

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): September 30, 2024

CTO Realty Growth, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

001-11350
(Commission File Number)

59-0483700
(IRS Employer Identification No.)

**369 N. New York Avenue,
Suite 201
Winter Park, Florida**
(Address of principal executive
offices)

32789
(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:

| <u>Title of each class:</u> | <u>Trading Symbols</u> | <u>Name of each exchange on which registered:</u> |
|--|------------------------|---|
| 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 1.01. Entry into a Material Definitive Agreement.

On September 30, 2024, CTO Realty Growth, Inc., a Maryland corporation (the "Company"), and certain subsidiaries of the Company entered into a credit agreement (the "Credit Agreement") for a term loan facility (the "Facility") in an aggregate principal amount of \$100 million with a maturity of five years. KeyBank National Association is acting as administrative agent under the Facility. KeyBank National Association, PNC Bank, National Association, Regions Bank and Raymond James Bank are lenders under the Facility.

The Company may increase the aggregate amount of the commitments under the Facility or establish one or more new revolving commitments or term loan commitments, provided that (i) the aggregate amount of commitments under the Facility may not be increased to an amount in excess of \$400 million and (ii) certain other conditions are met.

Borrowings under the Credit Agreement bear interest at a rate equal to either (i) the Applicable Margin plus the Base Rate (each as defined in the Credit Agreement), (ii) the Applicable Margin plus Adjusted Daily Simple SOFR (as defined in the Credit Agreement) or (iii) the Applicable Margin plus Adjusted Term SOFR (as defined in the Credit Agreement).

The Company will be subject to customary restrictive covenants under the Facility, including, but not limited to, limitations on the Company's ability to: (i) incur indebtedness; (ii) make certain investments; (iii) incur certain liens; (iv) engage in certain affiliate transactions; and (v) engage in certain major transactions such as mergers. In addition, the Company will be subject to various financial maintenance covenants as described in the Credit Agreement.

The foregoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Credit Agreement, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On September 30 2024, the Company issued a press release (the "press release") regarding the Company's investment activity, entry into the Credit Agreement and certain other capital raising activity. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The information contained in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, 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.

The furnishing of the press release is not intended to constitute a representation that such furnishing is required by Regulation FD or other securities laws, or that the press release includes material investor information that is not otherwise publicly available. In addition, the Company does not assume any obligation to update such information in the future.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Press Release issued September 30, 2024 |
| 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: September 30, 2024

CTO Realty Growth, Inc.

By: /s/ Philip R. Mays

Philip R. Mays, Senior Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)



Press Release

CTO REALTY GROWTH PROVIDES 2024 BUSINESS UPDATE

- Closed \$274 Million in Investments Year-To-Date -
- Raised \$126 Million Under ATM Program in Third Quarter -
- Closed \$100 Million Unsecured Term Loan -

FOR
IMMEDIATE
RELEASE

WINTER PARK, FL – September 30, 2024 – CTO Realty Growth, Inc. (NYSE: CTO) an owner and operator of high-quality, open-air shopping centers located in the higher growth Southeast and Southwest markets of the United States (the “Company”), today provided a business update for the third quarter and year-to-date ended September 30, 2024.

Investment Activity

The Company’s investment activity, including acquisitions and structured investments, was \$191.3 million in the quarter and now totals \$273.8 million year-to-date, at a weighted average yield of 9.1%. As the Company has exceeded its 2024 guidance for investment activity, it will provide updated investment guidance when reporting its full third quarter results on October 24, 2024.

In addition to previously announced investment activity, the Company recently originated a \$43.8 million first mortgage loan that has an initial term of two years with a one-year extension option, carries an initial fixed interest rate of 11%, and included an origination fee of 1.25%. The loan is secured by over 100 acres entitled for an over 2 million square foot mixed-use development located in Herdon, Virginia near Dulles International Airport and adjacent to a Metrorail Silver Line station.

Financing Activity

During the quarter, the Company issued approximately 6.9 million common shares at a weighted average price of \$18.63 per share under the Company’s ATM common equity program, generating net proceeds of \$125.7 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%.

At quarter end, the Company had 29,971,538 shares of common stock outstanding and approximately \$200 million of borrowing capacity available under its revolving credit facility.

"With nearly \$275 million of investment activity year-to-date at a weighted average yield of approximately 9%, we continue to demonstrate our ability to source long-term accretive transactions," said John P. Albright, President and Chief Executive Officer of CTO Realty Growth, Inc. "Further, we are pleased with the support CTO has received from the capital markets enabling the Company to efficiently raise capital and pay down its revolving credit facility, ending the quarter with a strengthened balance sheet, increased market capitalization and liquidity to support future growth."

About CTO Realty Growth, Inc.

CTO Realty Growth, Inc. owns and operates high-quality, open-air shopping centers located in the higher growth Southeast and Southwest markets of the United States. CTO also externally manages and owns a meaningful interest in Alpine Income Property Trust, Inc. (NYSE: PINE).

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. Examples of forward-looking statements in this press release include, without limitation, statements regarding the Company’s balance sheet, increased market capitalization and liquidity supporting the Company’s future growth.

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, 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.

Contact:

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