depreciation and amortization	5,139	5,202	3,702	3,192
Operating expenses	4,394	4,384	3,165	2,690
Property taxes	1,051	789	757	484
Total cost of operations	10,584	10,375	7,624	6,366
Total operating profit/(loss)	1,230	731	886	449
Interest expense	(7,978)	(8,607)	(5,855)	(5,380)
Net loss before tax	<u>\$ (6,748)</u>	<u>\$ (7,876)</u>	<u>\$ (4,969)</u>	<u>\$ (4,931)</u>

The Company completed negotiations with MRP concerning the ownership adjustment related to the Bryant Street stabilization and conversion of FRP preferred equity to common equity resulting in FRP ownership of 72.10% effective in 2024 compared to 61.36% prior ownership.

Interest expense in 2024 for the total JV and the Company share includes \$372,000 loan guarantee expense.

The income statements of the Greenville Partnerships are as follows (in thousands):

	Greenville Partnerships Total JV Nine Months ended September 30, 2024	Greenville Partnerships Total JV Nine Months ended September 30, 2023	Greenville Partnerships Company Share Nine Months ended September 30, 2024	Greenville Partnerships Company Share Nine Months ended September 30, 2023
Revenues:				
Rental Revenue	\$ 6,668	\$ 4,875	\$ 2,667	\$ 1,950
Revenue – other	608	405	243	162
Total Revenues	7,276	5,280	2,910	2,112
Cost of operations:				
Depreciation and amortization	2,625	2,118	1,050	847
Operating expenses	1,958	1,784	782	714
Property taxes	1,129	882	452	353
Total cost of operations	5,712	4,784	2,284	1,914
Total operating profit/(loss)	1,564	496	626	198
Interest expense	(3,509)	(2,872)	(1,404)	(1,148)
Net loss before tax	<u>\$ (1,945)</u>	<u>\$ (2,376)</u>	<u>\$ (778)</u>	<u>\$ (950)</u>

The income statements of The Verge Partnership are as follows (in thousands):

	The Verge Partnership Total JV Nine Months ended September 30, 2024	The Verge Partnership Total JV Nine Months ended September 30, 2023	The Verge Partnership Company Share Nine Months ended September 30, 2024	The Verge Partnership Company Share Nine Months ended September 30, 2023
Revenues:				
Rental Revenue	\$ 5,355	\$ 2,042	\$ 3,286	\$ 1,254
Revenue – other	761	320	467	196
Total Revenues	6,116	2,362	3,753	1,450
Cost of operations:				
Depreciation and amortization	3,250	2,958	1,995	1,815
Operating expenses	2,301	2,057	1,411	1,263
Property taxes	743	741	456	455
Total cost of operations	6,294	5,756	3,862	3,533
Total operating profit/(loss)	(178)	(3,394)	(109)	(2,083)
Interest expense	(3,791)	(3,767)	(2,327)	(2,312)
Net loss before tax	<u>\$ (3,969)</u>	<u>\$ (7,161)</u>	<u>\$ (2,436)</u>	<u>\$ (4,395)</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes in Item 1 and with the audited consolidated financial statements and the related notes included in our annual report on Form 10-K. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including the risks and uncertainties described in “Forward-Looking Statements” below and “Risk Factors” on page 5 of our annual report on Form 10-K. Our actual results may differ materially from those contained in or implied by any forward-looking statements. We assume no obligation to revise or publicly release any revision to any forward-looking statements contained in this quarterly report on Form 10-Q, unless required by law.

The following discussion includes non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission to supplement the financial results as reported in accordance with GAAP. The non-GAAP financial measures discussed are operating profit before G&A and pro rata net operating income (NOI). The Company uses these metrics to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. These measures are not, and should not be viewed as, a substitute for GAAP financial measures. Refer to “Non-GAAP Financial Measure” below in this quarterly report for a more detailed discussion, including reconciliations of this non-GAAP financial measure to its most directly comparable GAAP financial measure.

Executive Overview - FRP Holdings, Inc. is a real estate development, asset management and operating company businesses. Our properties are located in the Mid-Atlantic and southeastern United States and consist of:

Residential apartments in Washington, D.C. and Greenville, SC;

Warehouse or office properties in Maryland and Florida either existing or under development;

Mining royalty lands, some of which will have second lives as development properties;

Mixed use properties under development in Washington, D.C., Greenville, SC and Florida; and

Properties held for sale.

We believe our present capital structure, liquidity and land provide us with years of opportunities to increase recurring revenue and long-term value for our shareholders. We intend to focus on our core business activity of real estate development, asset management and operations. We are developing a broad range of asset types that we believe will provide acceptable rates of return, grow recurring revenues and support future business. Capital commitments will be funded with cash proceeds from completed projects, existing cash, owned-land, partner capital and financing arrangements. Timing of projects may be subject to delays caused by factors beyond our control.

Reportable Segments

We conduct primarily all of our business in the following four reportable segments: (1) multifamily (2) industrial and commercial (3) mining royalty lands and (4) development.

Multifamily Segment.

At quarter end, the segment included six stabilized joint ventures which own and manage apartment buildings and any retail associated with a development. These assets create revenue and cash flows through tenant rental

payments, and reimbursements for building operating costs. The Company's residential units typically lease for 12 – 15-month lease terms. 90 days prior to the expiration, as long as there is no balance due, the tenant is offered a renewal. If no notice to move out or renew is made, then the leases go month-to-month until notification of termination or renewal is received. Renewal terms are typically 9 – 12 months. The Company also leases retail spaces at apartment/mixed-use properties. The retail leases are typically 10 -15-year leases with options to renew for another five years. Retail leases at these properties also include percentage rents which collect on average 3-6% of annual sales when a tenant exceeds a breakpoint stipulated by each individual lease. All base rent revenue is recognized on a straight-line basis. The major cash outlays incurred in this segment are for property taxes, full service maintenance, property management, utilities and marketing. The five multifamily properties are as follows:

Property and Occupancy	JV Partners	Method of Accounting	% Ownership
Dock 79, Washington, D.C., 305 apartment units and 14,430 square feet of retail	MRP Realty & Steuart Investment Company	Consolidated	52.8%
The Maren, Washington, D.C., 264 residential units and 6,811 square feet of retail	MRP Realty & Steuart Investment Company	Consolidated	56.33%
The Verge, Washington, D.C., 344 apartment units and 8,536 square feet of retail.	MRP Realty	Equity Method	61.37%
Riverside, Greenville, SC, 200 apartment units	Woodfield Development	Equity Method	40%
Bryant Street, Washington D.C., 487 apartment units and 91,520 square feet of retail	MRP Realty	Equity Method	72.10%
.408 Jackson, Greenville, SC, 227 apartment units and 4,539 square feet of retail.	Woodfield Development	Equity Method	40%

Industrial and Commercial Segment.

The Industrial and Commercial segment owns, leases and manages commercial properties. These assets create revenue and cash flows through tenant rental payments, lease management fees and reimbursements for building operating costs. The Company's industrial warehouses typically lease for terms ranging from 3 – 10 years often with one or two renewal options. All base rent revenue is recognized on a straight-lined basis. All of the commercial warehouse leases are triple net leases. Common area maintenance costs (CAM Revenue) are billed monthly, and insurance and real estate taxes are billed annually. 34 Loveton is the only office product wherein all leases are full service therefore there is no CAM revenue. Office leases are also recognized on a straight-lined basis. The major cash outlays incurred in this segment are for operating expenses, real estate taxes, building repairs, lease commissions and other lease closing costs, construction of tenant improvements, capital to acquire existing operating buildings and closing costs related thereto and personnel costs of our property management team.

As of September 30, 2024, the Industrial and Commercial Segment includes four commercial properties owned by the Company in fee simple as follows:

- 1) 34 Loveton Circle in suburban Baltimore County, MD consists of one office building totaling 33,708 square feet which is 90.8% occupied (16% of the space is occupied by the Company for use as our Baltimore headquarters). The property is subject to commercial leases with various tenants.

- 2) 155 E. 21st Street in Duval County, FL was an office building property that remains under lease through March 2026. We permitted the tenant to demolish all structures on the property during 2018.
- 3) Cranberry Run Business Park in Harford County, MD consists of five industrial buildings totaling 267,737 square feet which are 92.1% occupied and 92.1% leased. The property is subject to commercial leases with various tenants.
- 4) Hollander 95 Business Park in Baltimore City, MD consists of three industrial buildings totaling 247,340 square feet and two ground leases that are 100.0% leased and 100.0% occupied.

Management focuses on and compares several measures of success in this segment (1) net operating income growth, (2) average annual occupancy rate (defined as the occupied square feet at the end of each month during a fiscal year divided by the number of months to date in that fiscal year as a percentage of the average number of square feet in the portfolio over that same time period), and (3) tenant retention success rate (as a percentage of total square feet to be renewed). Among the ways we improve these metrics are focusing on tenant retention and occupancy growth, building and refurbishing assets to meet Class A and Class B institutional grade classifications, and minimizing deferred capital expenditures and asset complexities.

Mining Royalty Lands Segment.

Our Mining Royalty Lands segment owns several properties totaling approximately 16,650 acres currently under lease for mining rents or royalties (excluding the 4,280 acres owned by our Brooksville joint venture with Vulcan Materials). Other than one location in Virginia, all of these properties are located in Florida and Georgia. The Company leases land under long-term leases that grant the lessee the right to mine and sell sand and stone deposits from our property in exchange for royalty payments. A typical lease has an option to extend the lease for additional terms. The typical lease in this segment requires the tenant to pay us a royalty based on the number of tons of mined materials sold from our property during a given fiscal year multiplied by a percentage of the average annual sales price per ton sold. As a result of this royalty payment structure, we do not bear the cost risks associated with the mining operations, however, we are subject to the cyclical nature of the construction markets in these states as both volumes and prices tend to fluctuate through those cycles. In certain locations, typically where the sand and stone deposits on our property have been depleted but the tenant still has a need for the leased land, we collect a minimum annual rental amount. We believe strongly in the potential for future growth in construction in Florida, Georgia, and Virginia which would positively benefit our profitability in this segment.

The major expenses in this segment are comprised of collection and accounting for royalties, management's oversight of the mining leases, land entitlement for post-mining uses and property taxes at our non-leased locations and at our Grandin location which, unlike our other leased mining locations, are not entirely paid by the tenant. As such, our costs in this business are very low as a percentage of revenue, are relatively stable and are not affected by increases in production at our locations. Our current mining tenants include Vulcan Materials, Martin Marietta, Cemex, Summit Materials and The Concrete Company.

Additionally, these locations provide us with opportunities for valuable "second lives" for these assets through proper land planning and entitlement.

Significant “Second life” Mining Lands:

<u>Location</u>	<u>Acreage</u>	<u>Status</u>
Brooksville, FL	4,280 +/-	Development of Regional Impact and County Land Use and Master Zoning in place for 5,800 residential unit, mixed-use development
Ft. Myers, FL	1,907 +/-	Seeking to rezone and obtain entitlements to allow residential development following mining operations and the extension of Alico Road
Total	6,187 +/-	

Development Segment.

Through our Development segment, we own and are continuously monitoring for “the highest and best use” of several parcels of land that are in various stages of development. Our overall strategy in this segment is to convert all our non-income producing lands into income production through (i) an orderly process of constructing new commercial and residential buildings for us to own and operate or (ii) a sale to, or joint venture with, outside parties. Additionally, our Development segment will purchase land or form joint ventures for new developments of land not previously owned by the Company.

Revenues in this segment are generated predominately from land sales and interim property rents. The significant cash outlays incurred in this segment are for land acquisition costs, entitlement costs, property taxes, design and permitting, the personnel costs of our in-house management team and horizontal and vertical construction costs.

Development Segment – Warehouse/Office Land.

At September 30, 2024, this segment owned the following future development parcels:

- 1) 54 acres of land that will be capable of supporting up to 635,000 square feet of industrial product located at 1001 Old Philadelphia Road in Aberdeen, MD.
- 2) 17 acres of land in Harford County, MD that accommodates a 258,000 square foot speculative warehouse project on Chelsea Road under construction due to be complete in the fourth quarter of 2024.
- 3) 170 acres of land in Cecil County, MD that can accommodate 900,000 square feet of industrial development.

We also have three properties that were either spun off to us from Florida Rock Industries in 1986 or acquired by us from unrelated third parties. These properties, as a result of our “highest and best use” studies, are being prepared for income generation through sale or joint venture with third parties, and in certain cases we are leasing these properties on an interim basis for an income stream while we wait for the development market to mature.

Development Segment - Significant Investment Lands Inventory:

<u>Location</u>	<u>Approx. Acreage</u>	<u>Status</u>	<u>NBV</u>
Riverfront on the Anacostia Phases III-IV	2.25	Conceptual design program ongoing	\$7,321,000
Hampstead Trade Center, MD	118	Zoning applied for in preparation for sale	\$11,290,000
Square 664E, on the Anacostia River in DC	2.1	Under lease to Vulcan Materials as a concrete batch plant through 2026	\$7,234,000
Total	122.4		\$25,845,000

Development Segment - Investments in Joint Ventures

The third leg of our Development Segment consists of investments in joint ventures for properties in development. The Company has investments in joint ventures, primarily with other real estate developers which are summarized below:

Property	JV Partner	Status	% Ownership
Brooksville Quarry, LLC near Brooksville, FL	Vulcan Materials Company	Future planned residential development of 4,280 acres which are currently subject to mining lease	50%
BC FRP Realty, LLC for 35 acres in Maryland	St John Properties	329,000 square-foot, multi-building business park in lease-up	50%
Aberdeen Overlook residential development in Harford County, MD		\$31.1 million in exchange for an interest rate of 10% and a 20% preferred return after which the Company is also entitled to a portion of proceeds from sale	Financing
Amber Ridge residential development in Prince George's County, MD		\$18.5 million in exchange for an interest rate of 10% and a 20% preferred return after which the Company is also entitled to a portion of proceeds from sale	Financing
Estero, FL	Woodfield Development	Pre-development activities for a mixed-use project with 596 multifamily units, 70,000 square feet of commercial space, 40,000 square feet of office space and a boutique 170-key hotel	16%
FRP/MRP Buzzard Point Sponsor, LLC	MRP Realty	Pre-development activities for first phase of property owned by Steuart Investment Company (SIC) under a Contribution and Pre-Development Agreement between this partnership and SIC	50%
Woven property in Greenville, SC	Woodfield Development	Pre-development activities for a mixed-use project with approximately 214 multifamily units and 10,000 square feet of retail space	50%
Lakeland, FL	BBX Logistics	Pre-development activities for a 200,000 square foot class A warehouse.	50%
Broward County, FL	BBX Logistics	Pre-development activities for 182,000 square feet of industrial product.	50%

Joint ventures where FRP is not the primary beneficiary (including those in the Multifamily Segment) are reflected in the line “Investment in joint ventures” on the balance sheet and “Equity in loss of joint ventures” on the income statement. The following table summarizes the Company’s investments in unconsolidated joint ventures (in thousands):

		FRP Ownership	The Company's Total Investment in Partnership	The Company's Share of Assets of the Partnership	The Company's Share of Debt of the Partnership	The Company's Share of Profit (Loss) of the Partnership
As of September 30, 2024						
Brooksville Quarry, LLC	50.00 %	\$	7,514	7,216	—	(35)
BC FRP Realty, LLC	50.00 %		5,484	10,998	5,429	(364)
Buzzard Point Sponsor, LLC	50.00 %		2,424	2,424	—	—
Bryant Street Partnerships	72.10 %		66,747	143,350	79,888	(4,969)
Lending ventures	100.00 %		27,374	16,929	(5,223)	—
Estero Partnership	16.00 %		3,683	6,163	2,560	—
The Verge Partnership	61.37 %		37,849	78,003	41,841	(2,436)
Greenville Partnerships	40.00 %		6,197	40,294	32,702	(778)
Total		\$	<u>157,272</u>	<u>305,377</u>	<u>157,197</u>	<u>(8,582)</u>

The major classes of assets, liabilities and equity of the Company’s unconsolidated joint ventures as of September 30, 2024 are summarized in the following two tables (in thousands):

As of September 30, 2024						
	Buzzard Point Sponsor, LLC	Bryant Street Partnership	Estero Partnership	Verge Partnership	Greenville Partnership	Total Multifamily JV's
Investments in real estate, net	\$ 0	185,176	37,495	125,044	97,101	\$ 444,816
Cash and restricted cash	0	5,193	1,025	1,580	3,027	10,825
Unrealized rents & receivables	0	6,960	0	310	494	7,764
Deferred costs	4,848	1,492	0	169	113	6,622
Total Assets	<u>\$ 4,848</u>	<u>198,821</u>	<u>38,520</u>	<u>127,103</u>	<u>100,735</u>	<u>\$ 470,027</u>
Secured notes payable	\$ 0	110,802	16,000	68,178	81,756	\$ 276,736
Other liabilities	0	2,459	0	856	2,225	5,540
Capital – FRP	2,424	64,740	3,600	35,575	5,356	111,695
Capital – Third Parties	2,424	20,820	18,920	22,494	11,398	76,056
Total Liabilities and Capital	<u>\$ 4,848</u>	<u>198,821</u>	<u>38,520</u>	<u>127,103</u>	<u>100,735</u>	<u>\$ 470,027</u>

	Brooksville Quarry, LLC	BC FRP Realty, LLC	Lending Ventures	Multifamily JV's	Grand Total
Investments in real estate, net	\$ 14,356	21,084	16,929	444,816	\$ 497,185
Cash and restricted cash	74	108	0	10,825	11,007
Unrealized rents & receivables	0	451	0	7,764	8,215
Deferred costs	2	353	0	6,622	6,977
Total Assets	<u>\$ 14,432</u>	<u>21,996</u>	<u>16,929</u>	<u>470,027</u>	<u>\$ 523,384</u>
Secured notes payable	\$ 0	10,857	(10,445)	276,736	\$ 277,148
Other liabilities	66	283	0	5,540	5,889
Capital – FRP	7,515	5,428	27,374	111,695	152,012
Capital – Third Parties	6,851	5,428	0	76,056	88,335
Total Liabilities and Capital	<u>\$ 14,432</u>	<u>21,996</u>	<u>16,929</u>	<u>470,027</u>	<u>\$ 523,384</u>

The following table presents the calculation of the Company's pro rata share of certain balance sheet items by segment as of September 30, 2024:

Pro rata balance sheet (in thousands)	Multifamily	Industrial and Commercial	Mining Royalty Lands	Development	Corporate	Total
Consolidated assets	\$ 351,637	38,117	47,733	142,269	147,162	\$ 726,918
Investments in unconsolidated joint ventures	(110,793)		(7,514)	(38,965)		(157,272)
Company's share of assets in unconsolidated joint ventures	261,647		7,216	36,514		305,377
Noncontrolling interest in consolidated assets	(110,222)			(15,227)	(1,894)	(127,343)
Pro rata assets	<u>\$ 392,269</u>	<u>38,117</u>	<u>47,435</u>	<u>124,591</u>	<u>145,268</u>	<u>\$ 747,680</u>
Consolidated secured notes payable	178,816					178,816
Company's share of debt in unconsolidated joint ventures	154,431			2,767		157,198
Noncontrolling interest in consolidated debt	(81,324)					(81,324)
Pro rata debt	<u>\$ 251,923</u>	<u>—</u>	<u>—</u>	<u>2,767</u>	<u>—</u>	<u>\$ 254,690</u>
Pro rata assets less debt	<u>\$ 140,346</u>	<u>38,117</u>	<u>47,435</u>	<u>121,825</u>	<u>145,268</u>	<u>\$ 492,991</u>
Deferred income taxes						(68,356)
Other liabilities and noncontrolling interest adjustment						(3,751)
Consolidated shareholder's equity						<u>\$ 420,884</u>

Executive Summary and Analysis – In the third quarter, the Company saw a 39% improvement in pro rata NOI compared to the same period last year, and a 28% increase in pro rata NOI in the first nine months compared to the same period last year. This is consistent with the 26.4% CAGR at which we have grown pro rata NOI over the last three years on a trailing twelve month basis. The growth in pro rata NOI for the third quarter was driven by increases across all segments but particularly in the Mining and Royalties segment (80% increase). The substantial increase in Mining Royalty NOI was due to a \$2 million increase in unrealized revenue. This was mostly the result of a one-time, minimum royalty payment at one location which is straight-lined across the life of the lease for GAAP revenue purposes.

Shell construction is nearly complete for our Chelsea Project in Harford County, MD, which we expect to come in under budget and exceed our underwriting expectations upon stabilization. We are working to get shovel ready the sites of our two industrial JV's in Florida with an anticipated construction start for both in March of 2025. These three projects represent 640,000 square feet of new, Class A, industrial product requiring \$116 million in total capex and are in keeping with our stated strategy of focusing on industrial development. We have underwritten all these projects at an unlevered 6-7% yield.

Third Quarter Highlights

- 8% increase in Net Income (\$1.4 million vs \$1.3 million)
- 39% increase in pro rata NOI (\$11.3 million vs \$8.1 million)
- Pro rata NOI includes a one-time, catch-up, minimum royalty payment of \$1.9 million that applies to the prior twenty-four months as the tenant failed to meet a production requirement contained in the lease. This revenue was straight-lined over the life of the lease.
- 23% increase in the Multifamily segment's pro rata NOI primarily due to lease up of Bryant St., 408 Jackson, and The Verge. This comparison includes the results for these three projects from the same period last year (when these projects were still in our Development segment).
- 10% increase in Industrial and Commercial segment NOI

Comparative Results of Operations for the Three months ended September 30, 2024 and 2023

Consolidated Results

(dollars in thousands)

	Three Months Ended September 30,			
	2024	2023	Change	%
Revenues:				
Lease revenue	\$ 7,434	7,509	\$ (75)	-1.0%
Mining royalty and rents	3,199	3,082	117	3.8%
Total revenues	10,633	10,591	42	.4%
Cost of operations:				
Depreciation, depletion and amortization	2,551	2,816	(265)	-9.4%
Operating expenses	1,860	2,012	(152)	-7.6%
Property taxes	850	919	(69)	-7.5%
General and administrative	2,289	1,948	341	17.5%
Total cost of operations	7,550	7,695	(145)	-1.9%
Total operating profit	3,083	2,896	187	6.5%
Net investment income	2,304	2,700	(396)	-14.7%
Interest expense	(742)	(1,116)	374	-33.5%
Equity in loss of joint ventures	(2,839)	(2,913)	74	-2.5%
(Loss) gain on sale of real estate	—	(1)	1	-100.0%
Income before income taxes	1,806	1,566	240	15.3%
Provision for income taxes	427	467	(40)	-8.6%
Net income	1,379	1,099	280	25.5%
Income (loss) attributable to noncontrolling interest	18	(160)	178	-111.3%
Net income attributable to the Company	<u>\$ 1,361</u>	<u>1,259</u>	<u>\$ 102</u>	<u>8.1%</u>

Net income for the third quarter of 2024 was \$1,361,000 or \$.07 per share versus \$1,259,000 or \$.07 per share in the same period last year. Pro rata NOI for the third quarter of 2024 was \$11,272,000 versus \$8,085,000 in the same period last year including the one-time, \$1.9 million royalty payment referenced in the third quarter highlights. The third quarter of 2024 was impacted by the following items:

- Operating profit increased 6% as favorable results in Multifamily, Industrial and Commercial, and Mining were partially offset by higher net Development segment and General and administrative costs.
- Net investment income decreased \$396,000 due to reduced income from our lending ventures (\$75,000) and decreased preferred interest (\$613,000) due to the conversion of FRP preferred equity to common equity at Bryant Street partially offset by increased earnings on cash equivalents (\$292,000).
- Interest expense decreased \$374,000 compared to the same quarter last year as we capitalized \$408,000 more interest this quarter, partially offset by higher costs related to the increase in our line of credit with

Wells Fargo. More interest was capitalized due to increased in-house and joint venture projects under development this quarter compared to last year.

- Equity in loss of Joint Ventures improved \$74,000 due to improved results of our unconsolidated joint ventures. Results improved at The Verge (\$372,000) due to lease up but were lower at .408 Jackson (\$104,000) due to an increased real estate tax assessment and BC Realty (\$196,000) due to a \$302,000 write off of design costs for offices on phase II as we made the decision to repurpose the plan to a higher and better use.

Multifamily Segment (Consolidated)

Our Multifamily Segment consists of two consolidated joint ventures (Dock 79 and The Maren).

(dollars in thousands)	Three months ended September 30				Change	%
	2024	%	2023	%		
Lease revenue	\$ 5,682	100.0%	5,633	100.0%	49	.9%
Depreciation and amortization	1,985	35.0%	2,265	40.1%	(280)	-12.4%
Operating expenses	1,573	27.7%	1,773	31.5%	(200)	-11.3%
Property taxes	565	9.9%	555	9.9%	10	1.8%
Cost of operations	4,123	72.6%	4,593	81.5%	(470)	-10.2%
Operating profit before G&A	<u>\$ 1,559</u>	<u>27.4%</u>	<u>1,040</u>	<u>18.5%</u>	<u>519</u>	<u>49.9%</u>

Total revenues for our two consolidated joint ventures were \$5,682,000, an increase of \$49,000 versus \$5,633,000 in the same period last year. Total operating profit before G&A for the consolidated joint ventures was \$1,559,000, an increase of \$519,000, or 50% versus \$1,040,000 in the same period last year primarily due to lower depreciation and operating expenses. Depreciation decreased as some of the assets became fully depreciated. Operating expenses decreased due to lower maintenance, utilities, insurance and marketing costs.

Multifamily Segment (Pro rata unconsolidated)

Our Multifamily Segment has four unconsolidated joint ventures (Bryant Street, The Verge, Riverside, and .408 Jackson). Riverside was moved from the Development segment to the Multifamily segment in 2022, Bryant Street and .408 Jackson moved as of the beginning of 2024 and The Verge moved effective July 1, 2024, each upon reaching lease up stabilization.

(dollars in thousands)	Three months ended September 30					
	2024	%	2023	%	Change	%
Lease revenue	\$ 5,119	100.0%	4,103	100.0%	1,016	24.8%
Depreciation and amortization	2,228	43.5%	1,813	44.2%	415	22.9%
Operating expenses	1,895	37.0%	1,652	40.3%	243	14.7%
Property taxes	467	9.1%	487	11.9%	(20)	-4.1%
Cost of operations	4,590	89.7%	3,952	96.3%	638	16.1%
Operating profit before G&A	<u>\$ 529</u>	<u>10.3%</u>	<u>151</u>	<u>3.7%</u>	<u>378</u>	<u>250.3%</u>

For our four unconsolidated joint ventures, pro rata revenues were \$5,119,000, an increase of \$1,016,000 or 25% compared to \$4,103,000 in the same period last year. Pro rata operating profit before G&A was \$529,000, an increase of \$378,000 or 250% versus \$151,000 in the same period last year.

Multifamily Segment (Pro rata consolidated and pro rata unconsolidated)

For ease of comparison all the figures in the tables below include the results for Bryant Street, .408 Jackson, and The Verge from the same period last year (when these projects were still in our Development segment).

(dollars in thousands)	Three months ended September 30					
	2024	%	2023	%	Change	%
Lease revenue	\$ 8,215	100.0%	7,171	100.0%	1,044	14.6%
Depreciation and amortization	3,316	40.4%	3,049	42.5%	267	8.8%
Operating expenses	2,749	33.5%	2,622	36.6%	127	4.8%
Property taxes	774	9.4%	788	11.0%	(14)	-1.8%
Cost of operations	6,839	83.3%	6,459	90.1%	380	5.9%
Operating profit before G&A	<u>\$ 1,376</u>	<u>16.7%</u>	<u>712</u>	<u>9.9%</u>	<u>664</u>	<u>93.3%</u>
Depreciation and amortization	3,316		3,049		267	
Unrealized rents & other	30		64		(34)	
Net operating income	<u>\$ 4,722</u>	<u>57.5%</u>	<u>3,825</u>	<u>53.3%</u>	<u>897</u>	<u>23.5%</u> /

The combined consolidated and unconsolidated pro rata net operating income this quarter for this segment was \$4,722,000, up \$897,000 or 23% compared to \$3,825,000 in the same quarter last year. Most of this increase was from the lease up of Bryant Street, .408 Jackson, and The Verge. These three projects contributed \$2,542,000 of pro rata NOI to this segment compared to \$1,787,000 in the Development segment in the same quarter last year, an increase of \$755,000. Same store NOI increased \$142,000 or 7%,

Apartment Building	Units	Pro rata NOI Q3 2024	Pro rata NOI Q3 2023	Avg. Occupancy Q3 2024	Avg. Occupancy CY 2023	Renewal Success Rate Q3 2024	Renewal % increase Q3 2024
Dock 79 Anacostia DC	305	\$964,000	\$952,000	94.0%	94.4%	71.4%	2.9%
Maren Anacostia DC	264	\$973,000	\$855,000	94.9%	95.6%	50.7%	2.3%
Riverside Greenville	200	\$243,000	\$231,000	94.0%	94.5%	56.0%	2.7%
Bryant Street DC	487	\$1,537,000	\$1,210,000	91.5%	92.9%	56.7%	2.0%
.408 Jackson Greenville	227	\$362,000	\$284,000	94.5%	59.9%	52.9%	6.1%
Verge Anacostia DC	344	\$643,000	\$293,000	90.1%	47.3%	63.6%	3.9%
Multifamily Segment	1,483	\$4,722,000	\$3,825,000	92.8%	81.0%		

Industrial and Commercial Segment

(dollars in thousands)	Three months ended September 30				Change	%
	2024	%	2023	%		
Lease revenue	\$ 1,455	100.0%	1,442	100.0%	13	0.9%
Depreciation and amortization	360	24.7%	369	25.6%	(9)	(2.4%)
Operating expenses	185	12.7%	173	12.0%	12	6.9%
Property taxes	68	4.7%	62	4.3%	6	9.7%
Cost of operations	613	42.1%	604	41.9%	9	1.5%
Operating profit before G&A	\$ 842	57.9%	838	58.1%	4	0.5%
Depreciation and amortization	360		369		(9)	
Unrealized revenues	7		(111)		118	
Net operating income	\$ 1,209	83.1%	\$ 1,096	76.0%	\$ 113	10.3%

Total revenues in this segment were \$1,455,000, up \$13,000 or 1%, over the same period last year. Operating profit before G&A was \$842,000, up \$4,000 or 0.5% over the same quarter last year. We now have nine buildings in service at three different locations totaling 515,077 square feet of industrial and 33,708 square feet of office. These assets were 95.6% leased and occupied during the entire quarter. Net operating income in this segment was \$1,209,000, up \$113,000 or 10% compared to the same quarter last year primarily due to more unrealized rental revenue in the prior year due to rent abatements that expired in 2023.

Mining Royalty Lands Segment Results

(dollars in thousands)	Three months ended September 30				Change	%
	2024	%	2023	%		
Mining royalty and rent revenue	\$ 3,199	100.0%	3,082	100.0%	117	3.8%
Depreciation, depletion and amortization	163	5.1%	138	4.4%	25	18.1%
Operating expenses	20	0.6%	18	0.6%	2	11.1
Property taxes	70	2.2%	181	5.9%	(111)	-61.3%
Cost of operations	253	7.9%	337	10.9%	(84)	-24.9%
Operating profit before G&A	<u>\$ 2,946</u>	<u>92.1%</u>	<u>2,745</u>	<u>89.1%</u>	<u>201</u>	<u>7.3%</u>
Depreciation and amortization	163		138		25	
Unrealized revenues	1,994		(46)		2,040	
Net operating income	<u>\$ 5,103</u>	<u>159.5%</u>	<u>\$ 2,837</u>	<u>92.1%</u>	<u>\$ 2,266</u>	<u>79.9%</u>

Total revenues in this segment were \$3,199,000, an increase of \$117,000 or 3.8% versus \$3,082,000 in the same period last year. Royalty tons were down 3%. Total operating profit before G&A in this segment was \$2,946,000, an increase of \$201,000 versus \$2,745,000 in the same period last year due to higher revenues and lower property taxes. Net Operating Income this quarter for this segment was \$5,103,000, up \$2,266,000 or 80% compared to the same quarter last year mostly due to a \$2,040,000 increase in unrealized revenues. This was mostly the result of a one-time, minimum royalty payment at one location which is straight-lined across the life of the lease for GAAP revenue purposes.

Development Segment Results

(dollars in thousands)	Three months ended September 30		
	2024	2023	Change
Lease revenue	\$ 297	434	(137)
Depreciation, depletion and amortization	43	44	(1)
Operating expenses	82	48	34
Property taxes	147	121	26
Cost of operations	272	213	59
Operating profit before G&A	<u>\$ 25</u>	<u>221</u>	<u>(196)</u>

With respect to ongoing Development Segment projects:

- We entered into two new joint venture agreements in early 2024 with BBX Logistics. The first joint venture is a 200,000 square-foot warehouse development project in Lakeland, FL, and the second joint venture is a 182,000 square-foot warehouse redevelopment project in Broward County, FL. We anticipate construction to start on both projects in the first quarter of 2025.
- Last summer we broke ground on a new speculative warehouse project in Aberdeen, MD on Chelsea Road. Vertical construction is underway. This Class A, 258,000 square foot building is due to be complete in the 4th quarter of 2024.
- We are the principal capital source to develop 344 residential lots on 110 acres in Harford County, MD. We have funded \$25.5 million of our \$31.1 million total commitment. A national homebuilder is under contract to purchase all 222 townhome lots and 122 single family lots. At quarter-end, 79 lots have been sold and \$12.9 million of preferred interest and principal has been returned to the company of which \$3.6 million was booked as profit to the Company.

Nine Month Highlights

- 94% increase in Net Income (\$4.7 million vs \$2.4 million)
- 28% increase in pro rata NOI (\$29.0 million vs \$22.7 million), including the one-time, \$1.9 million minimum royalty payment referenced previously
- 39% increase in the Multifamily segment's pro rata NOI primarily due to lease up of Bryant St., 408 Jackson, and The Verge. This comparison includes the results for these three projects from the same period last year (when these projects were still in our Development segment).
- 11% increase in Industrial and Commercial revenue and 30% increase in that segment's NOI

Comparative Results of Operations for the Nine months ended September 30, 2024 and 2023

Consolidated Results

(dollars in thousands)

	Nine Months Ended September 30,			
	2024	2023	Change	%
Revenues:				
Lease revenue	\$ 21,850	21,773	\$ 77	.4%
Mining royalty and rents	9,393	9,628	(235)	-2.4%
Total revenues	31,243	31,401	(158)	-.5%
Cost of operations:				
Depreciation/depletion/amortization	7,629	8,415	(786)	-9.3%
Operating expenses	5,429	5,574	(145)	-2.6%
Property taxes	2,517	2,745	(228)	-8.3%
General and administrative	6,883	6,150	733	11.9%
Total cost of operations	22,458	22,884	(426)	-1.9%
Total operating profit	8,785	8,517	268	3.1%
Net investment income	8,795	8,207	588	7.2%
Interest expense	(2,482)	(3,251)	769	-23.7%
Equity in loss of joint ventures	(8,582)	(10,585)	2,003	-18.9%
Gain on sale of real estate	—	7	(7)	-100.0%
Income before income taxes	6,516	2,895	3,621	125.1%
Provision for income taxes	1,743	898	845	94.1%
Net income	4,773	1,997	2,776	139.0%
Income (loss) attributable to noncontrolling interest	67	(425)	492	-115.8%
Net income attributable to the Company	<u>\$ 4,706</u>	<u>\$ 2,422</u>	<u>\$ 2,284</u>	<u>94.3%</u>

Net income for the first nine months of 2024 was \$4,706,000 or \$.25 per share versus \$2,422,000 or \$.13 per share in the same period last year. Pro rata NOI for the first nine months of 2024 was \$29,036,000 versus \$22,687,000 in the same period last year. The first nine months of 2024 were impacted by the following items:

- Operating profit increased 3.1% as favorable results in Multifamily and Industrial and Commercial were mostly offset by lower Mining profits and higher net Development and General and administrative costs.
- Pro rata NOI includes a one-time, catch-up, minimum royalty payment of \$1,853,000 that applies to the prior twenty-four months as the tenant failed to meet a production requirement contained in the lease. This revenue was straight-lined over the life of the lease.
- Net investment income increased \$588,000 due to increased earnings on cash equivalents (\$1,252,000) and increased income from our lending ventures (\$1,155,000), partially offset by decreased preferred interest (\$1,819,000) due to the conversion of FRP preferred equity to common equity at Bryant Street.

- Interest expense decreased \$769,000 compared to the same period last year as we capitalized \$869,000 more interest, partially offset by increased costs related to the increase in our line of credit with Wells Fargo. More interest was capitalized due to increased in-house and joint venture projects under development this quarter compared to last year.
- Equity in loss of Joint Ventures improved \$2,003,000 due to improved results at our unconsolidated joint ventures. Results improved at The Verge (\$1,959,000) and .408 Jackson (\$169,000).

Multifamily Segment (Consolidated)

(dollars in thousands)	Nine Months Ended September 30,				Change	%
	2024	%	2023	%		
Lease revenue	\$ 16,592	100.0%	16,454	100.0%	138	.8%
Depreciation and amortization	5,947	35.9%	6,797	41.3%	(850)	-12.5%
Operating expenses	4,553	27.4%	4,818	29.3%	(265)	-5.5%
Property taxes	1,665	10.0%	1,649	10.0%	16	1.0%
Cost of operations	12,165	73.3%	13,264	80.6%	(1,099)	-8.3%
Operating profit before G&A	<u>\$ 4,427</u>	<u>26.7%</u>	<u>3,190</u>	<u>19.4%</u>	<u>1,237</u>	<u>38.8%</u>

Total revenues for our two consolidated joint ventures were \$16,592,000, an increase of \$138,000 versus \$16,454,000 in the same period last year. Total operating profit before G&A for the consolidated joint ventures was \$4,427,000, an increase of \$1,237,000, or 39% versus \$3,190,000 in the same period last year primarily due to lower depreciation and operating expense. Depreciation decreased as some of the assets became fully depreciated. Operating expenses decreased due to lower maintenance, utilities, insurance and marketing costs.

Multifamily Segment (Pro rata unconsolidated)

(dollars in thousands)	Nine Months Ended September 30,				Change	%
	2024	%	2023	%		
Lease revenue	\$ 15,173	100.0%	10,377	100.0%	4,796	46.2%
Depreciation and amortization	6,747	44.5%	5,854	56.4%	893	15.3%
Operating expenses	5,358	35.3%	4,667	45.0%	691	14.8%
Property taxes	1,665	11.0%	1,292	12.5%	373	28.9%
Cost of operations	13,770	90.8%	11,813	113.8%	1,957	16.6%
Operating profit	<u>\$ 1,403</u>	<u>9.2%</u>	<u>(1,436)</u>	<u>(13.8%)</u>	<u>2,839</u>	

For our four unconsolidated joint ventures, pro rata revenues were \$15,173,000, an increase of \$4,796,000 or 46% compared to \$10,377,000 in the same period last year. Pro rata operating profit before G&A was \$1,403,000, an increase of \$2,839,000 versus a loss of \$1,436,000 in the same period last year.

Multifamily Segment (Pro rata consolidated and pro rata unconsolidated)

For ease of comparison all the figures in the tables below include the results for Bryant Street, .408 Jackson, and The Verge from prior periods (when these projects were still in our Development segment).

(dollars in thousands)	Nine Months Ended September 30,				Change	%
	2024	%	2023	%		
Lease revenue	\$ 24,214	100.0%	19,343	100.0%	4,871	25.2%
Depreciation and amortization	10,006	41.3%	9,565	49.4%	441	4.6%
Operating expenses	7,844	32.4%	7,324	37.9%	520	7.1%
Property taxes	2,570	10.6%	2,188	11.3%	382	17.5%
Cost of operations	20,420	84.3%	19,077	98.6%	1,343	7.0%
Operating profit before G&A	<u>\$ 3,794</u>	<u>15.7%</u>	<u>266</u>	<u>1.4%</u>	<u>3,528</u>	<u>1326.3%</u>
Depreciation and amortization	10,006		9,565		441	
Unrealized rents & other	91		184		(93)	
Net operating income	<u>\$ 13,891</u>	<u>57.4%</u>	<u>10,015</u>	<u>51.8%</u>	<u>3,876</u>	<u>38.7%</u>

The combined consolidated and unconsolidated pro rata net operating income this quarter for this segment was \$13,891,000, up \$3,876,000 or 39% compared to \$10,015,000 in the same period last year. Most of this increase was from the lease up of Bryant Street, .408 Jackson, and The Verge. These three projects contributed

\$7,547,000 of pro rata NOI to this segment compared to \$3,803,000 in the Development segment in the same period last year, an increase of \$3,744,000. Same store NOI increased \$132,000 or 2%.

Apartment Building	Units	Pro rata NOI YTD 2024	Pro rata NOI YTD 2023	Avg. Occupancy YTD 2024	Avg. Occupancy CY 2023	Renewal Success Rate YTD 2024	Renewal % increase YTD 2024
Dock 79 Anacostia DC	305	\$2,842,000	\$2,825,000	94.1%	94.4%	68.3%	3.2%
Maren Anacostia DC	264	\$2,820,000	\$2,711,000	94.5%	95.6%	56.8%	2.2%
Riverside Greenville	200	\$682,000	\$676,000	93.6%	94.5%	57.5%	3.1%
Bryant Street DC	487	\$4,588,000	\$3,595,000	91.9%	92.9%	57.5%	2.8%
.408 Jackson Greenville	227	\$1,000,000	\$350,000	94.6%	59.9%	53.3%	5.0%
Verge Anacostia DC	344	\$1,959,000	-\$142,000	89.7%	47.3%	67.4%	1.8%
Multifamily Segment	1,483	\$13,891,000	\$10,015,000	92.7%			

Industrial and Commercial Segment

(dollars in thousands)	Nine Months Ended September 30,				Change	%
	2024	%	2023	%		
Lease revenue	\$ 4,353	100.0%	3,932	100.0%	421	10.7%
Depreciation and amortization	1,083	24.8%	1,006	25.6%	77	7.7%
Operating expenses	591	13.6%	490	12.5%	101	20.6%
Property taxes	195	4.5%	185	4.7%	10	5.4%
Cost of operations	1,869	42.9%	1,681	42.8%	188	11.2%
Operating profit before G&A	\$ 2,484	57.1%	2,251	57.2%	233	10.4%
Depreciation and amortization	1,083		1,006		77	
Unrealized revenues	(12)		(531)		519	
Net operating income	\$ 3,555	81.7%	\$ 2,726	69.3%	\$ 829	30.4%

Total revenues in this segment were \$4,353,000, up \$421,000 or 11%, over the same period last year. Operating profit before G&A was \$2,484,000, up \$233,000 or 10% from \$2,251,000 in the same quarter last year. Revenues and operating profit are up because of full occupancy at 1841 62nd Street (which had only \$11,000 of revenue in the first quarter last year) and the addition of 1941 62nd Street to this segment in March 2023. We were 95.6% leased and occupied during the entire period. Net operating income in this segment was \$3,555,000, up \$829,000 or 30% compared to the same period last year partially due to \$519,000 more unrealized rental revenue in the prior year due to rent abatements that expired in 2023.

Mining Royalty Lands Segment Results

(dollars in thousands)	Nine Months Ended September 30,				Change	%
	2024	%	2023	%		
Mining royalty and rent revenue	\$ 9,393	100.0%	9,628	100.0%	(235)	-2.4%
Depreciation, depletion and amortization	471	5.0%	472	4.9%	(1)	-0.2%
Operating expenses	53	0.6%	51	0.5%	2	3.9
Property taxes	214	2.3%	324	3.4%	(110)	-34.0%
Cost of operations	738	7.9%	847	8.8%	(109)	-12.9%
Operating profit before G&A	<u>\$ 8,655</u>	<u>92.1%</u>	<u>8,781</u>	<u>91.2%</u>	<u>(126)</u>	<u>-1.4%</u>
Depreciation and amortization	471		472		(1)	
Unrealized revenues	1,765		(143)		1,908	
Net operating income	<u>\$ 10,891</u>	<u>115.9%</u>	<u>\$ 9,110</u>	<u>94.6%</u>	<u>\$ 1,781</u>	<u>19.5%</u>

Total revenues in this segment were \$9,393,000, a decrease of \$235,000 or 2% versus \$9,628,000 in the same period last year. Royalty revenues were impacted by the deduction of royalties to resolve an \$842,000 overpayment which we referenced previously. Through the first three quarters of this year, the tenant has withheld \$619,000 in royalties otherwise due to the Company with the remainder (\$223,000) withheld in the fourth quarter of 2023. There are no further amounts to be withheld moving forward. Royalty tons were down 8%. Total operating profit before G&A in this segment was \$8,655,000, a decrease of \$126,000 versus \$8,781,000 in the same period last year. Net operating income in this segment was \$10,891,000, up \$1,781,000 or 20% compared to the same period last year mostly due to a \$1,908,000 increase in unrealized revenues (see discussion in the Mining segment's quarterly analysis).

Development Segment Results

(dollars in thousands)	Nine Months Ended September 30,		Change
	2024	2023	
Lease revenue	\$ 905	1,387	(482)
Depreciation, depletion and amortization	128	140	(12)
Operating expenses	232	215	17
Property taxes	443	587	(144)
Cost of operations	803	942	(139)
Operating profit before G&A	<u>\$ 102</u>	<u>445</u>	<u>(343)</u>

Liquidity and Capital Resources. The growth of the Company's businesses requires significant cash needs to acquire and develop land or operating buildings and to construct new buildings and tenant improvements. As of September 30, 2024, we had \$144,681,000 of cash and cash equivalents. As of September 30, 2024 we had no debt borrowed under our \$35 million Wells Fargo revolver, \$548,000 outstanding under letters of credit and \$34,452,000 available to borrow under the revolver. On March 19, 2021, the Company refinanced Dock 79 and The Maren projects pursuant to separate Loan Agreements and Deed of Trust Notes entered into with Teachers Insurance and Annuity Association of America, LLC. Dock 79 and The Maren borrowed principal sums of \$92,070,000 and \$88,000,000 respectively, in connection with the refinancing.

Cash Flows - The following table summarizes our cash flows from operating, investing and financing activities for each of the periods presented (in thousands of dollars):

	Nine Months Ended September 30,	
	2024	2023
Total cash provided by (used for):		
Operating activities	\$ 21,404	20,721
Investing activities	(46,974)	(28,556)
Financing activities	12,696	(3,634)
Increase (decrease) in cash and cash equivalents	\$ (12,874)	(11,469)
Outstanding debt at the beginning of the period	178,705	178,557
Outstanding debt at the end of the period	178,816	178,631

Operating Activities - Net cash provided by operating activities for the nine months ended September 30, 2024 was \$21,404,000 versus \$20,721,000 in the same period last year. Income and NOI increased substantially but net cash provided by operating activities of the company excludes the unconsolidated joint ventures where much of the increase occurred.

At September 30, 2024, the Company was invested in U.S. Treasury notes valued at \$117,933,000 maturing in 2024. The unrealized gain on these investments of \$89,000 was recorded as part of comprehensive income and was based on the estimated market value by Wells Fargo Bank, N.A. (Level 1).

Investing Activities - Net cash used in investing activities for the nine months ended September 30, 2024 was \$46,974,000 versus \$28,556,000 in the same period last year. The \$18.4 million increase was primarily due to a \$42.5 million increase in property due to \$30.3 million invested by the Company and BBX in the consolidated warehouse joint ventures and active Company warehouse construction partially offset by a \$17.4 million decrease in investments in joint ventures due to lower capital calls and lending activity, and a \$6.9 million increase in return of capital from joint ventures due to permanent financing at .408 Jackson and higher lending venture returns.

Financing Activities - Net cash provided by financing activities was \$12,696,000 versus \$3,634,000 required in the same period last year primarily due \$15.1 million of contributions from BBX toward our consolidated partnerships versus the same period last year including \$2.0 million repurchase of stock partially offset by the exercise of employee stock options.

Credit Facilities - On December 22, 2023, the Company entered into a 2023 Amended and Restated Credit Agreement (the "Credit Agreement") with Wells Fargo Bank, N.A. ("Wells Fargo"). The Credit Agreement modifies the Company's prior Credit Agreement with Wells Fargo, dated January 30, 2015. The Credit Agreement establishes a three-year revolving credit facility with a maximum facility amount of \$35 million. The interest rate under the Credit Agreement will be 2.25% over Daily Simple SOFR. A commitment fee of 0.35% per annum is payable quarterly on the unused portion of the commitment. The credit agreement contains certain conditions and financial covenants, including a minimum tangible net worth and dividend restriction. As of September 30, 2024, these covenants would have limited our ability to pay dividends to a maximum of \$102.6 million combined.

On March 19, 2021, the Company refinanced Dock 79 and The Maren projects pursuant to separate Loan Agreements and Deed of Trust Notes entered into with Teachers Insurance and Annuity Association of America, LLC. Dock 79 and The Maren borrowed principal sums of \$92,070,000 and \$88,000,000 respectively, in connection with the refinancing. The loans are separately secured by the Dock 79 and The Maren real property and improvements, bear a fixed interest rate of 3.03% per annum, and require monthly payments of interest only with the principal in full due April 1, 2033. Either loan may be prepaid subsequent to April 1, 2024, subject to yield maintenance premiums. Either loan may be transferred to a qualified buyer as part of a one-time sale subject to a 60% loan to value, minimum of 7.5% debt yield and a 0.75% transfer fee.

On July 25, 2022 the Greenville partnership at Riverside secured a \$32,000,000 loan with a fixed rate of 4.92% from Synovus Bank, replacing the \$22,800,000 loan with Truist Bank. It is an eight year loan maturing July 25, 2030. The term coincides with when the opportunity zone holding period lapses in 2030, when a sale could take place and the tax on gain is forgiven.

On December 4, 2023 the Bryant Street partnership secured a \$110,000,000 loan with a floating rate equal to SOFR plus 2.9% from Rialto Capital Management, replacing the \$132,000,000 loan with Capital One. It is a three year loan with two one-year extensions. A SOFR rate cap was secured at 5.35% from Chatham Financial creating an effective interest rate ceiling of 8.25%. The loan has a floor interest rate of 6.90%. FRP will look to secure a fixed permanent loan in the future when interest rates are more favorable.

On January 30, 2024 the Greenville partnership at .408 Jackson secured a \$49,450,000 loan with a fixed rate of 5.59% from Fannie Mae, replacing the \$36,000,000 loan with First National Bank. It is a seven year loan maturing February 1, 2031. The interest rate was favorable given the current market conditions and the term coincides with when the opportunity zone holding period lapses in 2030, when a sale could take place and the tax on gain is forgiven. As a result of refinancing, the Company received a \$5 million return of capital.

On April 25, 2024 the Verge partnership secured a \$68,862,000 loan with a fixed rate of 5.72% from Fannie Mae, replacing the \$72,823,000 loan with Truist Bank. It is a seven year loan maturing May 1, 2031. The opportunity zone holding period lapses in 2030, when a sale could take place and the tax on gain is forgiven.

Cash Requirements – The Company expects to invest \$16 million into our existing real estate holdings and joint ventures during the remainder of 2024 and \$213 million beyond 2024 for projects currently in our pipeline, with such capital being funded from cash and investments on hand, cash generated from operations, property sales, distributions from joint ventures, or borrowings under our credit facilities.

Non-GAAP Financial Measures.

To supplement the financial results presented in accordance with GAAP, FRP presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. We believe these non-GAAP measures provide useful information to our Board of Directors, management and investors regarding certain trends relating to our financial condition and results of operations. Our management uses these non-GAAP measures to compare our performance to that of prior periods for trend analyses, purposes of determining management incentive compensation and budgeting, forecasting and planning purposes. We provide Pro rata net operating income (NOI) because we believe it assists investors and analysts in estimating our economic interest in our consolidated and unconsolidated partnerships, when read in conjunction with our reported results under GAAP. This measure is not, and should not be viewed as, a substitute for GAAP financial measures. For ease of comparison all the figures in the tables below include the results for Bryant Street, .408 Jackson, and The Verge in the Multifamily segment for all periods shown.

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Pro rata Net Operating Income
Reconciliation
Nine months ended 09/30/24 (in
thousands)

	Industrial and Commercial Segment	Development Segment	Multifamily Segment	Mining Royalties Segment	Unallocated Corporate Expenses	FRP Holdings Totals
Net income (loss)	\$ 1,222	(2,498)	(3,951)	5,884	4,116	4,773
Income tax allocation	376	(767)	(1,224)	1,808	1,550	1,743
Income (loss) before income taxes	1,598	(3,265)	(5,175)	7,692	5,666	6,516
Less:						
Unrealized rents	12	—	—	—	—	12
Interest income		2,995			5,800	8,795
Plus:						
Unrealized rents	—	—	—	1,765	—	1,765
Professional fees	—	—	15	—	—	15
Equity in loss of joint ventures	—	2,081	6,466	35	—	8,582
Interest expense	—	—	2,348	—	134	2,482
Depreciation/amortization	1,083	128	5,947	471	—	7,629
General and administrative	886	4,281	788	928	—	6,883
						—
Net operating income (loss)	3,555	230	10,389	10,891	—	25,065
NOI of noncontrolling interest	—	—	(4,727)	—	—	(4,727)
Pro rata NOI from unconsolidated joint ventures	—	469	8,229	—	—	8,698
Pro rata net operating income	\$ 3,555	699	13,891	10,891	—	29,036

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Pro rata Net Operating Income

Reconciliation

Nine months ended 09/30/23 (in thousands)

	Industrial and Commercial Segment	Development Segment	Multifamily Segment	MiningRoyalties Segment	Unallocated Corporate Expenses	FRP Holdings Totals
Net income (loss)	\$ 892	(7,192)	(816)	5,842	3,270	1,996
Income tax allocation	331	(2,667)	(145)	2,168	1,212	899
Income (loss) before income taxes	1,223	(9,859)	(961)	8,010	4,482	2,895
Less:						
Unrealized rents	531	—	—	143	—	674
Gain on sale of real estate	—	—	—	10	—	10
Interest income	—	3,692	—	—	4,515	8,207
Plus:						
Unrealized rents	—	—	117	—	—	117
Loss on sale of real estate	2	—	1	—	—	3
Professional fees	—	—	59	—	—	59
Equity in loss of joint ventures	—	10,256	298	31	—	10,585
Interest Expense	—	—	3,218	—	33	3,251
Depreciation/amortization	1,006	140	6,797	472	—	8,415
General and administrative	1,026	3,740	634	750	—	6,150
Net operating income (loss)	2,726	585	10,163	9,110	—	22,584
NOI of noncontrolling interest	—	—	(4,627)	—	—	(4,627)
Pro rata NOI from unconsolidated joint ventures	—	251	4,479	—	—	4,730
Pro rata net operating income	\$ 2,726	836	10,015	9,110	—	22,687

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Interest Rate Risk - We are exposed to the impact of interest rate changes through our variable-rate borrowings under our Credit Agreement with Wells Fargo.

Under the Wells Fargo Credit Agreement, the applicable margin for borrowings at September 30, 2024 was Daily simple SOFR plus 2.25%.

The Company did not have any variable rate debt at September 30, 2024, so a sensitivity analysis was not performed to determine the impact of hypothetical changes in interest rates on the Company's results of operations and cash flows.

ITEM 4. CONTROLS AND PROCEDURES

CONCLUSION REGARDING THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

The Company also maintains a system of internal accounting controls over financial reporting that are designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving the desired control objectives.

As of September 30, 2024, the Company, under the supervision and with the participation of the Company's management, including the CEO, CFO and CAO, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Company's CEO, CFO and CAO concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material information required to be included in periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. PURCHASES OF EQUITY SECURITIES BY THE ISSUER

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
July 1 through July 31	—	\$ —	—	\$ 7,363,000
August 1 through August 31	—	\$ —	—	\$ 7,363,000
September 1 through September 30	—	\$ —	—	\$ 7,363,000
Total	—	\$ —	—	

- (1) On February 4, 2015, the Board of Directors authorized management to expend up to \$5,000,000 to repurchase shares of the Company’s common stock from time to time as opportunities arise. On December 5, 2018, the Board of Directors approved a \$10,000,000 increase in the Company’s stock repurchase authorization. On August 5, 2019, the Board of Directors approved a \$10,000,000 increase in the Company’s stock repurchase authorization. On May 6, 2020, the Board of Directors approved a \$10,000,000 increase in the Company’s stock repurchase authorization. On August 26, 2020, the Board of Directors approved a \$10,000,000 increase in the Company’s stock repurchase authorization.

Item 6. EXHIBITS

- (a) Exhibits. The response to this item is submitted as a separate Section entitled "Exhibit Index", on page 34.

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.

FRP Holdings, Inc.

Date: November 6, 2024

By JOHN D. BAKER III
John D. Baker III
Chief Executive Officer
(Principal Executive Officer)

By MATTHEW C. MCNULTY
Matthew C. McNulty
Chief Financial Officer & Treasurer
(Principal Financial Officer)

By JOHN D. KLOPFENSTEIN
John D. Klopfenstein
Controller and Chief Accounting
Officer (Principal Accounting Officer)

FRP HOLDINGS, INC.
FORM 10-Q FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
EXHIBIT INDEX

(31)(a)	<u>Certification of John D. Baker III.</u>
(31)(b)	<u>Certification of Matthew C. McNulty</u>
(31)(c)	<u>Certification of John D. Klopfenstein.</u>
(32)	<u>Certification of Chief Executive Officer, Chief Financial Officer, and Controller and Chief Accounting Officer under Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.XSD	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104.	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

CERTIFICATIONS

Exhibit 31(a)

I, John D. Baker III, certify that:

1. I have reviewed this report on Form 10-Q of FRP Holdings, 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 officers 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 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 disclosures 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 changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial report; and
5. The registrant's other certifying officers 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 registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies 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: November 6, 2024

/s/ John D. Baker III

Chief Executive Officer

CERTIFICATIONS

Exhibit 31(b)

I, Matthew C. McNulty, certify that:

1. I have reviewed this report on Form 10-Q of FRP Holdings, 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 officers 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 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 disclosures 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 changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial report; and
5. The registrant's other certifying officers 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 registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies 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: November 6, 2024

/s/ Matthew C. McNulty

Chief Financial Officer and Treasurer

CERTIFICATIONS

Exhibit 31(c)

I, John D. Klopfenstein, certify that:

1. I have reviewed this report on Form 10-Q of FRP Holdings, 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 officers 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 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 disclosures 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 changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial report; and
5. The registrant's other certifying officers 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 registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies 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: November 6, 2024

/s/ John D. Klopfenstein

Controller and Chief Accounting Officer

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of FRP Holdings, Inc.

FRP Holdings, Inc.

Date: November 6, 2024

By /s/JOHN D. BAKER III
John D. Baker III
Chief Executive Officer & Chief Financial Officer
(Principal Executive Officer)

By /s/MATTHEW C. MCNULTY
Matthew C. McNulty
Chief Financial Officer & Treasurer
(Principal Financial Officer)

By /s/JOHN D. KLOPFENSTEIN
John D. Klopfenstein
Controller and Chief Accounting
Officer (Principal Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to FRP Holdings, Inc. and will be retained by FRP Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification accompanies the issuer's Quarterly report on Form 10-Q and is not filed as provided in SEC Release Nos. 33-8212, 34-4751 and IC-25967, dated June 30, 2003.