

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): December 21, 2020

CTO Realty Growth, Inc.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

001-11350
(Commission File Number)

59-0483700
(IRS Employer
Identification No.)

1140 N. Williamson Blvd., Suite 140
Daytona Beach, Florida
(Address of principal executive offices)

32114
(Zip Code)

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

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 Symbol</u>	<u>Name of each exchange on which registered:</u>
COMMON STOCK, \$1.00 PAR VALUE	CTO	NYSE American

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 8.01. Other Events.

On December 21, 2020, CTO Realty Growth, Inc., a Florida corporation (the “Company”), completed the payment of its previously announced \$55.8 million special distribution (the “Special Distribution”). The Special Distribution, which is required in connection with the Company’s election to be taxable as a real estate investment trust commencing with its taxable year ending December 31, 2020, was paid in a combination of cash and stock.

The Special Distribution was paid to shareholders of record as of the close of business on November 19, 2020 (the “Record Date”). Each of the Company’s shareholders had an opportunity to elect to receive the shareholder’s entire entitlement under the Special Distribution in the form of cash or additional shares of common stock, subject to a limit on the total cash available for distribution of \$5.58 million (the “Maximum Cash Amount”), excluding any cash paid for fractional shares. The Maximum Cash Amount represented 10% of the aggregate amount of the Special Distribution.

Holder of an aggregate of 2,659,831 shares of the Company’s common stock elected to receive the Special Distribution in the form of cash, and holders of an aggregate of 1,996,483 shares of the Company’s common stock either elected to receive the Special Distribution in the form of additional shares of common stock or were treated as having elected to receive payment in additional shares of common stock due to failing to make an election prior to 5:00 p.m. Eastern Time on December 7, 2020 (the “Election Deadline”). Holders of an aggregate of 60,479 unvested shares of restricted stock issued under the Company’s Second Amended and Restated 2010 Equity Incentive Plan were not eligible to receive the Special Distribution.

Shareholders who elected to receive the Special Distribution in cash received, for each share held on the Record Date, approximately \$2.10 per share in cash and approximately 0.24 additional shares of common stock (with cash paid in lieu of fractional shares). Shareholders who elected or were deemed to have elected to receive the Special Distribution in stock received, for each share held on the Record Date, approximately 0.29 additional shares of common stock (with cash paid in lieu of fractional shares). As a result, the Special Distribution, in the aggregate, consisted of the issuance of approximately 1,198,963 additional shares of the Company’s common stock and the payment of \$5.58 million in cash (not including cash paid in lieu of fractional shares).

The value per share of the Company’s common stock for purposes of the Special Distribution was \$41.8646, which was equal to the volume weighted average price of the Company’s common stock during the three trading days immediately following the Election Deadline.

In addition, as a result of the Special Distribution, the conversion rate relating to the Company’s Convertible Senior Notes due 2025 (the “2025 Notes”) was adjusted to 18.2596 shares of common stock per \$1,000 principal amount of the 2025 Notes, and the approximately \$62.5 million principal amount of 2025 Notes that are currently outstanding are now convertible, in the aggregate, into approximately 1.1 million shares of Common Stock. As a result of the adjustment to the conversion rate, the conversion price of the 2025 Notes decreased from approximately \$76.02 per share of Common Stock to approximately \$54.77 per share of Common Stock.

On December 21, 2020, the Company issued a press release announcing the completion of payment of the Special Distribution. A copy of the press release is furnished herewith as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Press release issued by CTO Realty Growth, Inc. on December 21, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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.

CTO Realty Growth, Inc.
(Registrant)

Date: December 21, 2020

By: /s/ Matthew M. Partridge
Matthew M. Partridge
Senior Vice President and Chief Financial Officer



Press Release

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

FOR
IMMEDIATE
RELEASE

CTO REALTY GROWTH ANNOUNCES COMPLETION OF SPECIAL DISTRIBUTION

DAYTONA BEACH, FL – December 21, 2020 – CTO Realty Growth, Inc. (NYSE American: CTO) (“CTO” or the “Company”) announced today that it has completed the payment of its previously announced special distribution in an aggregate amount of approximately \$55.8 million (the “Special Distribution”). The Special Distribution is intended to ensure that the Company has distributed all of its previously undistributed earnings and profits attributable to taxable periods ended on or prior to December 31, 2019, as required in connection with the Company’s election to be taxable as a real estate investment trust (“REIT”) commencing with its taxable year ending December 31, 2020.

The Special Distribution was paid through an aggregate of approximately \$5.6 million in cash and the issuance of 1,198,963 shares of the Company’s common stock, which was calculated based on the volume weighted average price of approximately \$41.8646 measured over the three consecutive trading days ending on December 10, 2020. The Special Distribution was paid to shareholders of record as of the close of business on November 19, 2020 (the “Record Date”). Shareholders had an opportunity to elect to receive the Special Distribution in the form of cash or additional shares of common stock, subject to an aggregate limit of \$5.58 million of cash (excluding any cash paid in lieu of issuing fractional shares), which represented 10% of the aggregate amount of the Special Distribution. Shareholders who elected to receive payment in the form of cash received approximately \$2.10 per share in cash and approximately 0.24 shares of common stock for each share held on the Record Date (with cash paid in lieu of fractional shares). Shareholders who elected to receive payment in additional shares of common stock, or who were treated as having elected to receive payment in additional shares of common stock due to failing to make an election prior to 5:00 PM ET on December 7, 2020, received approximately 0.29 shares of common stock for each share held on the Record Date (with cash paid in lieu of fractional shares). Shareholders holding shares of the Company’s common stock through a broker, dealer, commercial bank, trust company or other nominee will receive their Special Distribution in accordance with the policies of their broker, dealer, commercial bank, trust company or other nominee.

Immediately following the distribution, approximately 5,915,756 million shares of common stock were outstanding.

About CTO Realty Growth, Inc.

CTO Realty Growth, Inc. (NYSE American: CTO) is a publicly traded diversified real estate investment trust that owns and operates a diversified portfolio of income properties comprising approximately 2.4 million square feet in the United States. CTO also owns an approximate 23.5% interest in Alpine Income Property Trust, Inc., a publicly traded net lease real estate investment trust (NYSE: PINE).

We encourage you to review our most recent investor presentation, which is available on our website at www.ctorealtygrowth.com.

Forward-Looking Statements

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; the ultimate geographic spread, severity and duration of pandemics such as the recent outbreak of the novel coronavirus, 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 or the entity that holds approximately 1,700 acres of undeveloped land in Daytona Beach, Florida, in which the Company owns a retained interest; 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, 2019 and in the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, each as filed with the 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.