



CTO Realty Growth Reports Third Quarter 2024 Operating Results

October 24, 2024

WINTER PARK, Fla., Oct. 24, 2024 (GLOBE NEWSWIRE) -- CTO Realty Growth, Inc. (NYSE: CTO) (the "Company" or "CTO") today announced its operating results and earnings for the quarter ended September 30, 2024.

Third Quarter Highlights

- Net Income per diluted share attributable to common stockholders of \$0.17.
- Core Funds from Operations ("FFO") of \$0.50 per diluted share attributable to common stockholders, an increase of 6.4% from the comparable prior period.
- Adjusted Funds from Operations ("AFFO") of \$0.51 per diluted share attributable to common stockholders, an increase of 6.3% from the comparable prior period.
- Raised net proceeds of \$125.7 million under the Company's common stock ATM offering program.
- Closed a new 5-year \$100 million unsecured term loan, resulting in an initial effective interest rate of 4.7%.
- Liquidity of \$213 million as of September 30, 2024.
- Investments totaled \$191.3 million, including property acquisitions and structured investments, at a weighted average yield of 9.5%.
- Sold one property for \$18.0 million at an exit cap rate of 9.2%.
- Same-Property NOI totaled \$16.8 million, an increase of 6.3% from the comparable prior period.
- Signed-not-open pipeline represents \$6.5 million, or 7.3%, of annual cash base rent in place as of September 30, 2024.
- Increased full year Core FFO guidance to a range of \$1.83 to \$1.87 per diluted share attributable to common stockholders.
- Increased full year AFFO guidance to a range of \$1.96 to \$2.00 per diluted share attributable to common stockholders.

"We are pleased to report another strong quarter with significant accomplishments across all aspects of our business," stated John P. Albright, President and Chief Executive Officer of CTO Realty Growth. "We experienced significant growth as our GLA increased over 20% from our \$137 million portfolio acquisition of high-quality retail centers in our target growth markets, and we originated a \$44 million first mortgage development loan with an initial yield of 11%. Importantly, we primarily funded our investment activity with disciplined use of our ATM. Finally, we closed a \$100 million 5-year term loan with proceeds used to pay down our credit facility, and ended the quarter with \$213 million of available liquidity and decreased leverage."

Quarterly Financial Results Highlights

The table below provides a summary of the Company's operating results for the three months ended September 30, 2024:

	<u>Three Months Ended</u>				
	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>			<u>Variance to Comparable</u> <u>Period in the Prior Year</u>
(in thousands, except per share data)					
Net Income Attributable to the Company	\$ 6,227	\$ 2,686	\$ 3,541		131.8%
Net Income Attributable to Common Stockholders	\$ 4,349	\$ 1,491	\$ 2,858		191.7%
Net Income Attributable to Common Stockholders per Common Share - Diluted ⁽¹⁾	\$ 0.17	\$ 0.07	\$ 0.10		142.9%
Core FFO Attributable to Common Stockholders ⁽²⁾	\$ 12,633	\$ 10,462	\$ 2,171		20.8%
Core FFO Attributable to Common Stockholders per Common Share - Diluted ⁽²⁾	\$ 0.50	\$ 0.47	\$ 0.03		6.4%
AFFO Attributable to Common Stockholders ⁽²⁾	\$ 13,142	\$ 10,766	\$ 2,376		22.1%
AFFO Attributable to Common Stockholders per Common Share - Diluted ⁽²⁾	\$ 0.51	\$ 0.48	\$ 0.03		6.3%

Dividends Declared and Paid - Preferred Stock	\$	0.40	\$	0.40	\$	—	0.0%
Dividends Declared and Paid - Common Stock	\$	0.38	\$	0.38	\$	—	0.0%

(1) The denominator for this measure excludes the impact of 3.7 million and 3.4 million shares for the three months ended September 30, 2024 and 2023, respectively, related to the Company's adoption of ASU 2020-06, effective January 1, 2022, which requires presentation on an if-converted basis for the Company's 2025 Convertible Senior Notes, as the impact would be anti-dilutive.

(2) See the "Non-GAAP Financial Measures" section and tables at the end of this press release for a discussion and reconciliation of Net Income Attributable to the Company to non-GAAP financial measures, including FFO Attributable to Common Stockholders, FFO Attributable to Common Stockholders per Common Share - Diluted, Core FFO Attributable to Common Stockholders, Core FFO Attributable to Common Stockholders per Common Share - Diluted, AFFO Attributable to Common Stockholders, and AFFO Attributable to Common Stockholders per Common Share - Diluted. Further, the weighted average shares used to compute per share amounts for Core FFO Attributable to Common Stockholders per Common Share - Diluted and AFFO Attributable to Common Stockholders per Common Share - Diluted do not reflect any dilution related to the ultimate settlement of the 2025 Convertible Senior Notes.

Year-to-Date Financial Results Highlights

The table below provides a summary of the Company's operating results for the nine months ended September 30, 2024:

(in thousands, except per share data)	Nine Months Ended		Variance to Comparable Period in the Prior Year	
	September 30, 2024	September 30, 2023		
Net Income (Loss) Attributable to the Company	\$ 13,252	\$ (1,507)	\$ 14,759	979.4%
Net Income (Loss) Attributable to Common Stockholders	\$ 8,316	\$ (5,092)	\$ 13,408	263.3%
Net Income (Loss) Attributable to Common Stockholders per Common Share - Diluted ⁽¹⁾	\$ 0.35	\$ (0.23)	\$ 0.58	252.2%
Core FFO Attributable to Common Stockholders ⁽²⁾	\$ 33,723	\$ 28,937	\$ 4,786	16.5%
Core FFO Attributable to Common Stockholders per Common Share - Diluted ⁽²⁾	\$ 1.43	\$ 1.28	\$ 0.15	11.7%
AFFO Attributable to Common Stockholders ⁽²⁾	\$ 35,840	\$ 31,410	\$ 4,430	14.1%
AFFO Attributable to Common Stockholders per Common Share - Diluted ⁽²⁾	\$ 1.52	\$ 1.39	\$ 0.13	9.4%
Dividends Declared and Paid - Preferred Stock	\$ 1.20	\$ 1.20	\$ —	0.0%
Dividends Declared and Paid - Common Stock	\$ 1.14	\$ 1.14	\$ —	0.0%

(1) The denominator for this measure excludes the impact of 3.6 million and 3.3 million shares for the nine months ended September 30, 2024 and 2023, respectively, related to the Company's adoption of ASU 2020-06, effective January 1, 2022, which requires presentation on an if-converted basis for the Company's 2025 Convertible Senior Notes, as the impact would be anti-dilutive.

(2) See the "Non-GAAP Financial Measures" section and tables at the end of this press release for a discussion and reconciliation of Net Income (Loss) Attributable to the Company to non-GAAP financial measures, including FFO Attributable to Common Stockholders, FFO Attributable to Common Stockholders per Common Share - Diluted, Core FFO Attributable to Common Stockholders, Core FFO Attributable to Common Stockholders per Common Share - Diluted, AFFO Attributable to Common Stockholders, and AFFO Attributable to Common Stockholders per Common Share - Diluted. Further, the weighted average shares used to compute per share amounts for Core FFO Attributable to Common Stockholders per Common Share - Diluted and AFFO Attributable to Common Stockholders per Common Share - Diluted do not reflect any dilution related to the ultimate settlement of the 2025 Convertible Senior Notes.

Investments

During the three months ended September 30, 2024, the Company invested \$191.3 million, at a weighted average yield of 9.5% inclusive of:

- Three open-air shopping centers for a purchase price of \$137.5 million consisting of Carolina Pavilion in Charlotte, North Carolina; Millenia Crossing in Orlando, Florida; and Lake Brandon Village in Tampa, Florida.
- Origination of a \$43.8 million first mortgage loan with an initial term of two years and an initial fixed interest rate of 11.0%. The loan is secured by over 100 acres entitled for an over 2 million square foot mixed-use development located in Herndon, Virginia near Dulles International Airport and adjacent to a Metrorail Silver Line station.
- Completion of a \$10.0 million preferred equity investment in a subsidiary of a publicly-traded hospitality, entertainment and

real estate company with a dividend rate of 14.0%. The investment is not redeemable prior to July 11, 2029, except upon the occurrence of certain specified events.

During the nine months ended September 30, 2024, the Company invested \$273.8 million into five retail properties totaling 1.2 million square feet and one vacant land parcel, originated two first mortgage structured investments for \$53.8 million, and invested \$10.0 million in a preferred equity investment in a subsidiary of a publicly-traded hospitality, entertainment and real estate company. These investments represent a weighted average going-in cash yield of 9.1%.

Dispositions

During the three months ended September 30, 2024, the Company completed the sale of Jordan Landing, located in West Jordan, Utah for \$18.0 million.

During the nine months ended September 30, 2024, the Company sold two retail properties for \$38.0 million at a weighted average exit cash cap rate of 8.7%, generating an aggregate gain of \$3.8 million.

Portfolio Summary

The Company's income property portfolio consisted of the following as of September 30, 2024:

Asset Type	# of Properties	Square Feet	Wtd. Avg. Remaining Lease Term
Single Tenant	6	252	5.5 years
Multi-Tenant	16	4,360	5.0 years
Total / Wtd. Avg.	22	4,612	4.9 years

Square Feet in thousands.

Property Type	# of Properties	Square Feet	% of Cash Base Rent
Retail	17	3,184	66.5%
Office	1	210	4.1%
Mixed-Use	4	1,218	29.5%
Total	22	4,612	100.1%

Square Feet in thousands.

Leased Occupancy	95.8%
Occupancy	90.0%

Same Property Net Operating Income

During the three months ended September 30, 2024, the Company's Same-Property NOI totaled \$16.8 million, an increase of 6.3% over the comparable prior year period, as presented in the following table:

	Three Months Ended		Variance to Comparable Period in the Prior Year	
	September 30, 2024	September 30, 2023		
Single Tenant	\$ 1,339	\$ 1,365	\$ (26)	(1.9)%
Multi-Tenant	15,457	14,439	1,018	7.1%
Total	\$ 16,796	\$ 15,804	\$ 992	6.3%

\$ in thousands.

During the nine months ended September 30, 2024, the Company's Same-Property NOI totaled \$44.6 million, an increase of 5.1% over the comparable prior year period, as presented in the following table:

	Nine Months Ended		Variance to Comparable Period in the Prior Year	
	September 30, 2024	September 30, 2023		
Single Tenant	\$ 3,778	\$ 3,505	\$ 273	7.8%
Multi-Tenant	40,834	38,923	1,911	4.9%

Total	\$ 44,612	\$ 42,428	\$ 2,184	5.1%
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\$ in thousands.

Leasing Activity

During the quarter ended September 30, 2024, the Company signed 20 leases totaling 201,806 square feet. On a comparable basis, which excludes vacancy existing at the time of acquisition, CTO signed 16 leases totaling 147,648 square feet at an average cash base rent of \$21.86 per square foot compared to a previous average cash base rent of \$19.52 per square foot, representing 12.0% comparable growth.

A summary of the Company's overall leasing activity for the quarter ended September 30, 2024, is as follows:

	Square Feet	Wtd. Avg. Lease Term	Cash Rent per Square Foot	Tenant Improvements	Leasing Commissions
New Leases	80	9.2 years	\$ 25.96	\$ 1,657	\$ 1,273
Renewals & Extensions	122	3.6 years	18.04	53	36
Total / Wtd. Avg.	202	6.3 years	\$ 21.17	\$ 1,710	\$ 1,309

In thousands except for per square foot and weighted average lease term data. Comparable leases compare leases signed on a space for which there was previously a tenant. Overall leasing activity does not include lease termination agreements or lease amendments related to tenant bankruptcy proceedings.

During the nine months ended September 30, 2024, the Company signed 54 leases totaling 384,513 square feet. On a comparable basis, which excludes vacancy existing at the time of acquisition, CTO signed 42 leases totaling 300,225 square feet at an average cash base rent of \$23.48 per square foot compared to a previous average cash base rent of \$18.63 per square foot, representing 26.0% comparable growth.

A summary of the Company's overall leasing activity for the nine months ended September 30, 2024, is as follows:

	Square Feet	Wtd. Avg. Lease Term	Cash Rent per Square Foot	Tenant Improvements	Leasing Commissions
New Leases	181	10.2 years	\$ 27.26	\$ 7,364	\$ 2,921
Renewals & Extensions	204	3.7 years	20.62	78	133
Total / Wtd. Avg.	385	7.2 years	\$ 23.74	\$ 7,442	\$ 3,054

In thousands except for per square foot and weighted average lease term data. Comparable leases compare leases signed on a space for which there was previously a tenant. Overall leasing activity does not include lease termination agreements or lease amendments related to tenant bankruptcy proceedings.

Capital Markets and Balance Sheet

During the quarter ended September 30, 2024, the Company completed the following notable capital markets activities:

- Issued 6,851,375 common shares under its common stock ATM offering program at a weighted average gross price of \$18.63 per share, for total net proceeds of \$125.7 million.
- Issued 15,844 common shares under its Series A Preferred Stock ATM offering program at a weighted average gross price of \$23.22 per share, for total net proceeds of \$0.4 million.
- On September 30, 2024, the Company closed a new five-year \$100 million unsecured term loan bearing interest at SOFR plus a spread based on the Company's leverage ratio. The Company applied existing SOFR swap agreements, previously used to fix the interest rate on \$100 million of borrowings under the Company's revolving credit facility to the new term loan resulting in an initial effective fixed interest rate on the new term loan of 4.7%.
- As of September 30, 2024, the Company has \$205 million of undrawn commitments, prior to borrowing base limitations, on our Revolving Credit Facility, and \$8.2 million of cash on hand.

The following table provides a summary of the Company's long-term debt, as of September 30, 2024:

Component of Long-Term Debt	Principal	Maturity Date	Interest Rate	Wtd. Avg. Rate as of September 30, 2024
2025 Convertible Senior Notes	\$ 51.0 million	April 2025	3.875%	3.88%
2026 Term Loan ⁽¹⁾	65.0 million	March 2026	SOFR + 10 bps + [1.25% - 2.20%]	2.72%
Mortgage Note ⁽²⁾	17.8 million	August 2026	4.060%	4.06%
Revolving Credit Facility ⁽³⁾	95.0 million	January 2027	SOFR + 10 bps + [1.25% - 2.20%]	5.82%

2027 Term Loan ⁽⁴⁾	100.0 million	January 2027	SOFR + 10 bps + [1.25% - 2.20%]	2.80%
2028 Term Loan ⁽⁵⁾	100.0 million	January 2028	SOFR + 10 bps + [1.20% - 2.15%]	5.18%
2029 Term Loan ⁽⁶⁾	100.0 million	September 2029	SOFR + 0.10% + [1.20% - 2.15%]	4.68%
Total Long-Term Debt	<u>\$ 528.8 million</u>			<u>4.28%</u>

- (1) The Company utilized interest rate swaps on the \$65.0 million 2026 Term Loan balance to fix SOFR and achieve a weighted average fixed swap rate of 1.27% plus the 10 bps SOFR adjustment plus the applicable spread.
- (2) Mortgage note assumed in connection with the acquisition of Price Plaza Shopping Center located in Katy, Texas.
- (3) Prior to September 30, 2024, the Company utilized interest rate swaps on \$150.0 million of the Credit Facility balance to fix SOFR and achieve a weighted average fixed swap rate of 3.47% plus the 10 bps SOFR adjustment plus the applicable spread. Effective September 30, 2024, the Company assigned \$100.0 million of interest rate swaps to the 2029 Term Loan. Accordingly, as of September 30, 2024, the Company had interest rate swaps of \$50.0 million of interest rate swaps on the Credit Facility to fix SOFR and achieve a fixed swap rate of 3.85% plus the 10 bps SOFR adjustment plus the applicable spread.
- (4) The Company utilized interest rate swaps on the \$100.0 million 2027 Term Loan balance to fix SOFR and achieve a fixed swap rate of 1.35% plus the 10 bps SOFR adjustment plus the applicable spread.
- (5) The Company utilized interest rate swaps on the \$100.0 million 2028 Term Loan balance to fix SOFR and achieve a weighted average fixed swap rate of 3.78% plus the 10 bps SOFR adjustment plus the applicable spread.
- (6) The Company utilized interest rate swaps on the \$100.0 million 2029 Term Loan balance to fix SOFR and achieve a weighted average fixed swap rate of 3.28% plus the 10 bps SOFR adjustment plus the applicable spread.

As of September 30, 2024, the Company's net debt to Pro Forma Adjusted EBITDA was 6.4 times, and as defined in the Company's credit agreement, the Company's fixed charge coverage ratio was 2.7 times. As of September 30, 2024, the Company's net debt to total enterprise value was 43.1%. The Company calculates total enterprise value as the sum of net debt, par value of its 6.375% Series A preferred equity, and the market value of the Company's outstanding common shares.

Dividends

On August 20, 2024, the Company announced a cash dividend on its common stock and Series A Preferred Stock for the third quarter of 2024 of \$0.38 per share and \$0.40 per share, respectively, payable on September 30, 2024 to stockholders of record as of the close of business on September 12, 2024. The third quarter 2024 common stock cash dividend represents a payout ratio of 76.0% and 74.5% of the Company's third quarter 2024 Core FFO Attributable to Common Stockholders per Common Share - Diluted and AFFO Attributable to Common Stockholders per Common Share - Diluted, respectively.

2024 Outlook

The Company has increased its Core FFO and AFFO outlook for 2024 and has revised certain assumptions to take into account the Company's year-to-date performance and revised expectations regarding the Company's acquisition activities. The Company's outlook for 2024 assumes continued stability in economic activity, stable or positive business trends related to each of our tenants and other significant assumptions.

The Company's increased outlook for 2024 is as follows:

<i>(Unaudited)</i>	Revised Outlook Range for 2024		Change from Prior Outlook	
	Low	High	Low	High
Core FFO per Diluted Share	\$ 1.83	to \$ 1.87	\$ 0.02	to \$ 0.01
AFFO per Diluted Share	\$ 1.96	to \$ 2.00	\$ 0.01	to \$ -

The Company's 2024 guidance includes but is not limited to the following assumptions:

- Same-Property NOI growth of 4% to 6%, including the known impact of bad debt expense, occupancy loss and costs associated with tenants in bankruptcy, and/or tenant lease defaults, and before any impact from potential 2024 income property acquisitions and/or dispositions.
- General and administrative expenses within a range of \$16.0 million to \$16.5 million.
- Weighted average diluted shares outstanding of 25.3 million shares.

- Year-end 2024 leased occupancy projected to be within a range of 96% to 97% before any impact from potential 2024 income property acquisitions and/or dispositions.
- Investment, including structured investments, between \$300 million and \$350 million at a weighted average initial cash yield between 8.50% and 9.00%.
- Disposition of assets between \$35 million and \$50 million at a weighted average exit cash yield between 8.50% and 8.75%

The following table provides a reconciliation of the revised outlook range of the Company's 2024 estimated Net Income Attributable to the Company per Diluted Share to estimated Core FFO and AFFO per Diluted Share:

	Revised Outlook Range for 2024	
	Low	High
<i>(Unaudited)</i>		
Net Income Attributable to the Company, per Common Share - Diluted	\$ 0.55	\$ 0.59
Depreciation and Amortization of Real Estate	1.94	1.94
Gain on Disposition of Assets, Net of Tax ⁽¹⁾	(0.33)	(0.33)
Gain on Disposition of Other Assets ⁽¹⁾	(0.02)	(0.02)
Provision for Impairment ⁽¹⁾	0.03	0.03
Realized and Unrealized Gain on Investment Securities ⁽¹⁾	(0.11)	(0.11)
Funds from Operations, per Common Share - Diluted	\$ 2.06	\$ 2.10
Distributions to Preferred Stockholders	(0.27)	(0.27)
Funds From Operations Attributable to Common Stockholders, per Common Share - Diluted	\$ 1.79	\$ 1.83
Amortization of Intangibles to Lease Income	0.04	0.04
Core Funds From Operations Attributable to Common Stockholders	\$ 1.83	\$ 1.87
Adjustments:		
Straight-Line Rent Adjustment	(0.07)	(0.07)
Amortization of Loan Costs, Discount on Convertible Debt, and Capitalized Interest	0.05	0.05
Non-Cash Compensation	0.15	0.15
Adjusted Funds From Operations Attributable to Common Stockholders, per Common Share - Diluted	\$ 1.96	\$ 2.00

(1) Represents the actual adjustment for the nine months ended September 30, 2024. The Company's revised outlook excludes projections related to these measures.

Earnings Conference Call & Webcast

The Company will host a conference call to present its operating results for the quarter ended September 30, 2024, on Friday, October 25, 2024, at 9:00 AM ET.

A live webcast of the call will be available on the Investor Relations page of the Company's website at www.ctoreit.com or at the link provided in the event details below. To access the call by phone, please go to the registration link provided in the event details below and you will be provided with dial-in details.

Event Details:

Webcast: <https://edge.media-server.com/mmc/p/d5bi9eap>

Registration: <https://register.vevent.com/register/BI41ec61215d574a4e9274d2d335e1a5a6>

We encourage participants to register and dial into the conference call at least fifteen minutes ahead of the scheduled start time. A replay of the earnings call will be archived and available online through the Investor Relations section of the Company's website at www.ctoreit.com.

About CTO Realty Growth, Inc.

CTO Realty Growth, Inc. is a publicly traded real estate investment trust that owns and operates a portfolio of high-quality, retail-based properties located primarily in higher growth markets in the United States. CTO also externally manages and owns a meaningful interest in Alpine Income Property Trust, Inc. (NYSE: PINE), a publicly traded net lease REIT.

We encourage you to review our most recent investor presentation and supplemental financial information, which is available on our website at www.ctoreit.com.

Contact: Investor Relations
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Safe Harbor

Certain statements contained in this press release (other than statements of historical fact) are 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. Forward-looking statements can typically be identified by words such as “believe,” “estimate,” “expect,” “intend,” “anticipate,” “will,” “could,” “may,” “should,” “plan,” “potential,” “predict,” “forecast,” “project,” and similar expressions, as well as variations or negatives of these words.

Although forward-looking statements are made based upon management’s present expectations and beliefs concerning future developments and their potential effect upon the Company, a number of factors could cause the Company’s actual results to differ materially from those set forth in the forward-looking statements. Such factors may include, but are not limited to: the Company’s ability to remain qualified as a REIT; the Company’s exposure to U.S. federal and state income tax law changes, including changes to the REIT requirements; general adverse economic and real estate conditions; macroeconomic and geopolitical factors, including but not limited to inflationary pressures, interest rate volatility, distress in the banking sector, global supply chain disruptions, and ongoing geopolitical war; credit risk associated with the Company investing in structured investments; the ultimate geographic spread, severity and duration of pandemics such as the COVID-19 Pandemic and its variants, actions that may be taken by governmental authorities to contain or address the impact of such pandemics, and the potential negative impacts of such pandemics on the global economy and the Company’s financial condition and results of operations; the inability of major tenants to continue paying their rent or obligations due to bankruptcy, insolvency or a general downturn in their business; the loss or failure, or decline in the business or assets of PINE; the completion of 1031 exchange transactions; the availability of investment properties that meet the Company’s investment goals and criteria; the uncertainties associated with obtaining required governmental permits and satisfying other closing conditions for planned acquisitions and sales; and the uncertainties and risk factors discussed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and other risks and uncertainties discussed from time to time in the Company’s filings with the U.S. Securities and Exchange Commission.

There can be no assurance that future developments will be in accordance with management’s expectations or that the effect of future developments on the Company will be those anticipated by management. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company undertakes no obligation to update the information contained in this press release to reflect subsequently occurring events or circumstances.

Non-GAAP Financial Measures

Our reported results are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”). We also disclose Funds From Operations (“FFO”), Core Funds From Operations (“Core FFO”), Adjusted Funds From Operations (“AFFO”), Pro Forma Earnings Before Interest, Taxes, Depreciation and Amortization (“Pro Forma Adjusted EBITDA”), and Same-Property Net Operating Income (“Same-Property NOI”), each of which are non-GAAP financial measures. We believe these non-GAAP financial measures are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs.

FFO, Core FFO, AFFO, Pro Forma Adjusted EBITDA, and Same-Property NOI do not represent cash generated from operating activities and are not necessarily indicative of cash available to fund cash requirements; accordingly, they should not be considered alternatives to net income as a performance measure or cash flows from operating activities as reported on our statement of cash flows as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures.

We compute FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT.

NAREIT defines FFO as GAAP net income or loss adjusted to exclude real estate related depreciation and amortization, as well as extraordinary items (as defined by GAAP) such as net gain or loss from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets and impairments associated with the implementation of current expected credit losses on commercial loans and investments at the time of origination, including the pro rata share of such adjustments of unconsolidated subsidiaries. The Company also excludes the gains or losses from sales of assets incidental to the primary business of the REIT which specifically include the sales of mitigation credits, subsurface sales, investment securities, and land sales, in addition to the mark-to-market of the Company’s investment securities and interest related to the 2025 Convertible Senior Notes, if the effect is dilutive. To derive Core FFO, we modify the NAREIT computation of FFO to include other adjustments to GAAP net income related to gains and losses recognized on the extinguishment of debt, amortization of above- and below-market lease related intangibles, and other unforecastable market- or transaction-driven non-cash items, as well as adding back the interest related to the 2025 Convertible Senior Notes, if the effect is dilutive. To derive AFFO, we further modify the NAREIT computation of FFO and Core FFO to include other adjustments to GAAP net income related to non-cash revenues and expenses such as straight-line rental revenue, non-cash compensation, and other non-cash amortization. Such items may cause short-term fluctuations in net income but have no impact on operating cash flows or long-term operating performance. We use AFFO as one measure of our performance when we formulate corporate goals.

To derive Pro Forma Adjusted EBITDA, GAAP net income or loss attributable to the Company is adjusted to exclude real estate related depreciation and amortization, as well as extraordinary items (as defined by GAAP) such as net gain or loss from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets, impairments associated with the implementation of current expected credit losses on commercial loans and investments at the time of origination, including the pro rata share of such adjustments of unconsolidated subsidiaries, non-cash revenues and expenses such as straight-line rental revenue, amortization of deferred financing costs, above- and below-market lease related intangibles, non-cash compensation, other non-recurring items such as termination fees, forfeitures of tenant security deposits, and certain adjustments to reconciliation estimates related to reimbursable revenue for recently acquired properties, and other non-cash income or expense. The Company also excludes the gains or losses from sales of assets incidental to the primary business of the REIT which specifically include the sales of mitigation credits, subsurface sales, investment securities, and land sales, in addition to the mark-to-market of the Company’s investment securities. Cash interest expense is also excluded from Pro Forma Adjusted EBITDA, and GAAP net income or loss is adjusted for the annualized impact of acquisitions, dispositions and other similar activities.

To derive Same-Property NOI, GAAP net income or loss attributable to the Company is adjusted to exclude real estate related depreciation and amortization, as well as extraordinary items (as defined by GAAP) such as net gain or loss from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets, impairments associated with the implementation of current expected credit losses on

commercial loans and investments at the time of origination, including the pro rata share of such adjustments of unconsolidated subsidiaries, non-cash revenues and expenses such as straight-line rental revenue, amortization of deferred financing costs, above- and below-market lease related intangibles, non-cash compensation, other non-recurring items such as termination fees, forfeitures of tenant security deposits, and certain adjustments to reconciliation estimates related to reimbursable revenue for recently acquired properties, and other non-cash income or expense. Interest expense, general and administrative expenses, investment and other income or loss, income tax benefit or expense, real estate operations revenues and direct cost of revenues, management fee income, and interest income from commercial loans and investments are also excluded from Same-Property NOI. GAAP net income or loss is further adjusted to remove the impact of properties that were not owned for the full current and prior year reporting periods presented. Cash rental income received under the leases pertaining to the Company's assets that are presented as commercial loans and investments in accordance with GAAP is also used in lieu of the interest income equivalent.

FFO is used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers primarily because it excludes the effect of real estate depreciation and amortization and net gains or losses on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. We believe that Core FFO and AFFO are additional useful supplemental measures for investors to consider because they will help them to better assess our operating performance without the distortions created by other non-cash revenues or expenses. We also believe that Pro Forma Adjusted EBITDA is an additional useful supplemental measure for investors to consider as it allows for a better assessment of our operating performance without the distortions created by other non-cash revenues, expenses or certain effects of the Company's capital structure on our operating performance. We use Same-Property NOI to compare the operating performance of our assets between periods. It is an accepted and important measurement used by management, investors and analysts because it includes all property-level revenues from the Company's properties, less operating and maintenance expenses, real estate taxes and other property-specific expenses ("Net Operating Income" or "NOI") of properties that have been owned and stabilized for the entire current and prior year reporting periods. Same-Property NOI attempts to eliminate differences due to the acquisition or disposition of properties during the particular period presented, and therefore provides a more comparable and consistent performance measure for the comparison of the Company's properties. FFO, Core FFO, AFFO, Pro Forma Adjusted EBITDA, and Same-Property NOI may not be comparable to similarly titled measures employed by other companies.

CTO Realty Growth, Inc.
Consolidated Balance Sheets

(In thousands, except share and per share data)

	As of	
	(Unaudited) September 30, 2024	December 31, 2023
ASSETS		
Real Estate:		
Land, at Cost	\$ 253,742	\$ 222,232
Building and Improvements, at Cost	691,055	559,389
Other Furnishings and Equipment, at Cost	874	857
Construction in Process, at Cost	4,838	3,997
Total Real Estate, at Cost	950,509	786,475
Less, Accumulated Depreciation	(70,545)	(52,012)
Real Estate—Net	879,964	734,463
Land and Development Costs	300	731
Intangible Lease Assets—Net	107,658	97,109
Investment in Alpine Income Property Trust, Inc.	42,997	39,445
Mitigation Credits	—	1,044
Commercial Loans and Investments	103,014	61,849
Cash and Cash Equivalents	8,172	10,214
Restricted Cash	1,696	7,605
Refundable Income Taxes	18	246
Deferred Income Taxes—Net	2,019	2,009
Other Assets	30,286	34,953
Total Assets	\$ 1,176,124	\$ 989,668
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts Payable	\$ 2,075	\$ 2,758
Accrued and Other Liabilities	26,401	18,373
Deferred Revenue	6,171	5,200
Intangible Lease Liabilities—Net	18,857	10,441
Long-Term Debt	526,838	495,370
Total Liabilities	580,342	532,142
Commitments and Contingencies		
Stockholders' Equity:		

Preferred Stock – 100,000,000 shares authorized; \$0.01 par value, 6.375% Series A Cumulative Redeemable Preferred Stock, \$25.00 Per Share Liquidation Preference, 4,713,069 shares issued and outstanding at September 30, 2024 and 2,978,808 shares issued and outstanding at December 31, 2023	47	30
Common Stock – 500,000,000 shares authorized; \$0.01 par value, 29,971,538 shares issued and outstanding at September 30, 2024 and 22,643,034 shares issued and outstanding at December 31, 2023	300	226
Additional Paid-In Capital	334,467	168,435
Retained Earnings	261,373	281,944
Accumulated Other Comprehensive Income	(405)	6,891
Total Stockholders' Equity	<u>595,782</u>	<u>457,526</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,176,124</u>	<u>\$ 989,668</u>

CTO Realty Growth, Inc.
Consolidated Statements of Operations
(Unaudited)
(In thousands, except share, per share and dividend data)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>
Revenues				
Income Properties	\$ 28,528	\$ 25,183	\$ 79,029	\$ 70,373
Management Fee Income	1,124	1,094	3,360	3,294
Interest Income From Commercial Loans and Investments	1,615	1,114	4,407	2,965
Real Estate Operations	538	1,079	1,981	2,602
Total Revenues	<u>31,805</u>	<u>28,470</u>	<u>88,777</u>	<u>79,234</u>
Direct Cost of Revenues				
Income Properties	(7,797)	(7,060)	(22,630)	(20,883)
Real Estate Operations	(359)	(152)	(1,437)	(876)
Total Direct Cost of Revenues	<u>(8,156)</u>	<u>(7,212)</u>	<u>(24,067)</u>	<u>(21,759)</u>
General and Administrative Expenses	(4,075)	(3,439)	(11,750)	(10,493)
Provision for Impairment	(538)	(929)	(653)	(1,408)
Depreciation and Amortization	(13,221)	(11,669)	(35,701)	(32,814)
Total Operating Expenses	<u>(25,990)</u>	<u>(23,249)</u>	<u>(72,171)</u>	<u>(66,474)</u>
Gain (Loss) on Disposition of Assets	(855)	2,464	8,308	3,565
Other Gain (Loss)	(855)	2,464	8,308	3,565
Total Operating Income	4,960	7,685	24,914	16,325
Investment and Other Income (Loss)	7,031	1,184	5,201	(1,296)
Interest Expense	(5,632)	(6,318)	(16,765)	(16,161)
Income (Loss) Before Income Tax Benefit (Expense)	6,359	2,551	13,350	(1,132)
Income Tax Benefit (Expense)	(132)	135	(98)	(375)
Net Income (Loss) Attributable to the Company	6,227	2,686	13,252	(1,507)
Distributions to Preferred Stockholders	(1,878)	(1,195)	(4,936)	(3,585)
Net Income (Loss) Attributable to Common Stockholders	<u>\$ 4,349</u>	<u>\$ 1,491</u>	<u>\$ 8,316</u>	<u>\$ (5,092)</u>
Per Share Information:				
Basic and Diluted Net Income (Loss) Attributable to Common Stockholders	\$ 0.17	0.07	0.35	(0.23)
Weighted Average Number of Common Shares				
Basic	25,445,411	22,484,561	23,601,389	22,556,642
Diluted	25,521,749	22,484,561	23,625,369	22,556,642
Dividends Declared and Paid - Preferred Stock	\$ 0.40	\$ 0.40	\$ 1.20	\$ 1.20
Dividends Declared and Paid - Common Stock	\$ 0.38	\$ 0.38	\$ 1.14	\$ 1.14

CTO Realty Growth, Inc.
Non-GAAP Financial Measures
Same-Property NOI Reconciliation
(Unaudited)
(In thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net Income (Loss) Attributable to the Company	\$ 6,227	\$ 2,686	\$ 13,252	\$ (1,507)
Loss (Gain) on Disposition of Assets, Net of Tax	855	(2,464)	(8,308)	(3,565)
Provision for Impairment	538	929	653	1,408
Depreciation and Amortization	13,221	11,669	35,701	32,814
Amortization of Intangibles to Lease Income	(112)	(487)	(830)	(1,793)
Straight-Line Rent Adjustment	473	790	1,512	919
COVID-19 Rent Repayments	—	(3)	—	(46)
Accretion of Tenant Contribution	13	38	39	114
Interest Expense	5,632	6,318	16,765	16,161
General and Administrative Expenses	4,075	3,439	11,750	10,493
Investment and Other Income (Loss)	(7,031)	(1,184)	(5,201)	1,296
Income Tax Benefit (Expense)	132	(135)	98	375
Real Estate Operations Revenues	(538)	(1,079)	(1,981)	(2,602)
Real Estate Operations Direct Cost of Revenues	359	152	1,437	876
Management Fee Income	(1,124)	(1,094)	(3,360)	(3,294)
Interest Income From Commercial Loans and Investments	(1,615)	(1,114)	(4,407)	(2,965)
Other Non-Recurring Items ⁽¹⁾	(699)	—	(1,252)	—
Less: Impact of Properties Not Owned for the Full Reporting Period	(3,568)	(2,657)	(11,214)	(6,256)
Same-Property NOI	<u>\$ 16,838</u>	<u>\$ 15,804</u>	<u>\$ 44,654</u>	<u>\$ 42,428</u>

(1) Includes non-recurring items including termination fees, forfeitures of tenant security deposits, and certain adjustments to estimates related to recently acquired property CAM reconciliations.

CTO Realty Growth, Inc.
Non-GAAP Financial Measures
Funds from Operations, Core Funds from Operations, and Adjusted Funds from Operations
Attributable to Common Stockholders
(Unaudited)
(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net Income (Loss) Attributable to the Company	\$ 6,227	\$ 2,686	\$ 13,252	\$ (1,507)
Add Back: Effect of Dilutive Interest Related to 2025 Notes ⁽¹⁾	—	—	—	—
Net Income (Loss) Attributable to the Company, If-Converted	\$ 6,227	\$ 2,686	\$ 13,252	\$ (1,507)
Depreciation and Amortization of Real Estate	13,204	11,651	35,650	32,769
Loss (Gain) on Disposition of Assets, Net of Tax	855	(2,741)	(8,308)	(3,565)
Gain on Disposition of Other Assets	(181)	(926)	(550)	(1,739)
Provision for Impairment	538	929	653	1,408
Realized and Unrealized Loss (Gain) on Investment Securities	(6,244)	(429)	(2,868)	5,663
Extinguishment of Contingent Obligation	—	—	—	(2,300)
Funds from Operations	<u>\$ 14,399</u>	<u>\$ 11,170</u>	<u>\$ 37,829</u>	<u>\$ 30,729</u>
Distributions to Preferred Stockholders	(1,878)	(1,195)	(4,936)	(3,585)
Funds From Operations Attributable to Common Stockholders	<u>\$ 12,521</u>	<u>\$ 9,975</u>	<u>\$ 32,893</u>	<u>\$ 27,144</u>
Amortization of Intangibles to Lease Income	112	487	830	1,793
Less: Effect of Dilutive Interest Related to 2025 Notes ⁽¹⁾	—	—	—	—

Core Funds From Operations Attributable to Common Stockholders	\$	12,633	\$	10,462	\$	33,723	\$	28,937
Adjustments:								
Straight-Line Rent Adjustment		(473)		(790)		(1,512)		(919)
COVID-19 Rent Repayments		—		3		—		46
Other Depreciation and Amortization		(3)		24		(10)		(92)
Amortization of Loan Costs, Discount on Convertible Debt, and Capitalized Interest		235		199		752		636
Non-Cash Compensation		750		868		2,887		2,802
Adjusted Funds From Operations Attributable to Common Stockholders	\$	<u>13,142</u>	\$	<u>10,766</u>	\$	<u>35,840</u>	\$	<u>31,410</u>
FFO Attributable to Common Stockholders per Common Share - Diluted ⁽¹⁾	\$	0.49	\$	0.44	\$	1.39	\$	1.20
Core FFO Attributable to Common Stockholders per Common Share - Diluted ⁽¹⁾	\$	0.50	\$	0.47	\$	1.43	\$	1.28
AFFO Attributable to Common Stockholders per Common Share - Diluted ⁽¹⁾	\$	0.51	\$	0.48	\$	1.52	\$	1.39

(1) For the three and nine months ended September 30, 2024 and 2023, interest related to the 2025 Convertible Senior Notes was excluded from net income (loss) attributable to the Company to derive FFO, as the impact to net income (loss) attributable to common stockholders would be anti-dilutive. Further, the weighted average shares used to compute per share amounts for FFO Attributable to Common Stockholders per Common Share – Diluted, Core FFO Attributable to Common Stockholders per Common Share - Diluted, and AFFO Attributable to Common Stockholders per Common Share - Diluted do not reflect any dilution related to the ultimate settlement of the 2025 Convertible Senior Notes.

CTO Realty Growth, Inc.
Non-GAAP Financial Measures
Reconciliation of Net Debt to Pro Forma Adjusted EBITDA
(Unaudited)
(In thousands)

	Three Months Ended
	September 30, 2024
Net Income Attributable to the Company	\$ 6,227
Depreciation and Amortization of Real Estate	13,204
Loss on Disposition of Assets, Net of Tax	855
Gain on Disposition of Other Assets	(181)
Provision for Impairment	538
Unrealized Gain on Investment Securities	(6,244)
Distributions to Preferred Stockholders	(1,878)
Amortization of Intangibles to Lease Income	112
Straight-Line Rent Adjustment	(473)
Other Depreciation and Amortization	(3)
Amortization of Loan Costs, Discount on Convertible Debt, and Capitalized Interest	235
Non-Cash Compensation	750
Other Non-Recurring Items ⁽¹⁾	(699)
Interest Expense, Net of Amortization of Loan Costs and Discount on Convertible Debt	5,396
Adjusted EBITDA	<u>\$ 17,839</u>
Annualized Adjusted EBITDA	\$ 71,356
Pro Forma Annualized Impact of Current Quarter Investments and Dispositions, Net ⁽²⁾	9,901
Pro Forma Adjusted EBITDA	<u>\$ 81,257</u>
Total Long-Term Debt	\$ 526,838
Financing Costs, Net of Accumulated Amortization	1,911
Unamortized Convertible Debt Discount	85
Cash and Cash Equivalents	(8,172)
Net Debt	<u>\$ 520,662</u>

Net Debt to Pro Forma Adjusted EBITDA

6.4 x

- (1) Includes non-recurring items including termination fees, forfeitures of tenant security deposits, and certain adjustments to estimates related to recently acquired property CAM reconciliations.
- (2) Reflects the pro forma annualized impact on Annualized Adjusted EBITDA of the Company's investments and disposition activity during the three months ended September 30, 2024.