UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): July 8, 2022

CTO Realty Growth, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**001-11350**	**59-0483700**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
	1140 N. Williamson Blvd., Suite 140 Daytona Beach, Florida	**32114**
	(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(386) 274-2202**

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbols	Name of each exchange on which registered:
Common Stock, $0.01 par value per share	**CTO**	**NYSE**
6.375% Series A Cumulative Redeemable Preferred Stock, $0.01 par value per share	**CTO PrA**	**NYSE**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.01. Completion of Acquisition or Disposition of Assets.

On July 8, 2022, CTO Realty Growth, Inc. (the "Company" or "CTO") completed the acquisition of a retail center located in Atlanta, Georgia ("Madison Yards" or the "Property") from a certain project owner (the "Seller") for a purchase price of $80.2 million. There is no material relationship between the Company or any director or officer of the Company, or any associate of any director or officer of the Company, and the Seller, other than with respect to the Company's acquisition of Madison Yards. The acquisition was funded using (a) available cash, (b) 1031 like-kind exchange proceeds generated from certain of the Company's previously completed property dispositions, and (c) proceeds from the Company's revolving credit facility, and was structured as a reverse like-kind exchange in order to account for possible future dispositions of income properties by the Company.

This Current Report on Form 8-K includes the historical audited financial statements of Madison Yards and the pro forma consolidated financial information required by Items 9.01(a) and 9.01(b) of Form 8-K related to the Property.

The pro forma financial information included in this Current Report on Form 8-K has been presented for informational purposes only, as required by Form 8-K. It does not purport to represent the actual results of operations that the Company and Madison Yards would have achieved had the Company held the assets of the Property during the periods presented in the pro forma financial information and is not intended to project the future results of operations that the Company may achieve after the acquisition of Madison Yards.

Item 7.01. Regulation FD Disclosure.

On July 8, 2022, the Company issued a press release announcing the completion of the acquisition of Madison Yards. A copy of the press release is attached hereto as Exhibit 99.3. The information contained in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.3, is being furnished and shall not be deemed "filed" for any purposes, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, unless it is specifically incorporated by reference therein.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The financial statements that are required to be filed pursuant to this item are being filed with this Current Report on Form 8-K as Exhibit 99.1 and are incorporated by reference herein.

(b) Pro Forma Financial Information

The pro forma financial information that is required to be filed pursuant to this item is being filed with this Current Report on Form 8-K as Exhibit 99.2 and is incorporated by reference herein.

(d) Exhibits

23.1 Consent of Grant Thornton LLP

99.1 Audited Financial Statements

- Report of Independent Certified Public Accountants
- Historical Summary of Revenues and Direct Costs of Revenues of Madison Yards for the Three Months Ended March 31, 2022 (Unaudited) and the Year Ended December 31, 2021 (Audited)
- Notes to Historical Summary of Revenues and Direct Costs of Revenues

99.2 Pro Forma Financial Information

- Summary of Unaudited Pro Forma Consolidated Financial Statements
- Unaudited Pro Forma Consolidated Balance Sheet of CTO Realty Growth, Inc. as of March 31, 2022
- Unaudited Pro Forma Consolidated Statements of Operations of CTO Realty Growth, Inc. for the Three Months Ended March 31, 2022 and the Year Ended December 31, 2021
- Notes to Unaudited Pro Forma Consolidated Financial Statements

99.3 Press Release

- Press Release dated July 11, 2022 regarding the Acquisition of Madison Yards for $80.2 Million

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

Date: July 11, 2022

CTO Realty Growth, Inc.

By: /s/ Matthew M. Partridge
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated July 11, 2022 with respect to the historical summary of revenues and direct cost of revenues of Madison Yards, included in the Form 8-K of CTO Realty Growth, Inc. filed with the Securities and Exchange Commission on July 11, 2022. We consent to the incorporation by reference of said report in the Registration Statements of CTO Realty Growth, Inc. on Form S-3 (File No. 333-254970), Form S-3 (File no. 333-249209), Form S-8 (File No. 333-168379), Form S-8 (File No. 333-176162), Form S-8 (File No. 333-204875) and Form S-8 (File No. 333-227885).

GRANT THORNTON LLP

/s/ Grant Thornton LLP

Orlando, Florida
July 11, 2022

Report of Independent Certified Public Accountants

Board of Directors and Stockholders
CTO Realty Growth, Inc.

Opinion

We have audited the accompanying Historical Summary of Revenues and Direct Costs of Revenues of Madison Yards (the "Property") for the year ended December 31, 2021 and the related notes (the "Historical Summary").

In our opinion, the accompanying Historical Summary presents fairly, in all material respects, the revenues and direct costs of revenues of the Property for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the Historical Summary in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CTO Realty Growth, Inc., and the Property and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the Historical Summary in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Historical Summary that are free from material misstatement, whether due to fraud or error.

In preparing the Historical Summary, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property's ability to continue as a going concern for the time period set by the applicable financial reporting framework; for US GAAP: one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Historical Summary as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Historical Summary.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Historical Summary, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Historical Summary.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Historical Summary.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of matter

We draw attention to Note 2 to the Historical Summary, which describes that the accompanying Historical Summary was prepared for the purposes of complying with certain rules and regulations of the Securities and Exchange Commission (for inclusion in the Current Report on Form 8-K of CTO Realty Growth, Inc.) and is not intended to be a complete presentation of the Property's revenues and direct expenses. Our opinion is not modified with respect to this matter.

/S/ GRANT THORNTON LLP
Orlando, Florida
July 11, 2022

HISTORICAL SUMMARY OF REVENUES AND DIRECT COSTS OF REVENUES
For the Three Months Ended March 31, 2022 (Unaudited) and the Year Ended December 31, 2021
(In thousands)

	Three Months Ended March 31, 2022 (Unaudited)
Revenues:	
Lease Revenue	$ 1,582
Total Revenues	1,582
Direct Costs of Revenues:	
Real Estate Expenses	316
Total Direct Costs of Revenues	316
Revenues over Direct Costs of Revenues	$ 1,266

	Year Ended December 31, 2021
Revenues:	
Lease Revenue	$ 6,374
Total Revenues	6,374
Direct Costs of Revenues:	
Real Estate Expenses	1,326
Total Direct Costs of Revenues	1,326
Revenues over Direct Costs of Revenues	$ 5,048

The accompanying notes are an integral part of this historical summary of revenues and direct costs of revenues.

Notes to Historical Summary of Revenues and Direct Costs of Revenues
For the Three Months Ended March 31, 2022 (Unaudited) and the Year Ended December 31, 2021

NOTE 1. BUSINESS AND ORGANIZATION

On July 8, 2022, CTO Realty Growth, Inc. (the "Company" or "CTO") completed the acquisition of a retail center located in Atlanta, Georgia ("Madison Yards" or the "Property") from a certain project owner (the "Seller") for a purchase price of $80.2 million. The acquisition was funded using (a) available cash, (b) 1031 like-kind exchange proceeds generated from certain of the Company's previously completed property dispositions, and (c) proceeds from the Company's revolving credit facility.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying historical summary of revenues and direct costs of revenues (the "Historical Summary") includes the operations of the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended. Accordingly, the Historical Summary is not representative of the actual operations for the periods presented as revenues, and certain operating expenses, which may not be directly attributable to the revenues and expenses expected to be incurred in the future operations of the Property, have been excluded. Such items include depreciation, amortization, interest expense, interest income, and amortization of above- and below-market leases.

INCOME PROPERTY LEASE REVENUE

The rental arrangements associated with tenants of the Property are classified as operating leases. Accordingly, base rental income is recognized on a straight-line basis over the terms of the respective leases. Tenant reimbursement revenue is recognized as the related expenses are incurred and become recoverable from tenants.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that in certain circumstances may affect the reported revenues. Actual results could materially differ from these estimates.

NOTE 3. REVENUE RECOGNITION

Leasing revenue consists of long-term rental revenue, which is recognized as earned, using the straight-line method over the life of each lease. The components of leasing revenue are as follows (in thousands):

	For the Three Months Ended March 31, 2022 (Unaudited)
Leasing Revenue	
Lease Payments	$ 1,228
Variable Lease Payments	354
Total Lease Income	$ 1,582

	For the Year Ended December 31, 2021
Leasing Revenue	
Lease Payments	$ 4,972
Variable Lease Payments	1,402
Total Lease Income	$ 6,374

NOTE 4. MINIMUM FUTURE RENTAL RECEIPTS

Minimum future rental receipts under non-cancelable operating leases, excluding percentage rent and other lease payments that are not fixed and determinable, having remaining terms in excess of one year subsequent to March 31, 2022, are summarized as follows (in thousands):

Year Ending December 31,	
Remainder of 2022	$ 3,915
2023	5,069
2024	4,988
2025	4,775
2026	4,823
2027	4,864
2028 and thereafter (cumulative)	28,295
Total	$ 56,729

NOTE 5. CONCENTRATION OF CREDIT RISK

There are two tenants in the Property presented in the Historical Summary that accounted for an aggregate of 46.2% and 45.7% of base rent revenues reported for the three months ended March 31, 2022 and the year ended December 31, 2021, respectively.

NOTE 6. SUBSEQUENT EVENTS

Subsequent events and transactions were evaluated through July 11, 2022, the date on which the Historical Summary was issued. There were no reportable subsequent events or transactions.

Exhibit 99.2

CTO REALTY GROWTH, INC.
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

On July 8, 2022, CTO Realty Growth, Inc. (the "Company" or "CTO") completed the acquisition of a retail center located in Atlanta, Georgia ("Madison Yards" or the "Property") from a certain project owner (the "Seller") for a purchase price of $80.2 million. There is no material relationship between the Company or any director or officer of the Company, or any associate of any director or officer of the Company, and the Seller, other than with respect to the Company's acquisition of Madison Yards. The acquisition was funded using (a) available cash, (b) 1031 like-kind exchange proceeds generated from certain of the Company's previously completed property dispositions, and (c) proceeds from the Company's revolving credit facility, and was structured as a reverse like-kind exchange in order to account for possible future dispositions of income properties by the Company.

The following unaudited pro forma consolidated balance sheet as of March 31, 2022, unaudited pro forma consolidated statement of operations for the three months ended March 31, 2022, and unaudited pro forma consolidated statement of operations for the year ended December 31, 2021 (collectively, the "Unaudited Pro Forma Financials") give effect to the acquisition of Madison Yards. The adjustments in the Unaudited Pro Forma Financials are referred to herein as the "Property Acquisition Transaction Accounting Adjustments."

Transaction Accounting Adjustments

The Unaudited Pro Forma Financials present the effects of the acquisition of Madison Yards as though it had occurred on January 1, 2021, the beginning of the earliest applicable reporting period.

Unaudited Pro Forma Financials

The Unaudited Pro Forma Financials are based on the estimates and assumptions as of the date of this Current Report on Form 8-K set forth in the notes to the Unaudited Pro Forma Financials, which are preliminary and have been made solely for the purpose of developing such pro forma information. The Unaudited Pro Forma Financials are not necessarily indicative of the financial position or operating results that would have been achieved had the acquisition of the Property occurred on the date indicated, nor are they necessarily indicative of the Company's future financial position or operating results. Assumptions underlying the adjustments to the Unaudited Pro Forma Financials are described in the accompanying notes, which should be read in conjunction with the Unaudited Pro Forma Financials.

CTO REALTY GROWTH, INC.
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2022

(In thousands, except share and per share data)

		Historical		Property Acquisition Transaction Accounting Adjustments	Notes		Pro Forma
ASSETS							
Real Estate:							
Land, at Cost	$	205,241	$	—		$	205,241
Building and Improvements, at Cost		343,717		47,907	[A]		391,624
Other Furnishings and Equipment, at Cost		736		—			736
Construction in Process, at Cost		5,163		—			5,163
Total Real Estate, at Cost		554,857		47,907			602,764
Less, Accumulated Depreciation		(27,844)		—			(27,844)
Real Estate—Net		527,013		47,907			574,920
Land and Development Costs		694		—			694
Intangible Lease Assets—Net		81,925		13,836	[A]		95,761
Investment in Alpine Income Property Trust, Inc.		38,587		—			38,587
Mitigation Credits		3,702		—			3,702
Mitigation Credit Rights		21,018		—			21,018
Commercial Loan and Master Lease Investments		21,830		—			21,830
Cash and Cash Equivalents		9,450		(7,532)	[B]		1,918
Restricted Cash		26,385		(17,490)	[B]		8,895
Refundable Income Taxes		413		—			413
Deferred Income Taxes		75		—			75
Other Assets		23,127		19,767	[A]		42,894
Total Assets	$	754,219	$	56,488		$	810,707
LIABILITIES AND STOCKHOLDERS' EQUITY							
Liabilities:							
Accounts Payable	$	1,553	$	—		$	1,553
Accrued and Other Liabilities		13,913		563	[B]		14,476
Deferred Revenue		4,592		362	[B]		4,954
Intangible Lease Liabilities—Net		5,543		1,063	[A]		6,606
Long-Term Debt		298,079		54,500	[B]		352,579
Total Liabilities		323,680		56,488			380,168
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, 3,000,000 shares issued and outstanding at March 31, 2022		30		—			30
Common Stock – 500,000,000 shares authorized; $0.01 par value, 6,011,611 shares issued and outstanding at March 31, 2022		60		—			60
Additional Paid-In Capital		81,092		—			81,092
Retained Earnings		339,828		—			339,828
Accumulated Other Comprehensive Income		9,529		—			9,529
Total Stockholders' Equity		430,539		—			430,539
Total Liabilities and Stockholders' Equity	$	754,219	$	56,488		$	810,707

See accompanying notes to unaudited pro forma consolidated financial statements.

CTO REALTY GROWTH, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In thousands, except share and per share data)

	Historical	Property Acquisition Transaction Accounting Adjustments	Notes	Pro Forma
Revenues				
Income Properties	$ 15,168	$ 1,606	[A][B]	$ 16,774
Management Fee Income	936	—		936
Interest Income From Commercial Loan and Master Lease Investments	718	—		718
Real Estate Operations	388	—		388
Total Revenues	17,210	1,606		18,816
Direct Cost of Revenues				
Income Properties	(4,016)	(316)	[A]	(4,332)
Real Estate Operations	(51)	—		(51)
Total Direct Cost of Revenues	(4,067)	(316)		(4,383)
General and Administrative Expenses	(3,043)	—		(3,043)
Depreciation and Amortization	(6,369)	(598)	[B]	(6,967)
Total Operating Expenses	(13,479)	(914)		(14,393)
Loss on Disposition of Assets	(245)	—		(245)
Other Gains and Income (Loss)	(245)	—		(245)
Total Operating Income	3,486	692		4,178
Investment and Other Income (Loss)	(1,894)	—		(1,894)
Interest Expense	(1,902)	(243)	[C]	(2,145)
Income (Loss) Before Income Tax Benefit	(310)	449		139
Income Tax Benefit	512	—		512
Net Income Attributable to the Company	202	449		651
Distributions to Preferred Stockholders	(1,195)	—		(1,195)
Net Income (Loss) Attributable to Common Stockholders	$ (993)	$ 449		$ (544)
Per Share Information:				
Basic and Diluted Net Income (Loss) Attributable to Common Stockholders	$ (0.17)	$ 0.08		$ (0.09)
Weighted Average Number of Common Shares				
Basic and Diluted	5,908,892	5,908,892		5,908,892

See accompanying notes to unaudited pro forma consolidated financial statements.

CTO REALTY GROWTH, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In thousands, except share and per share data)

	Historical	Property Acquisition Transaction Accounting Adjustments	Notes	Pro Forma
Revenues				
Income Properties	$ 50,679	$ 6,473	[A][B]	$ 57,152
Management Fee Income	3,305	—		3,305
Interest Income From Commercial Loan and Master Lease Investments	2,861	—		2,861
Real Estate Operations	13,427	—		13,427
Total Revenues	70,272	6,473		76,745
Direct Cost of Revenues				
Income Properties	(13,815)	(1,326)	[A]	(15,141)
Real Estate Operations	(8,615)	—		(8,615)
Total Direct Cost of Revenues	(22,430)	(1,326)		(23,756)
General and Administrative Expenses	(11,202)	—		(11,202)
Impairment Charges	(17,599)	—		(17,599)
Depreciation and Amortization	(20,581)	(2,394)	[B]	(22,975)
Total Operating Expenses	(71,812)	(3,720)		(75,532)
Gain on Disposition of Assets	28,316	—		28,316
Loss on Extinguishment of Debt	(3,431)	—		(3,431)
Other Gains and Income	24,885	—		24,885
Total Operating Income	23,345	2,753		26,098
Investment and Other Income	12,445	—		12,445
Interest Expense	(8,929)	(792)	[C]	(9,721)
Income Before Income Tax Benefit	26,861	1,961		28,822
Income Tax Benefit	3,079	—		3,079
Net Income Attributable to the Company	29,940	1,961		31,901
Distributions to Preferred Stockholders	(2,325)	—		(2,325)
Net Income Attributable to Common Stockholders	$ 27,615	1,961		29,576
Per Share Information:				
Basic and Diluted Net Income Attributable to Common Stockholders	$ 4.69	$ 0.33		$ 5.02
Weighted Average Number of Common Shares				
Basic and Diluted	5,892,270	5,892,270		5,892,270

See accompanying notes to unaudited pro forma consolidated financial statements.

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma consolidated balance sheet as of March 31, 2022, unaudited pro forma consolidated statement of operations for the three months ended March 31, 2022, and unaudited pro forma consolidated statement of operations for the year ended December 31, 2021 present the effects of the acquisition of the Property as though it had occurred on January 1, 2021, the beginning of the earliest applicable reporting period.

The acquisition of Madison Yards was funded using (a) available cash, (b) 1031 like-kind exchange proceeds generated from certain of the Company's previously completed property dispositions, and (c) proceeds from the Company's revolving credit facility. The acquisition was structured as a reverse like-kind exchange in order to account for possible future dispositions of income properties by the Company.

Unaudited Pro Forma Financials. The Unaudited Pro Forma Financials are based on the estimates and assumptions as of the date of this Current Report on Form 8-K set forth in the notes to the Unaudited Pro Forma Financials, which are preliminary and have been made solely for the purpose of developing such pro forma information. The Unaudited Pro Forma Financials are not necessarily indicative of the financial position or operating results that would have been achieved had the acquisition of the Property occurred on the date indicated, nor are they necessarily indicative of the Company's future financial position or operating results. Assumptions underlying the adjustments to the Unaudited Pro Forma Financials are described in the accompanying notes, which should be read in conjunction with the Unaudited Pro Forma Financials.

NOTE 2. PRO FORMA ADJUSTMENTS

Pro Forma Consolidated Balance Sheet as of March 31, 2022

[A] Represents the fair value of the real estate acquired subsequent to March 31, 2022 which are allocated to the acquired tangible assets, consisting of building and improvements, as well as the right-of-use asset related to the land underlying the buildings, and identified intangible lease assets and liabilities, consisting of the value of above-market and below-market leases, the value of in-place leases, and the value of leasing costs. The fair value allocation was provided by a third-party valuation company.

The following represents the allocation of total acquisition costs for Madison Yards (in thousands):

Allocation of Purchase Price:		
Building and Improvements, at Cost	$	47,907
Intangible Lease Assets		13,836
Other Assets - Right-of-Use Asset		19,767
Intangible Lease Liabilities		(1,063)
Total Acquisition Cost - Purchase Price Plus Acquisition Costs	$	80,447

[B] Represents the sources and uses of funds related to the Madison Yards acquisition, which occurred subsequent to March 31, 2022, and consisted of the use of available cash of $7.5 million, $17.5 million of like-kind exchange proceeds from certain of the Company's previously completed property dispositions, and a draw on the Company's unsecured revolving credit facility of $54.5 million for total sources of $79.5 million. The Madison Yards acquisition is summarized as follows: purchase price of $80.2 million plus closing costs of $0.3 million, for a total acquisition cost of $80.5 million, as allocated pursuant to Note [A] above, less $1.0 million of credits received at closing which are reflected as an increase in Accrued and Other Liabilities and Deferred Revenue of $0.6 million and $0.4 million, respectively, for total uses of $79.5 million.

Pro Forma Consolidated Statement of Operations for the Three Months Ended March 31, 2022

[A] Represents adjustments to income property revenues totaling $1.6 million in the aggregate, based on the calculation of rent on a straight-line basis utilizing the existing lease terms, and related direct costs of income property revenues totaling $0.3 million in the aggregate for the three months ended March 31, 2022. The Company recognizes rental revenue from operating leases on a straight-line basis over the life of the related leases. The pro forma adjustments reflect the estimated incremental straight-line rental income to be recognized over the remaining life of the leases in Madison Yards as of the acquisition date as though it had occurred on January 1, 2021, as compared to the straight-line rental income that had been recorded in the Historical Summary of Revenues and Direct Costs of Revenues of Madison Yards for the relevant periods.

[B] Represents depreciation and amortization of real estate acquired related to Madison Yards which totaled $0.6 million in the aggregate for the three months ended March 31, 2022 based on the estimated remaining economic useful life for tangible assets and the weighted average remaining lease term for the related intangible assets and intangible liabilities. Capitalized above-and below-market lease values are amortized as a decrease or increase, respectively, to income property revenues which totaled less than $0.1 million for the three months ended March 31, 2022 and is included in the $1.6 million increase in income property revenues referred to in Note [A] above.

[C] Represents the incremental additional interest expense of $0.2 million related to the $54.5 million draw on the Company's unsecured revolving credit facility used to fund the Madison Yards acquisition that occurred subsequent to March 31, 2022.

Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2021

[A] Represents adjustments to income property revenues totaling $6.5 million in the aggregate, based on the calculation of rent on a straight-line basis utilizing the existing lease terms, and related direct costs of income property revenues totaling $1.3 million in the aggregate for the year ended December 31, 2021. The Company recognizes rental revenue from operating leases on a straight-line basis over the life of the related leases. The pro forma adjustments reflect the estimated incremental straight-line rental income to be recognized over the remaining life of the leases in Madison Yards as of the acquisition date as though it had occurred on January 1, 2021, as compared to the straight-line rental income that had been recorded in the Historical Summary of Revenues and Direct Costs of Revenues of Madison Yards for the relevant periods.

[B] Represents depreciation and amortization of real estate acquired related to Madison Yards which totaled $2.4 million for the year ended December 31, 2021 based on the estimated remaining economic useful life for tangible assets and the weighted average remaining lease term for the related intangible assets and intangible liabilities. Capitalized above-and below-market lease values are amortized as a decrease or increase, respectively, to income property revenues which totaled less than $0.1 million for the year ended December 31, 2021 and is included in the $6.5 million increase in income property revenues referred to in Note [A] above.

[C] Represents the incremental additional interest expense of $0.8 million related to the $54.5 million draw on the Company's unsecured revolving credit facility used to fund the Madison Yards acquisition that occurred subsequent to March 31, 2022.

Press Release

Contact: Matthew M. Partridge
Senior Vice President, Chief Financial Officer and Treasurer
(386) 944-5643
mpartridge@ctoreit.com

FOR IMMEDIATE RELEASE

CTO REALTY GROWTH ANNOUNCES ACQUISITION OF GROCERY-ANCHORED RETAIL PROPERTY IN ATLANTA, GEORGIA FOR $80.2 MILLION

WINTER PARK, FL – July 11, 2022 – CTO Realty Growth, Inc. (NYSE: CTO) (the "Company" or "CTO") today announced it has acquired Madison Yards, a 162,500 square foot property located in the Inman Park/Reynoldstown submarket along the Memorial Drive corridor of Atlanta, Georgia (the "Property") for a purchase price of $80.2 million. The purchase price represents a going-in cap rate below the range of the Company's guidance for initial cash yields.

"We are very excited to be increasing our presence in Atlanta with our acquisition of Madison Yards, fortifying it as our portfolio's largest market and adding to our grocery-anchored property exposure," said John P. Albright, President and Chief Executive Officer of CTO Realty Growth. "Atlanta has benefitted from sustained population growth and tremendous corporate investment in recent years, and Madison Yards is a terrific opportunity for us to invest in a high-quality, newly built grocery-anchored shopping center in an infill location along Atlanta's Beltline at an attractive risk-adjusted yield."

Madison Yards was constructed in 2019, sits on more than 10 acres right off the Atlanta's Beltline Eastside Trail and is conveniently located just two miles from Downtown Atlanta. The broader market corridor has seen more than 2,000 multi-family units delivered in the last five years, including Greystar's Elan Madison Yards project, and benefits from excellent demographics with a five-mile population of 374,000 and five-mile average household incomes of more than $125,000. The Property is 98% occupied, anchored by Publix and AMC Theatres, includes a well-crafted mix of retailers and restaurants, including AT&T, First Watch, and Orangetheory Fitness, and is the Company's first Publix-anchored center.

The Property was purchased through a 1031 like-kind exchange using $17.5 million of restricted cash generated from the Company's previously completed property dispositions, available unrestricted cash, and draws from the Company's unsecured revolving credit facility. The acquisition was structured as a reverse like-kind exchange in order to account for possible future dispositions of income properties by the Company.

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.

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 reasonable 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, global supply chain disruptions, and ongoing geopolitical war; 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, 2021 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.