CTO
REALTY GROWTH

As the saying goes, "it's not our first rodeo," and given CTO's more than 110-year history, it wasn't the first time the company has weathered a pandemic. CTO is a sturdy and resilient company, and even in an unprecedented and challenging year such as 2020, it was a record year of transaction activity for CTO and PINE, acquiring over $300 million of investment properties, while also selling nearly $92 million of investment properties and selling an additional $65 million of land through our land joint venture. Combine this transaction activity with changing the company name, moving to the NYSE, meaningfully growing the quarterly dividend, and converting to a REIT, and 2020 represents a truly transformational year for the company. What a year!

Here is a further recap of our 2020 results and other metrics:

- Net Income of $16.69 per diluted share
- Reported Funds from Operations (FFO) for the year of $5.84 per diluted share and Adjusted Funds from Operations (AFFO) for the year of $5.57 per diluted share[1]
- Paid out $13.88 per share in cash and stock dividends
- Book value at year end of $59.32
- Repurchased 88,565 shares for $4.1 million
- Repurchased $12.5 million of convertible debt, resulting in a $1.1 million gain
- Bought $185.1 million of income properties at a weighted-average going-in cap rate of 7.8%
- Sold $86.5 million of income properties at a weighted-average exit cap rate of 5.2%
- Sold approximately $65 million of land through the land joint venture

	Basic EPS	Dividend	CTO Annual Total Return Performance (1)	RMZ Index Annual Total Return (1)	Book Value Per Share at Year End
2020	$16.69	$13.88	(6.82%)	(7.51%)	$59.32
2019	$23.03	$ 0.44	15.7%	25.9%	$59.83
2018	$ 6.76	$ 0.27	(17.6%)	(4.2%)	$38.95
2017	$ 7.53	$ 0.18	19.3%	5.1%	$32.98
2016	$ 2.86	$ 0.12	1.6%	8.6%	$25.97
2015	$ 1.44	$ 0.08	(5.4%)	2.5%	$22.81
2014	$ 1.11	$ 0.07	54.0%	30.4%	$21.83
2013	$ 0.64	$ 0.06	17.2%	2.5%	$20.53
2012	$ 0.10	$ 0.04	14.7%	17.8%	$19.58

(1) Includes re-invested dividends
Note: Values prior to 2020 are unadjusted for Special Dividend.

Our income property acquisition activity for CTO in 2020, which totaled over $185 million of high-quality properties at a weighted average going-in cap rate of 7.8%, was comprised primarily of well-located open-air centers in the second or third ring from the urban centers. These properties did quite well during the pandemic, as the majority of people stayed closer to home and avoided urban cores, resulting in our portfolio's out-performance. We've followed up our 2020 investment activity with a strong start to 2021, acquiring two

1 For calculations of FFO per diluted share and AFFO per diluted share, see page 53 of our Annual Report on Form 10-K filed with the SEC on March 5, 2021 or page 59 of the Annual Report included herein, which also includes a GAAP reconciliation of these non-GAAP measures.

retail centers in Las Vegas and Salt Lake City for approximately $38.5 million at a blended going-in cap rate of just over 8.0%. As we focus on business-friendly states with strong population and employment growth, we like these types of locations in Nevada and Utah as they benefit from the strong underlying demographic trends.

As a result of all of our transaction activity, CTO is now positioned as a diversified REIT, owning both retail and office properties in dynamic markets that are exhibiting strong growth trends. The company now owns a portfolio of income properties totaling approximately 2.8 million rentable square feet in 12 states. Our largest multi-tenant asset, Perimeter Place, is a 269,000 square foot lifestyle power center that we acquired in February 2020 for approximately $75 million, which we have rebranded as Ashford Lane. As the catalyst for the repositioning and rejuvenation of this center, we signed a lease for a 17,000 square foot food hall to occupy a vacant former furniture showroom. The food hall is scheduled to open later this summer and we're excited about the property's future prospects, as we have a lot of tenant activity at the center and expect to have a busy year signing leases.

With the conversion to a REIT, the stock has garnered increased shareholder interest, as investors now have more metrics and reference points to compare CTO to other public REITs. As a real estate focused small cap C-corp., the company previously did not have a large dedicated and focused investment community, but as a REIT, the company is starting to hit the radar screens of the income-oriented REIT-dedicated investment community, especially as investors focus on the outsized dividend yield, relatively low earnings multiple and discount to net asset value, all of which are very attractive in today's low yield environment.

While our portfolio repositioning, increased investor interest and REIT conversion have all been great catalysts for value creation and growth, CTO still has a number of levers left to pull to organically grow the asset base and per share earnings. Selling down the remainder of the single tenant net lease portfolio over the next few years and reinvesting this capital into higher yielding multi-tenant properties is a meaningful opportunity for us in 2021; in addition, there is still a significant amount of equity in the land joint venture that we anticipate eventually unlocking and reinvesting into income producing properties, which we believe could represent as much as $4.00 per share of value to shareholders and hope to realize through monetization over the next two to three years; and the company also has over 400,000 acres of mineral rights, which we have begun to sell to generate incremental proceeds for further reinvestment into income producing assets. Overall, with some of the larger transformational items behind us, we're excited about the opportunity that lies ahead and look forward to executing on these value-creating initiatives.

Alpine Income Property Trust

For a company focused on growing through acquisitions in its first full year as a public company, PINE had an uneven start to the year, contending with a volatile transaction market that was trying to find its footing during the onset of the pandemic. However, through our team's diverse relationships and focused execution, PINE quickly righted itself to finish the year with nearly $117 million of high-quality net lease acquisitions, industry-leading rent collection statistics and an increased dividend which resulted in an annualized run rate of $0.96 per share. CTO's OP unit and share ownership of PINE, representing approximately 23.5%, is valued at approximately $37 million as of March 1, 2021, and produces approximately $2 million per year in annualized dividend income and approximately $2.5 million in annual management fee income to CTO shareholders. Needless to say, we're excited about PINE and it's positioning to be a faster growing and higher yielding net lease REIT relative to its single tenant net lease REIT competitors.

The Team

We are still an efficient machine of 17 team members, although we are looking to add additional team members as the two companies continue along their growth trajectories. I want to welcome Matt Partridge, who became our CFO this fall. Matt has been busy in his first few months, bringing his extensive banking, investor and research relationships from his previous REIT experiences to help facilitate growth for CTO and PINE. Welcome Matt! We also want to recognize some very well-deserved promotions for Steven Greathouse, who is now our Chief Investment Officer; Lisa Vorakoun, who is now our Chief Accounting Officer; and Helal Ismail, who is now our Vice President of Investments.

A big thank you is in order for our strong Board of Directors for the extra work that was needed this year with the pandemic and our REIT conversion. The Board has contributed immeasurably to the success of CTO's growth strategy through their incredible stewardship and their experienced input. We especially want to recognize Howard Serkin, who is retiring from our Board, for his incredible contributions over the last decade to help make CTO a best-in-class public company.

Howard was here when I came on board almost ten years ago and during his tenure, Howard and I have been through a few notable challenges and many successes, resulting in strong shareholder returns. When Howard and I began partnering together in 2011, there were 11 board members and we were only a $160 million equity market cap company. Our stock was $28 per share and paying only a $0.04 per share annual dividend. Through his board-level contributions and guidance, I'm proud to say we're now paying a $4.00 per share annualized cash dividend and our stock has regularly traded at or above $52 per share, which is after having paid an $11.98 special dividend as part of our REIT conversion in 2020. Nice results for shareholders under Howard's tenure.

Howard's leadership on the audit committee has been outstanding, and together with other Board members, helped to make CTO a very shareholder friendly company. We thank Howard for all of his wise input and sound advice and wish him well. We are not filling Howard's seat, as the board has chosen to go to six members.

Finally, I want to thank all of our shareholders, partners, Board and our team for their continued support. Even though our annual meeting will be virtual again this year, we look forward to seeing each of you in person again soon.

John P. Albright
President and
Chief Executive Officer