

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|---|---|--|--|
| 1 Issuer's name CTO Realty Growth, Inc. | | 2 Issuer's employer identification number (EIN) 59-0483700 | |
| 3 Name of contact for additional information Matthew M. Partridge | 4 Telephone No. of contact 386-944-5643 | 5 Email address of contact mpartridge@ctoreit.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1140 N. Williamson Blvd., Suite 140 | | 7 City, town, or post office, state, and ZIP code of contact Daytona Beach, FL 32114 | |
| 8 Date of action 12/31/2020 | | 9 Classification and description Distribution Payments to Shareholders - Return of Capital | |
| 10 CUSIP number 22948P 103 | 11 Serial number(s) n/a | 12 Ticker symbol CTO | 13 Account number(s) n/a |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **CTO Realty Growth, Inc. (the "Company") intends to make an election with the filing of its tax return for the year ended December 31, 2020, to be treated as a real estate investment trust ("REIT") for U.S. federal income tax purposes effective as of January 1, 2020. In connection with the Company's REIT election, on December 21, 2020, the Company made a Special Distribution to its common shareholders related to the tax year ended December 31, 2020. A portion of the Special Distribution represents a non-dividend distribution as the distribution exceeded the Company's earnings and profits, determined in accordance with Section 312, as modified by Section 857(d). The excess amount of these distributions is treated as a return of capital to its shareholders. As such, the shareholders are required to reduce their tax basis in their stock as per Section 301(c)(2). The dates for the basis reduction are shown on the attached schedule.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **In January 2021, the Company determined that the portion of the Special Distribution that is a return of capital to its shareholders for the year ended December 31, 2020 totaled \$0.0844 per share, as seen on the attached schedule of details of distribution payments.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The calculation for the return of capital portion of the Special Distribution that reduced the tax basis of the stock of the Company shareholders during 2020 was computed under IRC Section 312 and the regulations thereunder, as modified by Section 857(d). Amounts distributed in excess of the Company's accumulated earnings and profits will reduce shareholder's basis in the shares held to the extent of such shareholder's basis.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

IRC Section 301(c)(2)

IRC Section 316

IRC Section 857

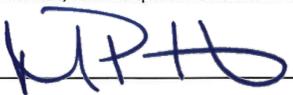
18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

Reportable tax year ended December 31, 2020

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ 2/1/2021

Print your name ▶ MATTHEW M. PARTRIDGE

Title ▶ SVP AND CHIEF FINANCIAL OFFICER

Paid Preparer Use Only

| | | | | |
|----------------------------|----------------------|------|---|------|
| Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| Firm's name ▶ | Firm's EIN ▶ | | Phone no. | |
| Firm's address ▶ | | | | |

CTO Realty Growth, Inc.

EIN 59-0483700

Tax Reporting for Year Ended December 31, 2020

| Security Description | CUSIP | Ticker | Dividend Record Date | Dividend Payable Date | Gross | | | | | Section 199A Dividends |
|----------------------|------------|--------|----------------------|-----------------------|------------------------|--------------------------|--------------------|-------------------|--------------|------------------------|
| | | | | | Distribution per Share | Total Ordinary Dividends | Qualified Dividend | Return of Capital | Capital Gain | |
| Common | 210226 106 | CTO | 2/24/2020 | 2/28/2020 | \$ 0.2500 | \$ 0.2500 | \$ 0.2500 | \$ - | \$ - | \$ - |
| Common | 22948P 103 | CTO | 5/11/2020 | 5/29/2020 | \$ 0.2500 | \$ 0.2500 | \$ 0.2500 | \$ - | \$ - | \$ - |
| Common | 22948P 103 | CTO | 8/17/2020 | 8/31/2020 | \$ 0.4000 | \$ 0.4000 | \$ 0.4000 | \$ - | \$ - | \$ - |
| Common | 22948P 103 | CTO | 11/16/2020 | 11/30/2020 | \$ 1.0000 | \$ 1.0000 | \$ 1.0000 | \$ - | \$ - | \$ - |
| Common | 22948P 103 | CTO | 11/19/2020 | 12/21/2020 | \$ 11.9837 | \$ 11.8993 | \$ 7.2081 | \$ 0.0844 | \$ - | \$ 4.6912 |
| Total | | | | | \$ 13.8837 | \$ 13.7993 | \$ 9.1081 | \$ 0.0844 | \$ - | \$ 4.6912 |