

Dear Fellow CTO Shareholders,

In 2025, our performance was essentially in line with the RMZ. While perhaps not a standout year for either CTO or the broader sector from a stock performance perspective, CTO had a very good year from a leasing and investment activity perspective, which should ultimately further drive earnings and net asset value (NAV) growth in 2026 and beyond. We are also encouraged by the market recognition of the fundamental strength of the retail sector that we have certainly seen thus far in early 2026.

Notably, we believe we are well-positioned for meaningful earnings growth, which is reflected in our guidance for 2026. This growth is on the back of a busy 2025 during which we successfully leased over 671,000 square feet, and executed two property acquisitions for approximately \$145 million. Importantly, as of year-end, approximately 85% of our portfolio is concentrated in high-growth states of Georgia, Florida, Texas, and North Carolina. These markets continue to benefit from strong population and job growth, making them increasingly attractive to retail tenants in contrast to slower-growing regions.

In addition to the successful leasing efforts across our retail portfolio, we were also able to lease up our final remaining office asset to full occupancy. The Fidelity building in New Mexico became approximately 50% vacant when Fidelity exercised its right to partially terminate its lease at the end of November 2025. The same quarter, we leased all of the vacated space to the State of New Mexico, with rent commencement scheduled for the latter half of 2026. This lease is expected to contribute meaningfully to cash flow growth in 2027. With our portfolio approximately 96% leased as of year-end, we are focused on recycling capital out of fully stabilized, slower-growth assets and into higher-growth opportunities.

Further, over the past 12 months, we have executed leases with a strong roster of tenants, including Dick's Sporting Goods, Warby Parker, The Cheesecake Factory, Slick City, Bob's Furniture, Williams-Sonoma, Pottery Barn, Foxtail Coffee, and Gap. Despite this operational momentum, we don't believe our stock reflected this progress. As a result, we took advantage of the opportunity to repurchase shares at a meaningful discount to NAV, enhancing both earnings per share and NAV.

Early last year CTO, along with other shopping center REITs, was presented with sector-wide challenges, particularly due to tenant bankruptcies and store closures in late 2024 and 2025, including Big Lots, Joann, and Conn's, which impacted our portfolio. While these vacancies were disruptive in the near term, they also created an opportunity to replace under-performing tenants whose leases were well below market rents. We have now re-leased nearly all of these spaces with an expected 60% blended increase in rent to more compelling tenants and stronger concepts, which we expect will drive increased traffic and improved asset quality. Income from these new leases will begin to materialize in 2026 as rent commences, with a more significant contribution expected in 2027.

In 2025, we invested a total of over \$165 million at an average yield of approximately 9% which, coupled with our successful leasing efforts, support our expectation of strong Core FFO growth in 2026. We also completed the sale of our Shops at Legacy property in Dallas for \$78 million, achieving a low cap rate and strong price per square foot—which gave us capital to recycle into more favorable yielding assets at well below replacement cost. Proceeds from this sale were partially redeployed into the \$65 million acquisition of the 509,000-square-foot Pompano Citi Centre in Fort Lauderdale. This investment aligns with our strategy, offering a high initial yield and attractive basis in a high-growth market. Additionally, the property presents an opportunity to lease roughly 100,000 square feet of vacant space (including unfinished shell space), providing meaningful potential embedded growth.

We continue to identify compelling acquisition opportunities below replacement cost, with embedded rent upside and accretive yields in strong markets—an ideal combination to create further value to CTO. A great example is our most recent acquisition in February 2026 of Palms Crossing, a 399,075-square-foot power center in McAllen, Texas for approximately \$82 million. This region benefits from strong cross-border shopping demand, driving robust retail performance.

While we remain active in pursuing acquisitions to grow our open-air retail portfolio, increased investor interest in the sector has made the acquisition environment more competitive. In response, we will continue to selectively dispose of lower-yielding, fully stabilized assets and redeploy capital into higher-yielding opportunities with stronger growth potential.

Beyond our wholly owned portfolio, we also benefited from growth in our approximately 15% ownership stake in Alpine Income Property Trust (NYSE: PINE). As Alpine resumes its growth trajectory with sector-leading FFO growth, CTO stands to benefit from increased management fees and increase dividend income. We also took advantage of market opportunities in 2025 to increase our investment in Alpine at attractive valuations.

Finally, in our latest investor presentation, we highlighted additional sources of earnings growth from outparcel land within and adjacent to our existing shopping centers, where we are actively negotiating leases for tenant-driven developments. These investments are expected to contribute to earnings in 2027 and more meaningfully in 2028, providing a runway of long-term growth.

We are proud of our team of 40 professionals, whose disciplined execution continues to drive results for CTO shareholders while also delivering value to our partners and fellow shareholders at Alpine. I also want to thank our Board of Directors for their wise counsel and support as we continue to be very active in unlocking and creating value for our shareholders.



John P. Albright
President and Chief Executive Officer

PERFORMANCE SCORECARD:

Total Return with Dividends Reinvested

	CTO	Dividend	RMZ
2025	1.7%	1.52	2.9%
2024	23.5%	1.52	8.8%
2023	3.6%	1.52	13.7%
2022	(4.0%)	1.49	(24.5%)
2021	56.9%	1.33	43.1%
2020	(6.8%)	.91	(7.5%)
2019	15.7%	.12	25.9%
2018	(17.0%)	.07	(4.5%)
2017	19.3%	.05	5.1%
2016	1.6%	.03	8.6%
2015	(5.4%)	.02	2.5%
2014	54.0%	.02	30.4%
2013	17.2%	.02	2.5%
2012	14.7%	.01	17.9%
Total Return with Dividends Reinvested	10.7%		7.7%