UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

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	**47-2449198**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 W. Forsyth St., 7th Floor, Jacksonville, FL	**32202**
(Address of principal executive offices)	(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 [x] 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 [x] 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 [x] Smaller reporting company [x]
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 [x]

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 May 12, 2023
Common Stock, $.10 par value per share	9,514,013 shares

FRP HOLDINGS, INC.
FORM 10-Q
QUARTER ENDED MARCH 31, 2023

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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 impact of the Covid-19 Pandemic on our operations and financial results; 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 Baltimore-Washington-Northern Virginia area; demand for apartments in Washington D.C., Richmond, Virginia 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)

	March 31, 2023	December 31, 2022
Assets:		
Real estate investments at cost:		
Land	$ 141,578	141,579
Buildings and improvements	281,193	270,579
Projects under construction	2,663	12,208
Total investments in properties	425,434	424,366
Less accumulated depreciation and depletion	59,940	57,208
Net investments in properties	365,494	367,158
Real estate held for investment, at cost	10,298	10,182
Investments in joint ventures	144,677	140,525
Net real estate investments	520,469	517,865
Cash and cash equivalents	173,299	177,497
Cash held in escrow	585	797
Accounts receivable, net	1,333	1,166
Unrealized rents	937	856
Deferred costs	2,410	2,343
Other assets	566	560
Total assets	$ 699,599	701,084
Liabilities:		
Secured notes payable	$ 178,594	178,557
Accounts payable and accrued liabilities	3,169	5,971
Other liabilities	1,886	1,886
Federal and state income taxes payable	313	18
Deferred revenue	201	259
Deferred income taxes	68,013	67,960
Deferred compensation	1,357	1,354
Tenant security deposits	881	868
Total liabilities	254,414	256,873
Commitments and contingencies		
Equity:		
Common stock, $.10 par value 25,000,000 shares authorized, 9,503,633 and 9,459,686 shares issued and outstanding, respectively	950	946
Capital in excess of par value	66,281	65,158
Retained earnings	342,882	342,317
Accumulated other comprehensive income (loss), net	(902)	(1,276)
Total shareholders' equity	409,211	407,145
Noncontrolling interest	35,974	37,066
Total equity	445,185	444,211
Total liabilities and equity	$ 699,599	701,084

See accompanying notes.

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

	THREE MONTHS ENDED MARCH 31,	
	2023	2022
Revenues:		
Lease revenue	$ 6,832	6,282
Mining lands lease revenue	3,282	2,425
Total revenues	10,114	8,707
Cost of operations:		
Depreciation, depletion and amortization	2,780	2,898
Operating expenses	1,740	1,808
Property taxes	947	1,028
Management company indirect	839	774
Corporate expenses (Note 4 Related Party)	954	835
Total cost of operations	7,260	7,343
Total operating profit	2,854	1,364
Net investment income	2,382	898
Interest expense	(1,006)	(738)
Equity in loss of joint ventures	(3,625)	(1,604)
Gain on sale of real estate	10	733
Income before income taxes	615	653
Provision for income taxes	209	249
Net income	406	404
Loss attributable to noncontrolling interest	(159)	(268)
Net income attributable to the Company	$ 565	672
Earnings per common share:		
Net income attributable to the Company-		
Basic	$ 0.06	0.07
Diluted	$ 0.06	0.07
Number of shares (in thousands) used in computing:		
-basic earnings per common share	9,416	9,366
-diluted earnings per common share	9,456	9,417

See accompanying notes.

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

	THREE MONTHS ENDED MARCH 31,	
	2023	2022
Net income	$ 406	404
Other comprehensive income (loss) net of tax:		
Unrealized gain/(loss) on investments, net of income tax effect of $139 and $(315)	374	(850)
Comprehensive income (loss)	$ 780	(446)
Less comp. income (loss) attributable to noncontrolling interest	(159)	(268)
Comprehensive income (loss) attributable to the Company	$ 939	(178)

See accompanying notes

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(In thousands) (Unaudited)

	2023	2022
Cash flows from operating activities:		
Net income	$ 406	404
Adjustments to reconcile net income to net cash provided by continuing operating activities:		
Depreciation, depletion and amortization	2,842	2,961
Deferred income taxes	53	—
Equity in loss of joint ventures	3,625	1,604
Gain on sale of equipment and property	(17)	(733)
Stock-based compensation	324	197
Net changes in operating assets and liabilities:		
Accounts receivable	(167)	(312)
Deferred costs and other assets	170	(803)
Accounts payable and accrued liabilities	(2,860)	(2,372)
Income taxes payable and receivable	295	336
Other long-term liabilities	16	32
Net cash provided by operating activities	4,687	1,314
Cash flows from investing activities:		
Investments in properties	(1,206)	(3,636)
Investments in joint ventures	(12,766)	(2,394)
Return of capital from investments in joint ventures	4,988	3,227
Proceeds from sales of investments available for sale	—	4,317
Proceeds from the sale of assets	17	741
Cash held in escrow	212	204
Net cash (used in) provided by investing activities	(8,755)	2,459
Cash flows from financing activities:		
Distribution to noncontrolling interest	(933)	(771)
Exercise of employee stock options	803	—
Net cash used in financing activities	(130)	(771)
Net (decrease) increase in cash and cash equivalents	(4,198)	3,002
Cash and cash equivalents at beginning of year	177,497	161,521
Cash and cash equivalents at end of the period	$ 173,299	164,523
Supplemental disclosure of cash flow information:		
Cash paid (received) during the period for:		
Interest	1,004	736
Income taxes	—	(401)

See accompanying notes.

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(In thousands, except share amounts) (Unaudited)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (loss), net	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance at January 1, 2023	9,459,686	$ 946	$ 65,158	$ 342,317	$ (1,276)	$ 407,145	$ 37,066	$ 444,211
Exercise of stock options	17,735	2	801	—	—	803	—	803
Stock option grant compensation	—	—	17	—	—	17	—	17
Restricted stock compensation	—	—	257	—	—	257	—	257
Shares granted to Employees	928	—	50	—	—	50	—	50
Restricted stock award	25,284	2	(2)	—	—	—	—	—
Net income	—	—	—	565	—	565	(159)	406
Distributions to partners	—	—	—	—	—	—	(933)	(933)
Unrealized loss on investment, net	—	—	—	—	374	374	—	374
Balance at March 31, 2023	9,503,633	$ 950	$ 66,281	$ 342,882	$ (902)	$ 409,211	$ 35,974	$ 445,185
Balance at January 1, 2022	9,411,028	$ 941	$ 57,617	$ 337,752	$ 113	$ 396,423	$ 28,827	$ 425,250
Stock option grant compensation	—	—	17	—	—	17	—	17
Restricted stock compensation	—	—	130	—	—	130	—	130
Shares granted to Employees	865	—	50	—	—	50	—	50
Restricted stock award	21,464	2	(2)	—	—	—	—	—
Forfeiture of restricted stock award	(1,363)	—	—	—	—	—	—	—
Net income	—	—	—	672	—	672	(268)	404
Distributions to partners	—	—	—	—	—	—	(771)	(771)
Unrealized loss on investment, net	—	—	—	—	(850)	(850)	—	(850)
Balance at March 31, 2022	9,431,994	$ 943	$ 57,812	$ 338,424	$ (737)	$ 396,442	$ 27,788	$ 424,230

(1) Description of Business and Basis of Presentation.

FRP Holdings, Inc. is a holding company engaged in the investment and development of real estate , namely (i) leasing and management of industrial and 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) management of mixed use residential/retail properties owned through our joint ventures.

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 and Riverfront Investment Partners II, LLC includes a non-controlling interest representing the ownership of our partner.

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 (primarily consisting of normal recurring accruals) considered necessary for a fair statement of the results for the interim periods have been included. Operating results for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. 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, 2022.

(2) Recently Issued Accounting Standards.

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016 - 13, "Financial Instruments - Credit Losses," which introduced new guidance for an approach based on expected losses to estimate credit losses on certain types of financial instruments. This standard was effective for the Company as of January 1, 2023. There was no impact on our financial statements at adoption.

(3) Business Segments.

The Company is reporting its financial performance based on four reportable segments, Asset Management, Mining Royalty Lands, Development and Stabilized Joint Venture, as described below.

The Asset Management Segment owns, leases and manages in-service commercial properties wholly owned by the Company. Currently this includes nine warehouses in two business parks, an office building partially occupied by the Company, and two ground leases.

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 for their highest and best use for 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.

The Stabilized Joint Venture segment includes joint ventures which own, lease and manage buildings 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 Dock 79 and The Maren 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 Dock 79 and The Maren 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 March 31,	
	2023	2022
Revenues:		
Asset management	$ 1,070	839
Mining royalty lands	3,282	2,425
Development	486	383
Stabilized Joint Venture	5,276	5,060
	10,114	8,707
Operating profit (loss):		
Before corporate expenses:		
Asset management	$ 477	292
Mining royalty lands	2,897	2,183
Development	(461)	(718)
Stabilized Joint Venture	895	442
Operating profit before corporate expenses	3,808	2,199
Corporate expenses:		
Allocated to asset management	(182)	(144)
Allocated to mining royalty lands	(107)	(94)
Allocated to development	(574)	(521)
Allocated to Stabilized Joint Venture	(91)	(76)
Total corporate expenses	(954)	(835)
	$ 2,854	1,364
Interest expense	$ 1,006	738
Depreciation, depletion and amortization:		
Asset management	$ 278	234
Mining royalty lands	183	55
Development	55	45
Stabilized Joint Venture	2,264	2,564
	$ 2,780	2,898
Capital expenditures:		
Asset management	$ 480	450
Mining royalty lands	—	91
Development	594	2,953
Stabilized Joint Venture	132	142

	$ 1,206	3,636

Identifiable net assets	March 31, 2023	December 31, 2022
Asset management	$ 39,202	26,053
Mining royalty lands	48,501	48,494
Development	181,592	188,834
Stabilized Joint Venture	254,932	257,535
Cash items	173,884	178,294
Unallocated corporate assets	1,488	1,874
	$ 699,599	701,084

(4) Related Party Transactions.

The Company is 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 sets forth the terms on which Patriot will provide to 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.

The consolidated statements of income reflect charges and/or allocation from Patriot for these services of $225,000 and $223,000 for the three months ended March 31, 2023 and 2022, respectively. These charges are reflected as part of corporate expenses.

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):

	March 31, 2023	December 31, 2022
Fixed rate mortgage loans, 3.03% interest only, matures 4/1/2033	$ 180,070	180,070
Unamortized debt issuance costs	(1,476)	(1,513)
Credit agreement	—	—
	$ 178,594	178,557

On February 6, 2019, the Company entered into a First Amendment to the 2015 Credit Agreement (the "Credit Agreement") with Wells Fargo Bank, N.A. ("Wells Fargo"), effective February 6, 2019. The Credit Agreement modifies the Company's prior Credit Agreement with Wells Fargo dated January 30, 2015. The Credit Agreement establishes a five-year revolving credit facility with a maximum facility amount of $20 million. The interest rate under the Credit Agreement will be a maximum of 1.50% over Daily 1-Month LIBOR, which may be reduced quarterly to 1.25% or 1.0% over Daily 1-Month LIBOR if the Company meets a specified ratio of consolidated debt to consolidated total capital, as defined which excludes FRP Riverfront. A commitment fee of 0.25% per annum is payable quarterly on the unused portion of the commitment but the amount may be reduced to 0.20% or 0.15% if the Company meets a specified ratio of consolidated total debt to consolidated total capital. The Credit Agreement contains certain conditions, affirmative financial covenants and negative covenants. As of March 31, 2023, there was no debt outstanding on this revolver, $562,000 outstanding under letters of credit and $19,438,000 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 1% and applicable interest rate would have been 5.84029% on March 31, 2023. The credit agreement contains certain conditions and financial covenants, including a minimum tangible net worth and dividend restriction. As of March 31, 2023, these covenants would have limited our ability to pay dividends to a maximum of $249 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.

Debt cost amortization of $37,000 and $37,000 was recorded during the three months ended March 31, 2023 and 2022, respectively. During the three months ended March 31, 2023 and 2022 the Company capitalized interest costs of $406,000 and $674,000, respectively.

The Company was in compliance with all debt covenants as of March 31, 2023.

(6) Earnings per Share.

The following details the computations of the basic and diluted earnings per common share (in thousands, except per share amounts):

		Three Months ended March 31, 2023	Three Months ended March 31, 2022
Weighted average common shares outstanding during the period – shares used for basic earnings per common share		9,416	9,366
Common shares issuable under share based payment plans which are potentially dilutive		40	51
Common shares used for diluted earnings per common share		9,456	9,417
Net income attributable to the Company	$	565	672
Earnings per common share:			
-basic	$	.06	.07
-diluted	$	.06	.07

For the three months ended March 31, 2023, the Company did not have any outstanding anti-dilutive stock options. For the three months ended March 31, 2022, 51,083 shares attributable to outstanding stock options were excluded from the calculation of diluted earnings per share because their inclusion 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 options for shares of common stock 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 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 31.5% and 41.2%, risk-free interest rate of 2.0% to 2.9% 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.

In January 2023, 7,980 shares of restricted stock were granted to employees that will vest over the next four years. In January 2023, 15,032 shares of restricted stock were granted to employees as part of a long-term incentive plan that will vest over the next five years. In March 2023, 2,272 shares of restricted stock were granted to employees under the terms of the 2021 long-term incentive plan. In January 2022, 7,448 shares of restricted stock were granted to employees that will vest over the next four years. In January 2022, 14,016 shares of restricted stock were granted to employees as part of a long-term incentive plan that will vest over the next five years. In March 2023 and March 2022, 928 and 865 shares of stock, respectively, were granted to employees. The number of common shares available for future issuance was 343,930 at March 31, 2023.

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

	Three Months ended March 31, 2023	Three Months ended March 31, 2022
Stock option grants	$ 17	17
Restricted stock awards	257	130
Employee stock grant	50	50
Annual director stock award	—	—
	$ 324	197

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, 2023	88,295	$ 40.33	4.4	$ 1,271
Exercised	(17,735)	$ 45.27		$ (190)
Outstanding at March 31, 2023	70,560	$ 39.09	3.9	$ 1,081
Exercisable at March 31, 2023	66,570	$ 38.68	3.7	$ 1,015
Vested during three months ended March 31, 2023	—			$ —

The aggregate intrinsic value of exercisable in-the-money options was $1,278,000 and the aggregate intrinsic value of outstanding in-the-money options was $1,326,000 based on the market closing price of $57.88 on March 31, 2023 less exercise prices.

The unrecognized compensation cost of options granted to FRP employees but not yet vested as of March 31, 2023 was $44,000, which is expected to be recognized over a weighted-average period of .7 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, 2023	50,496	$ 50.42	3.0	$ 2,546
Time-based awards granted	7,980	53.86		430
Performance-based awards granted	17,304	53.92		933
Vested	(6,211)	46.49		(289)
Non-vested at March 31, 2023	69,569	$ 52.03	3.3	$ 3,620

Total unrecognized compensation cost of restricted stock granted but not yet vested as of March 31, 2023 was $3,159,000 which is expected to be recognized over a weighted-average period of 3.5 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 March 31, 2023, there was $562,000 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 MRP guaranteed $26 million of the construction loan on the Bryant Street Partnerships in exchange for a 1% lower interest rate. The Company and MRP have a side agreement limiting the Company's guarantee to its proportionate ownership. The value of the guarantee was calculated at $1.9 million based on the present value of the 1% interest savings over the anticipated 48-month term. This amount is included as part of the Company's investment basis and is amortized to expense over the 48 months. The Company will evaluate the guarantee liability based upon the success of the project and assuming no payments are made under the guarantee the Company will have a gain for $1.9 million when the loan is paid in full. Borrower may prepay a portion of the unpaid principal to satisfy such tests.

(9) Concentrations.

The mining royalty lands segment has a total of five tenants currently leasing mining locations and one lessee that accounted for 26.3% of the Company's consolidated revenues during the three months ended March 31, 2023, and $645,000 of accounts receivable at March 31, 2023. 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 First Horizon 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 March 31, 2023, the Company was invested in U.S. Treasury notes valued at $128,053,000 maturing in late 2022 through 2024. The unrealized loss on these investments of $1,390,000 was recorded as part of comprehensive income and based on the estimated market value by Wells Fargo Bank, N.A. (Level 1).

At March 31, 2023 and December 31, 2022, 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 March 31, 2023, the carrying amount and fair value of such other long-term debt was $180,070,000 and $148,543,000, respectively. At March 31, 2022, the carrying amount and fair value of such other long-term debt was $180,070,000 and $162,274,000, 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):

	Common Ownership	Total Investment	Total Assets of The Partnership	Profit (Loss) Of the Partnership	The Company's Share of Profit (Loss) of the Partnership
As of March 31, 2023					
Brooksville Quarry, LLC	50.00%	$ 7,509	14,371	(24)	(12)
BC FRP Realty, LLC	50.00%	5,462	21,801	(182)	(91)
Buzzard Point Sponsor, LLC	50.00%	1,889	3,778	—	—
Bryant Street Partnerships	61.36%	54,961	198,741	(2,295)	(1,506)
Lending ventures		19,652	9,011	—	—
Estero Partnership	16.00%	3,600	38,500	—	—
1800 Half St. Owner, LLC	61.37%	40,256	134,060	(2,727)	(1,673)
Greenville Partnerships	40.00%	11,348	95,793	(857)	(343)
Total		$ 144,677	516,055	(6,085)	(3,625)

	Common Ownership	Total Investment	Total Assets of The Partnership	Profit (Loss) Of the Partnership	The Company's Share of Profit (Loss) of the Partnership
As of December 31, 2022					
Brooksville Quarry, LLC	50.00%	$ 7,522	14,374	(84)	(42)
BC FRP Realty, LLC	50.00%	5,453	21,825	(358)	(175)
Buzzard Point Sponsor, LLC	50.00%	1,453	2,906	—	—
Bryant Street Partnerships	61.36%	55,561	199,774	(10,339)	(6,829)
Lending ventures		16,476	5,577	—	—
DST Hickory Creek	26.65%	—	—	10,960	3,164
Estero Partnership	16.00%	3,600	38,505	—	—
1800 Half St. Owner, LLC	61.37%	38,471	131,128	(1,841)	(1,129)
Greenville Partnerships	40.00%	11,989	96,551	(1,775)	(710)
Total		$ 140,525	510,640	(3,437)	(5,721)

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

	As of March 31, 2023					Total
	Buzzard Point Sponsor, LLC	Bryant Street Partnership	Estero Partnership	1800 Half St. Partnership	Greenville Partnership	Apartment/ Mixed-Use
Investments in real estate, net	$ 0	191,753	33,076	131,055	95,108	$ 450,992
Cash and cash equivalents	0	1,496	5,424	2,762	478	10,160
Unrealized rents & receivables	0	5,189	0	106	49	5,344
Deferred costs	3,778	303	0	137	158	4,376
Total Assets	$ 3,778	198,741	38,500	134,060	95,793	$ 470,872
Secured notes payable	$ 0	129,451	16,000	71,631	66,689	$ 283,771
Other liabilities	0	2,411	0	1,195	1,733	5,339
Capital - FRP	1,889	52,953	3,600	38,051	10,399	106,892
Capital – Third Parties	1,889	13,926	18,900	23,183	16,972	74,870
Total Liabilities and Capital	$ 3,778	198,741	38,500	134,060	95,793	$ 470,872

	As of March 31, 2023				Total
	Brooksville Quarry, LLC	BC FRP Realty, LLC	Lending Ventures	Apartment/ Mixed-Use	Grand Total
Investments in real estate, net	$ 14,335	20,940	9,011	450,992	$ 495,278
Cash and cash equivalents	30	147	0	10,160	10,337
Unrealized rents & receivables	0	412	0	5,344	5,756
Deferred costs	6	302	0	4,376	4,684
Total Assets	$ 14,371	21,801	9,011	470,872	$ 516,055
Secured notes payable	$ 0	10,839	(10,839)	283,771	$ 283,771
Other liabilities	22	546	0	5,339	5,907
Capital – FRP	7,509	5,208	19,850	106,892	139,459
Capital - Third Parties	6,840	5,208	0	74,870	86,918
Total Liabilities and Capital	$ 14,371	21,801	9,011	470,872	$ 516,055

The Company's capital recorded by the unconsolidated Joint Ventures is $5,218,000 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, 2022 are summarized in the following two tables (in thousands):

	As of December 31, 2022					Total
	Buzzard Point Sponsor, LLC	Bryant Street Partnership	Estero Partnership	1800 Half St. Partnership	Greenville Partnership	Apartment/ Mixed-Use
Investments in real estate, net	$ 0	192,904	33,008	130,616	95,883	$ 452,411
Cash and cash equivalents	0	1,349	5,497	359	567	7,772
Unrealized rents & receivables	0	5,128	0	14	13	5,155
Deferred costs	2,906	393	0	139	88	3,526
Total Assets	$ 2,906	199,774	38,505	131,128	96,551	$ 468,864
Secured notes payable	$ 0	129,263	16,000	66,584	64,954	$ 276,801
Other liabilities	0	2,338	5	5,328	3,014	10,685
Capital - FRP	1,453	53,553	3,600	36,348	11,087	106,041
Capital – Third Parties	1,453	14,620	18,900	22,868	17,496	75,337
Total Liabilities and Capital	$ 2,906	199,774	38,505	131,128	96,551	$ 468,864

	As of December 31, 2022				Total
	Brooksville Quarry, LLC	BC FRP Realty, LLC	Lending Ventures	Apartment/ Mixed-Use	Grand Total
Investments in real estate, net	$ 14,307	21,059	5,547	452,411	$ 493,324
Cash and cash equivalents	66	99	0	7,772	7,937
Unrealized rents & receivables	0	422	0	5,155	5,577
Deferred costs	1	245	30	3,526	3,802
Total Assets	$ 14,374	21,825	5,577	468,864	$ 510,640
Secured notes payable	$ 0	10,899	(10,899)	276,801	$ 276,801
Other liabilities	0	338	0	10,685	11,023
Capital – FRP	7,522	5,294	16,476	106,041	135,333
Capital - Third Parties	6,852	5,294	0	75,337	87,483
Total Liabilities and Capital	$ 14,374	21,825	5,577	468,864	$ 510,640

The amount of consolidated retained earnings (accumulated deficit) for these joint ventures was $(15,638,000) and $(13,115,000) as of March 31, 2023 and December 31, 2022, respectively.

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

	Bryant Street Partnerships Total JV Three Months ended March 31, 2023	Bryant Street Partnerships Total JV Three Months ended March 31, 2022	Bryant Street Partnerships Company Share Three Months ended March 31, 2023	Bryant Street Partnerships Company Share Three Months ended March 31, 2022
Revenues:				
Rental Revenue	$ 3,078	$ 1,820	$ 1,889	$ 1,116
Revenue – other	512	348	314	214
Total Revenues	3,590	2,168	2,203	1,330
Cost of operations:				
Depreciation and amortization	1,621	1,497	995	919
Operating expenses	1,378	1,330	845	815
Property taxes	132	127	81	78

Total cost of operations	3,131	2,954	1,921	1,812
Total operating profit/(loss)	459	(786)	282	(482)
Interest expense	(2,754)	(1,465)	(1,788)	(1,027)
Net loss before tax	$ (2,295)	$ (2,251)	$ (1,506)	$ (1,509)

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

	Greenville Partnerships Total JV Three Months ended March 31, 2023	Greenville Partnerships Total JV Three Months ended March 31, 2022	Greenville Partnerships Company Share Three Months ended March 31, 2023	Greenville Partnerships Company Share Three Months ended March 31, 2022
Revenues:				
Rental Revenue	$ 1,167	$ 570	$ 467	$ 228
Revenue – other	90	36	36	14
Total Revenues	1,257	606	503	242
Cost of operations:				
Depreciation and amortization	676	384	270	154
Operating expenses	526	262	211	104
Property taxes	234	159	94	64
Total cost of operations	1,436	805	575	322
Total operating profit/(loss)	(179)	(199)	(72)	(80)
Interest expense	(678)	(131)	(271)	(52)
Net loss before tax	$ (857)	$ (330)	$ (343)	$ (132)

The income statements of the 1800 Half Street Partnership are as follows (in thousands):

	1800 Half St Partnership Total JV Three Months ended March 31, 2023	1800 Half St Partnership Company Share Three Months ended March 31, 2023
Revenues:		
Rental Revenue	$ 250	$ 154
Revenue – other	30	18
Total Revenues	280	172
Cost of operations:		
Depreciation and amortization	1,021	627
Operating expenses	679	417
Property taxes	276	169
Total cost of operations	1,976	1,213
Total operating profit	(1,696)	(1,041)
Interest expense	(1,031)	(632)
Net profit before tax	$ (2,727)	$ (1,673)

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 a non-GAAP financial measure 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 measure discussed is pro-rata net operating income (NOI). The Company uses this metric to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. This measure is 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.

Business 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:

Lands leased to mining companies, some of which will have second lives as development properties;

Residential apartments in Washington, D.C. and Greenville, South Carolina;

Warehouse or office properties in the Mid-Atlantic states either existing or under development;

Mixed use properties under development in Washington, D.C. or Greenville, South Carolina; 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. We do not anticipate immediate benefits from investments. 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) asset management (2) mining royalty lands (3) development and (4) stabilized joint ventures. For more information regarding our reportable segments, see Note 3. *Business Segments* of our condensed consolidated financial statements included in this quarterly report.

Asset Management Segment.

The Asset Management 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 and 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 March 31, 2023, the Asset Management Segment includes nine buildings at four commercial properties owned by the Company in fee simple as follows:

1) 34 Loveton Circle in suburban Baltimore County, Maryland 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, Florida 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 Hartford County, Maryland consists of five office buildings totaling 267,737 square feet which are 100% occupied and 100% leased. The property is subject to commercial leases with various tenants.

4) Hollander 95 Business Park in Baltimore City, Maryland consists of three buildings totaling 247,340 square feet that are 100.0% leased and 82.2% occupied.

Management focuses on several factors to measure our success on a comparative basis in this segment. The major factors we focus on are (1) net operating income growth, (2) growth in occupancy, (3) 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), (4) tenant retention success rate (as a percentage of total square feet to be renewed), (5) building and refurbishing assets to meet Class A and Class B institutional grade classifications, and (6) reducing complexities and deferred capital expenditures to maximize sale price.

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 reserves 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 reserves 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. In the fiscal year ended December 31, 2022, a total of 9.5 million tons were mined.

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, Argos 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 "2nd life" Mining Lands:

Location	Acreage	Status
Brooksville, FL	4,280 +/-	Development of Regional of Impact and County Land Use and Master Zoning in place for 5,800 residential unit, mixed-use development
Ft. Myers, FL	1,907 +/-	Approval in place for 105, 1 acre, waterfront residential lots after mining completed.
Total	**6,187 +/-**	

Development Segment.

Through our Development segment, we own and are continuously monitoring for their "highest and best use" 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, third parties. Additionally, our Development segment will purchase or form joint ventures on 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 March 31, 2023, this segment owned the following future development parcels:

1) 54 acres of land that will be capable of supporting over 690,000 square feet of industrial product located at 1001 Old Philadelphia Road in Aberdeen, Maryland.
2) 17 acres of land in Harford County, Maryland that can accommodate 259,000 square feet of industrial development.
3) 170 acres of land in Cecil County, Maryland 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:

Location	Approx. Acreage	Status	NBV
Riverfront on the Anacostia Phases III-IV	2.5	Conceptual design program ongoing	$6,346,000
Hampstead Trade Center, MD	118	Residential zoning applied for in preparation for sale	$10,294,000
Square 664E, on the Anacostia River in DC	2	Under lease to Vulcan Materials as a concrete batch plant through 2026	$7,469,000
Total	**122.5**		$24,109,000

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, Florida	Vulcan Materials Company	Future planned residential development of 3,500 acres which are currently subject to mining lease	50%
BC FRP Realty, LLC for 35 acres in Maryland	St John Properties	Development of 329,000 square feet multi-building business park in progress	50%
Bryant Street Partnerships for 5 acres of land in Washington, D.C.	MRP Realty	Mixed-use development with 487 residential units and 91,661 square feet of retail is in final stages of lease-up	61.36%
Aberdeen Station residential development in Harford County, Maryland		$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, Maryland		$18.5 million in exchange for an interest rate of 10% and a preferred return of 20% after which the Company is entitled to a portion of proceeds from sale	Financing
The Verge at 1800 Half Street property in Buzzard Point area of Washington, D.C.	MRP Realty	Eleven-story structure with 344 apartments and 8,536 square feet of ground floor retail has final certificate of occupancy and currently underway with lease-up	61.37%
.408 Jackson property in Greenville, SC	Woodfield Development	Mixed-use project with 227 multifamily units and 4,539 square feet of retail space has final certificate of occupancy and currently underway with lease-up	40%
Estero	Woodfield Development	Mixed-use project with 554 multifamily units, 72,000 square feet of commercial space, 41,000 square feet of office space and a boutique 170-key hotel	16%
FRP/MRP Buzzard Point Sponsor, LLC	MRP Realty	Pre-development activities for phase one of property owned by Steuart Investment Company (SIC) under a Contribution and Pre-Development Agreement between this partnership and SIC	50%

Joint ventures where FRP is not the primary beneficiary (including those in the Stabilized Joint Venture 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):

	Common Ownership	Total Investment	Total Assets of The Partnership	Profit (Loss) Of the Partnership	The Company's Share of Profit (Loss) of the Partnership
As of March 31, 2023					
Brooksville Quarry, LLC	50.00%	$ 7,509	14,371	(24)	(12)
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Estero Partnership	16.00%	3,600	38,500	—	—
1800 Half St. Owner, LLC	61.37%	40,256	134,060	(2,727)	(1,673)
Greenville Partnerships	40.00%	11,348	95,793	(857)	(343)
Total		$ 144,677	516,055	(6,085)	(3,625)

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

	As of March 31, 2023					Total
	Buzzard Point Sponsor, LLC	Bryant Street Partnership	Estero Partnership	1800 Half St. Partnership	Greenville Partnership	Apartment/ Mixed-Use
Investments in real estate, net	$ 0	191,753	33,076	131,055	95,108	$ 450,992
Cash and cash equivalents	0	1,496	5,424	2,762	478	10,160
Unrealized rents & receivables	0	5,189	0	106	49	5,344
Deferred costs	3,778	303	0	137	158	4,376
Total Assets	$ 3,778	198,741	38,500	134,060	95,793	$ 470,872
Secured notes payable	$ 0	129,451	16,000	71,631	66,689	$ 283,771
Other liabilities	0	2,411	0	1,195	1,733	5,339
Capital - FRP	1,889	52,953	3,600	38,051	10,399	106,892
Capital – Third Parties	1,889	13,926	18,900	23,183	16,972	74,870
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Deferred costs	6	302	0	4,376	4,684
Total Assets	$ 14,371	21,801	9,011	470,872	$ 516,055
Secured notes payable	$ 0	10,839	(10,839)	283,771	$ 283,771
Other liabilities	22	546	0	5,339	5,907
Capital – FRP	7,509	5,208	19,850	106,892	139,459
Capital - Third Parties	6,840	5,208	0	74,870	86,918
Total Liabilities and Capital	$ 14,371	21,801	9,011	470,872	$ 516,055

Stabilized Joint Venture Segment.

At quarter end, the segment included three stabilized joint ventures which own, lease and manage buildings. These assets create revenue and cash flows through tenant rental payments, and reimbursements for building operating costs. The Company's residential spaces generally lease for 12 – 15-month lease terms and 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 to month to month until notification of termination or renewal is received. Renewal terms are typically 9 – 12 months. From March 2020 through the end of 2021, we were prohibited from increasing rent on renewals by emergency measures in Washington, DC designed to ease the burden of the pandemic on its citizens. These measures expired at the end of 2021. 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 5 years. Retail leases at these properties also include percentage rents which average 3-6% of annual sales for the tenant that exceed 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 three stabilized joint venture properties are as follows:

Property and Occupancy	JV Partner	Method of Accounting	% Ownership
Dock 79 apartments Washington, D.C. 305 apartment units and 14,430 square feet of retail	MRP Realty	Consolidated	66%
The Maren apartments Washington, D.C. 264 residential units and 6,811 square feet of retail	MRP Realty	Consolidated as of March 31, 2021	70.41%
Riverside property 1430 Hampton Avenue, Greenville, SC	Woodfield Development	Equity Method	40%

First Quarter Operational Highlights

- 34.9% increase in pro-rata NOI ($6.99 million vs $5.18 million) over first quarter 2022
- Mining Royalties' had its highest revenue quarter ever for the second quarter in a row; 10.77% increase in royalties per ton
- 27.5% increase in Asset Management revenue versus same period last year; 60.6% increase in Asset Management NOI versus first quarter 2022

Comparative Results of Operations for the Three months ended March 31, 2023 and 2022

Consolidated Results

(dollars in thousands)

	Three Months Ended March 31,			
	2023	**2022**	Change	%
Revenues:				
Lease Revenue	$ 6,832	$ 6,282	$ 550	8.8%
Mining lands lease revenue	3,282	2,425	857	35.3%
Total Revenues	10,114	8,707	1,407	16.2%
Cost of operations:				
Depreciation/Depletion/Amortization	2,780	2,898	(118)	-4.1%
Operating Expenses	1,740	1,808	(68)	-3.8%
Property Taxes	947	1,028	(81)	-7.9%
Management company indirect	839	774	65	8.4%
Corporate Expense	954	835	119	14.3%
Total cost of operations	7,260	7,343	(83)	-1.1%
Total operating profit	2,854	1,364	1,490	109.2%
Net investment income	2,382	898	1,484	165.3%
Interest Expense	(1,006)	(738)	(268)	36.3%
Equity in loss of joint ventures	(3,625)	(1,604)	(2,021)	126.0%
Gain on sale of real estate	10	733	(723)	-98.6%
Income before income taxes	615	653	(38)	-5.8%
Provision for income taxes	209	249	(40)	-16.1%
Net income	406	404	2	.5%
Loss attributable to noncontrolling interest	(159)	(268)	109	-40.7%
Net income attributable to the Company	$ 565	$ 672	$ (107)	-15.9%

Net income for the first quarter of 2023 was $565,000 or $.06 per share versus $672,000 or $.07 per share in the same period last year. The first quarter of 2023 was impacted by the following items:

- Operating profit increased $1,490,000 compared to the same quarter last year due to improved revenues and profits in all four segments.
- Interest expense increased $268,000 compared to the same quarter last year due to less capitalized interest. We capitalized less interest because of fewer in-house and joint venture projects under development this quarter compared to last year.
- Interest income increased $1,484,000 due primarily to an increase in interest earned on cash equivalents.
- Equity in loss of Joint Ventures increased $2,021,000 due to losses during lease up at The Verge and .408 Jackson.
- First quarter last year included a $733,000 gain on sales of excess property at Brooksville.

Asset Management Segment Results

	Three months ended March 31					
(dollars in thousands)	2023	%	2022	%	Change	%
Lease revenue	$ 1,070	100.0%	839	100.0%	231	27.5%
Depreciation, depletion and amortization	278	26.0%	234	27.9%	44	18.8%
Operating expenses	141	13.2%	168	20.0%	(27)	-16.1%
Property taxes	60	5.6%	53	6.3%	7	13.2%
Management company indirect	114	10.6%	92	11.0%	22	23.9%
Corporate expense	182	17.0%	144	17.2%	38	26.4%
Cost of operations	775	72.4%	691	82.4%	84	12.2%
Operating profit	$ 295	27.6%	148	17.6%	147	99.3%

Total revenues in this segment were $1,070,000, up $231,000 or 27.5%, over the same period last year. Operating profit was $295,000, up $147,000 from $148,000 in the same quarter last year. Revenues and operating profit are up because of rent growth at Cranberry Run, full occupancy at 1865 62nd Street which was placed into service in the fourth quarter of 2021. We now have nine buildings in service at three different locations totaling 548,785 square feet of office and industrial. At quarter end, we were 99.4% leased and 91.4% occupied. Net operating income in this segment was $787,000, up $297,000 or 60.6% compared to the same quarter last year.

Mining Royalty Lands Segment Results

	Three months ended March 31					
(dollars in thousands)	2023	%	2022	%	Change	%
Mining lands lease revenue	$ 3,282	100.0%	2,425	100.0%	857	35.3%
Depreciation, depletion and amortization	183	5.6%	55	2.3%	128	232.7%
Operating expenses	17	0.5%	15	0.6%	2	13.3%
Property taxes	69	2.1%	65	2.7%	4	6.2%
Management company indirect	116	3.5%	107	4.4%	9	8.4%
Corporate expense	107	3.3%	94	3.9%	13	13.8%
Cost of operations	492	15.0%	336	13.9%	156	46.4%
Operating profit	$ 2,790	85.0%	2,089	86.1%	701	33.6%

Total revenues in this segment were $3,282,000 versus $2,425,000 in the same period last year. Total operating profit in this segment was $2,790,000, an increase of $701,000 versus $2,089,000 in the same period last year. This increase is the result of the additional royalties from the acquisition in Astatula, Florida, which we completed at the beginning of the second quarter 2022, as well as increases in revenue at nearly every active location. Net Operating Income this quarter for this segment was $3,148,000, up $856,000 or 37% compared to the same quarter last year.

Development Segment Results

(dollars in thousands)	Three months ended March 31 2023	2022	Change
Lease revenue	$ 486	383	103
Depreciation, depletion and amortization	55	45	10
Operating expenses	94	211	(117)
Property taxes	287	355	(68)
Management company indirect	511	490	21
Corporate expense	574	521	53
Cost of operations	1,521	1,622	(101)
Operating loss	$ (1,035)	(1,239)	204

With respect to ongoing projects:

- We are the principal capital source of a residential development venture in Prince George's County, Maryland known as "Amber Ridge." Of the $18.5 million in committed capital to the project, $17.1 million in principal draws have taken place through quarter end. Through the end of March 31, 2023, 144 of the 187 units have been sold, and we have received $17.5 million in preferred interest and principal to date.
- Bryant Street is a mixed-use joint venture between the Company and MRP in Washington, DC consisting of four buildings: The Coda, The Chase 1A, The Chase 1B, and one commercial building 90% leased to an Alamo Draft House movie theater. At quarter end, the Coda was 93.51% leased and 92.86% occupied, The Chase 1B was 89.44% leased and 85.71% occupied, and The Chase 1A was 89.53% leased and 93.60% occupied. In total, at quarter end, Bryant Street's 487 residential units were 90.8% leased and occupied. Its commercial space was 84.2% leased and 79.0% occupied at quarter end.
- Lease-up is now underway at The Verge, and at quarter end, the building was 32.0% leased and 23.6% occupied. Retail at this location is 45.0% leased. The Verge received its final certificate of occupancy this past quarter. This is our third mixed-use project in the Anacostia waterfront submarket in Washington, DC.
- .408 Jackson is our second joint venture project in Greenville. Leasing began in the fourth quarter of 2022 with residential units 52.9% leased and 29.1% occupied at quarter end. Retail at this location is 100% leased and currently under construction and expected to open during the fourth quarter of this year. The building received its final certificate of occupancy this past quarter.
- Final vertical construction at the Hollander Business Park was completed in the quarter with delivery of 1941 62nd Street, a 101,750 square foot build-to-suit warehouse. Subsequent to quarter end, the park was fully leased and occupied.
- Grading permits for a 258,545 square-foot warehouse building on Chelsea Road in Aberdeen, Maryland were submitted to the governing agencies for approval. Subsequent to the end of the quarter, Harford County issued a moratorium on any future industrial development with the exception of projects that had already received preliminary site plan approval. Because this project qualified for the exception, it is not subject to the moratorium and can proceed as planned.

Stabilized Joint Venture Segment Results

(dollars in thousands)	Three months ended March 31					
	2023	%	2022	%	Change	%
Lease revenue	$ 5,276	100.0%	5,060	100.0%	216	4.3%
Depreciation, depletion and amortization	2,264	42.9%	2,564	50.7%	(300)	-11.7%
Operating expenses	1,488	28.2%	1,414	27.9%	74	5.2%
Property taxes	531	10.1%	555	11.0%	(24)	-4.3%
Management company indirect	98	1.9%	85	1.7%	13	15.3%
Corporate expense	91	1.7%	76	1.5%	15	19.7%
Cost of operations	4,472	84.8%	4,694	92.8%	(222)	-4.7%
Operating profit	$ 804	15.2%	366	7.2%	438	119.7%

In the fourth quarter of 2022, as part of our new partnership with Steuart Investment Company and MidAtlantic Realty Partners, we sold a 20% ownership interest in a tenancy-in-common (TIC) of Dock 79 and The Maren for $65.3 million, $44.5 million attributable to the Company, placing a combined valuation of the two buildings at $326.5 million.

Total revenues in this segment were $5,276,000, an increase of $216,000 versus $5,060,000 in the same period last year. The Maren's revenue was $2,591,000 an increase of 7.5% and Dock 79 revenues increased $34,000 to $2,685,000 or 1.3%. Total operating profit in this segment was $804,000, an increase of $438,000 versus $366,000 in the same period last year. Pro-rata net operating income this quarter for this segment was $2,022,000, down $116,000 or 5.4% compared to the same quarter last year because of the sale of our 20% TIC interest in both properties to SIC, mitigated by $222,000 in NOI from our pro-rata share Riverside.

At the end of March, The Maren was 96.59% leased and 93.18% occupied. Average residential occupancy for the quarter was 95.54%, and 50% of expiring leases renewed with an average rent increase on renewals of 7.98%. The Maren is a joint venture between the Company and MRP and SIC, in which FRP Holdings, Inc. is the majority partner with 56.3% ownership.

Dock 79's average residential occupancy for the quarter was 92.79%, and at the end of the quarter, Dock 79's residential units were 92.46% leased and 93.44% occupied. This quarter, 65.12% of expiring leases renewed with an average rent increase on renewals of 4.52%. Dock 79 is a joint venture between the Company and MRP and SIC, in which FRP Holdings, Inc. is the majority partner with 52.8% ownership.

During the third quarter of 2022 we achieved stabilization at our Riverside Joint Venture in Greenville South Carolina, At quarter end, the building was 96.5% leased with 95.0% occupancy. Average occupancy for the quarter was 94.42% with 55.17% of expiring leases renewing with an average rental increase of 11.40%. Riverside is a joint venture with Woodfield Development and the Company owns 40% of the venture.

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 March 31, 2023, we had $173,299,000 of cash and cash equivalents. As of March 31, 2023, we had no debt borrowed under our $20 million Wells Fargo revolver, $562,000 outstanding under letters of credit and $19,438,000 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):

		Three months Ended March 31,	
		2023	**2022**
Total cash provided by (used for):			
Operating activities	$	4,687	1,314
Investing activities		(8,755)	2,459
Financing activities		(130)	(771)
Increase (decrease) in cash and cash equivalents	$	(4,198)	3,002
Outstanding debt at the beginning of the period		178,557	178,409
Outstanding debt at the end of the period		178,594	178,446

Operating Activities - Net cash provided by operating activities for the three months ended March 31, 2023 was $4,687,000 versus $1,314,000 in the same period last year.

At March 31, 2023, the Company was invested in U.S. Treasury notes valued at $128,053,000 maturing in late 2022 through 2024. The unrealized loss on these investments of $1,390,000 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 three months ended March 31, 2023 was $8,755,000 versus cash provided by investing activities of $2,459,000 in the same period last year. The $11.2 million decrease was primarily due to a $2.4 million decrease in the purchase of property, a $10.4 million increase in investments in joint ventures, $4.3 million decrease on maturities and sales of our corporate bond portfolio, a $1.8 million increase on the return of our preferred equity financing, and a $.7 million decrease on proceeds from the sale of assets.

Financing Activities – Net cash required by financing activities was $130,000 versus $771,000 in the same period last year primarily due to the exercise of employee stock options in the three months ended March 31, 2023.

Credit Facilities - On February 6, 2019, the Company entered into a First Amendment to the 2015 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 five-year revolving credit facility with a maximum facility amount of $20 million. The interest rate under the Credit Agreement will be a maximum of 1.50% over Daily 1-Month LIBOR, which may be reduced quarterly to 1.25% or 1.0% over Daily 1-Month LIBOR if the Company meets a specified ratio of consolidated total debt to consolidated total capital. A commitment fee of 0.25% per annum is payable quarterly on the unused portion of the commitment but the amount may be reduced to 0.20% or 0.15% if the Company meets a specified ratio of consolidated total debt to consolidated total capital. The credit agreement contains certain conditions and financial covenants, including a minimum tangible net worth and dividend restriction. As of March 31, 2023, these covenants would have limited our ability to pay dividends to a maximum of $249 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.

Cash Requirements – The Company currently expects its capital expenditures for the remainder of 2023 to include approximately $83.9 million for investment into our existing real estate holdings and partnerships as well as new real estate assets and joint ventures, with such capital being funded from cash and investments on hand, cash generated from operations and property sales, or borrowings under our credit facilities. Rising interest rates and cost inflation will require that we closely scrutinize these investments before pulling the trigger on them.

Summary and Outlook. Royalty revenue for this quarter was up 35.35% over the same period last year. This marks the third year in a row we have begun the year with the best first quarter of revenue in segment history. It also marks the second quarter in a row with the highest revenue quarter for any period ever. Revenue for the last twelve months was $11,540,000, an increase of 20.51% over the same period last year. This is the first time we have achieved revenues in this segment surpassing $11 million in any twelve-month period.

In Stabilized Joint Ventures, both The Maren and Dock 79 enjoyed renewal rates in line with expectations (50.00% and 65.12% respectively) and strong increases in rents on those renewals (7.98% and 4.52% respectively). Pro rata NOI is down for the segment, which is to be expected after selling 20% of our share to SIC. NOI for the two projects as a whole increased 5.3% compared to the same period last year ($3,302,000 vs $3,137,000). Riverside in Greenville (which was added to this segment in the third quarter of last year) has maintained strong occupancy (94.42% this quarter) post stabilization. The renewal rate on expiring leases (55.17%) is in line with expectations, but the increase on renewals of 11.40% speaks to the attractiveness of the asset and the strength of this market. Our pro-rata share of NOI at Riverside this quarter was $222,000.

In our Asset Management Segment, overall leasing and occupancy increased compared to the same period last year leading to a 60.6% increase in Net Operating Income. We are currently 100% leased, and 91.4% occupied at our industrial assets. When the final tenant takes occupancy at 1841 62nd Street in the second quarter of 2023, we will be 100% leased and occupied at all 515,077 square feet of our industrial compared to 75.0% leased and 52.5% occupied on 413,327 square feet at the end of 2021.

We will continue to monitor how inflation and interest rates affect our plans moving forward. We have a long-term vision for the future of the Company, but we are not going to rush into anything if the cost of material and debt prevent us from making a reasonable risk adjusted return. As we mentioned in our shareholder letter, we have no plans to institute a major share buyback plan or special dividend, but if we feel like we can repurchase shares at a meaningful discount to net asset value, we will continue to nibble around the edges. We have excellent assets in place; our cash is generating a reasonable return; and we can afford to be patient about putting our plan in place.

Non-GAAP Financial Measure.

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.

Pro-rata Net Operating Income Reconciliation
Three months ended 03/31/23 (in thousands)

	Asset Management Segment	Development Segment	Stabilized Joint Venture Segment	Mining Royalties Segment	Unallocated Corporate Expenses	FRP Holdings Totals
Net Income (loss)	215	(2,608)	(255)	2,034	1,020	406
Income Tax Allocation	80	(967)	(36)	754	378	209
Income (loss) before income taxes	295	(3,575)	(291)	2,788	1,398	615
Less:						
Unrealized rents	82	—	—	48	—	130
Gain on sale of real estate	—	—	—	10	—	10
Interest income	—	972	—	—	1,410	2,382
Plus:						
Unrealized rents	—	—	45	—	—	45
Equity in loss of Joint Ventures	—	3,512	101	12	—	3,625
Interest Expense	—	—	994	—	12	1,006
Depreciation/Amortization	278	55	2,264	183	—	2,780
Management Co. Indirect	114	511	98	116	—	839
Allocated Corporate Expenses	182	574	91	107	—	954
Net Operating Income	787	105	3,302	3,148	—	7,342
NOI of noncontrolling interest	—	—	(1,502)	—	—	(1,502)
Pro-rata NOI from unconsolidated joint ventures	—	926	222	—	—	1,148
Pro-rata net operating income	$ 787	1,031	2,022	3,148	—	6,988

Pro-rata Net Operating Income Reconciliation
Three months ended 03/31/22 (in thousands)

	Asset Management Segment	Development Segment	Stabilized Joint Venture Segment	Mining Royalties Segment	Unallocated Corporate Expenses	FRP Holdings Totals
Net Income (loss)	108	(1,541)	(274)	2,050	61	404
Income Tax Allocation	40	(572)	(2)	760	23	249
Income (loss) before income taxes	148	(2,113)	(276)	2,810	84	653
Less:						
Unrealized rents	128	—	—	53	—	181
Gain on sale of real estate	—	—	—	733	—	733
Equity in gain of Joint Ventures	—	—	85	—	—	85
Interest income	—	803	—	—	95	898
Plus:						
Unrealized rents	—	—	46	—	—	46
Equity in loss of Joint Ventures	—	1,677	—	12	—	1,689
Interest Expense	—	—	727	—	11	738
Depreciation/Amortization	234	45	2,564	55	—	2,898
Management Co. Indirect	92	490	85	107	—	774
Allocated Corporate Expenses	144	521	76	94	—	835
Net Operating Income (loss)	490	(183)	3,137	2,292	—	5,736
NOI of noncontrolling interest	—	—	(999)	—	—	(999)
Pro-rata NOI from unconsolidated joint ventures	—	441	—	—	—	441
Pro-rata net operating income	$ 490	258	2,138	2,292	—	5,178

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 March 31, 2023 was Daily 1-Month LIBOR plus 1.0%. The applicable margin for such borrowings will be increased in the event that our debt to capitalization ratio as calculated under the Wells Fargo Credit Agreement Facility exceeds a target level.

The Company did not have any variable rate debt at March 31, 2023, 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 March 31, 2023, 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, 2022, 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)
January 1 through January 31	—	$ —	—	$ 9,363,000
February 1 through February 28	—	$ —	—	$ 9,363,000
March 1 through March 31	—	$ —	—	$ 9,363,000
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: May 15, 2023

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

By JOHN D. BAKER III
John D. Baker III.
Treasurer and Chief Financial Officer
(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 THREE MONTHS ENDED MARCH 31, 2023
EXHIBIT INDEX

(31)(a)	Certification of John D. Baker II.
(31)(b)	Certification of John D. Baker III.
(31)(c)	Certification of John D. Klopfenstein.
(32)	Certification of Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
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 II, 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: May 15, 2023

/s/ John D. Baker II
Chief Executive Officer

CERTIFICATIONS Exhibit 31(b)

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: May 15, 2023

/s/ John D. Baker III
Treasurer and Chief Financial Officer

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: May 15, 2023

/s/ John D. Klopfenstein
Controller and Chief Accounting Officer

Exhibit 32

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: May 15, 2023

By /s/JOHN D. BAKER II
John D. Baker II
Chief Executive Officer
(Principal Executive Officer)

By /s/JOHN D. BAKER III
John D. Baker III
Treasurer and Chief Financial Officer
(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.