



## **CIM Commercial Trust Provides Update on Plan to Maximize Return for Stockholders**

August 8, 2019

### **Declares Special Cash Dividend**

### **Announces 1-for-3 Reverse Stock Split**

### **Declares Third Quarter Dividends on Common Stock and Series A Preferred Stock**

DALLAS--(BUSINESS WIRE)--Aug. 8, 2019--

CIM Commercial Trust Corporation (Nasdaq: CMCT and TASE: CMCT-L) ("we", "our", "CMCT", "CIM Commercial", or the "Company") announced today that, as part of its previously announced program to unlock embedded value in its portfolio and improve the trading liquidity of its Common Stock, its Board of Directors has declared a special cash dividend of \$14.00 per share of Common Stock. The special dividend will be paid on August 30, 2019 to stockholders of record at the close of business on August 19, 2019. The aggregate amount of the special dividend will be approximately \$613 million and will be funded primarily by the net proceeds (after the repayment of debt) received from the sale of ten properties during 2019 and borrowings on CMCT's revolving credit facility.

"We are delivering to our stockholders the considerable value that was created through the active management of our portfolio," said David Thompson, Chief Executive Officer of CMCT. "We believe that our remaining assets, which are located in high barrier-to-entry markets, position us well for organic growth as we roll existing leases with below-market rents to market rates. In addition, we believe CMCT has strong access to capital to support our external growth initiatives that include both acquisition and select redevelopment and build-to-suit opportunities."

CMCT has also been informed that approximately 31.9 million of the shares of CMCT Common Stock held by its principal stockholder (the "Fund"), representing approximately 72.8% of the outstanding shares of CMCT Common Stock, will be distributed to approximately 19 members of the Fund by the end of August 2019. Such distribution will increase the public float of CMCT Common Stock, which CMCT believes will in turn increase the trading liquidity of CMCT Common Stock and improve CMCT's access to capital, benefitting both preferred and common stockholders. Following such distribution, the Fund is expected to own approximately 16.9% of the outstanding shares of CMCT Common Stock.

No further property sales will be made under the program to unlock embedded value in CMCT's portfolio and improve the trading liquidity of CMCT Common Stock. CMCT's remaining portfolio, after the sale of two office properties and one development site, all in Washington D.C., in July 2019, consists of approximately 1.3 million rentable square feet of office space in Los Angeles, San Francisco and Oakland, California, and Austin, Texas and a 503-room hotel and ancillary parking garage in Sacramento, California. Three properties in Oakland and Sacramento, California, and Austin, Texas include additional development opportunities.

### **One-for-Three Reverse Stock Split**

CMCT also announced today that its Board of Directors has approved a reverse stock split of CMCT Common Stock at a ratio of one-for-three (the "Reverse Stock Split"). The Reverse Stock Split will become effective at 12:01 a.m. on September 3, 2019, and CMCT Common Stock will begin trading on the Nasdaq Global Market on a split-adjusted basis at market open on that day.

At the effective time of the Reverse Stock Split, every three shares of CMCT Common Stock owned by a holder will be converted into one share of CMCT Common Stock. No fractional shares will be issued in connection with the Reverse Stock Split. Stockholders who would otherwise hold a fractional share of CMCT Common Stock following the Reverse Stock Split will receive a cash payment in lieu of fractional shares based on the closing price of CMCT Common Stock on the Nasdaq Global Market on September 3, 2019.

Stockholders who hold shares of CMCT Common Stock in book-entry form or through a bank, broker or other nominee do not need to take any action in connection with the Reverse Stock Split, and will see the impact of the Reverse Stock Split automatically reflected in their accounts. Stockholders who hold shares of CMCT Common Stock in certificated form will receive instructions from CMCT's transfer agent, American Stock Transfer & Trust Company, regarding the exchange of their pre-split certificates.

The trading symbol of CMCT Common Stock on the Nasdaq Global Market will remain "CMCT." CMCT Common Stock has been assigned a new CUSIP number of 125525584 that will be effective upon completion of the Reverse Stock Split at 12:01 am on September 3, 2019.

Pursuant to the rules of the Tel Aviv Stock Exchange ("TASE"), and in order for TASE to make the appropriate adjustments to reflect the Reverse Stock Split, CMCT Common Stock will not trade on TASE on September 3, 2019 and will resume trading on September 4, 2019.

### **Quarterly Dividend**

CMCT further announced today that its Board of Directors has declared a quarterly cash dividend on a pre-split basis of \$0.025 per share of CMCT Common Stock (\$0.075 per share on a post-split basis). The quarterly dividend will be paid on September 18, 2019 to stockholders of record at the close of business on September 6, 2019.

In addition, the Board of Directors has declared a quarterly cash dividend of \$0.34375 per share of CMCT's Series A Preferred Stock. For shares issued during the third quarter of 2019, the dividend will be prorated from the time of issuance. The dividend will be payable on October 15, 2019 to holders of record at the close of business on October 7, 2019.

### **Series L Preferred Stock**

The Company announced today that it is exploring initiating a repurchase program for approximately 30% of the outstanding shares of Series L Preferred Stock beginning no later than the first quarter of 2020. While the Company is reviewing the pricing, methods and exact timing of any such

repurchases, such repurchases may be made in the open market, in privately negotiated transactions, or otherwise. Consistent with the targeted capital structure of the Company, the Company anticipates using funds from its revolving credit facility to finance such repurchases. There can be no assurance that the Company will repurchase any shares of Series L Preferred Stock on the foregoing terms or timing, or at all.

## **Warrants**

At the effective time of the Reverse Stock Split, the exercise price of each outstanding warrant (issued as part of a unit in connection with the issuance of CMCT's Series A Preferred Stock) to purchase 0.25 of a share of CMCT Common Stock will automatically increase to three times the exercise price of such warrant immediately prior to the effective time of the Reverse Stock Split and the number of shares of Common Stock issuable upon the exercise of such warrant will automatically be adjusted to one-third of 0.25 (or approximately 0.0833) of a share of Common Stock. Further, the Company intends to reduce the strike price of each outstanding warrant to account for the effect of the special dividend.

## **ABOUT CIM COMMERCIAL TRUST CORPORATION**

CIM Commercial Trust is a real estate investment trust that primarily acquires, owns, and operates Class A and creative office assets in vibrant and improving metropolitan communities throughout the United States. Its properties are primarily located in Los Angeles and the San Francisco Bay Area. CIM Commercial Trust is operated by affiliates of CIM Group, L.P., a vertically-integrated owner and operator of real assets with multi-disciplinary expertise and in-house research, acquisition, credit analysis, development, financing, leasing, and onsite property management capabilities.

[www.cimcommercial.com](http://www.cimcommercial.com)

## **FORWARD-LOOKING STATEMENTS**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements about CMCT's plans and objectives relating to future growth and availability of funds, the trading liquidity of CMCT's Common Stock and potential repurchases of outstanding shares of Series L Preferred Stock. Such forward-looking statements are based on particular assumptions that management of CMCT has made in light of its experience, as well as its perception of expected future developments and other factors that it believes are appropriate under the circumstances. Forward-looking statements are necessarily estimates reflecting the judgment of CMCT and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include those associated with (i) the timing, manner and extent, if any, of the distribution of shares of Common Stock held by the Fund to its members, (ii) the timing, manner and extent, if any, of repurchases of Series L Preferred Stock by the Company, and (iii) general economic, market and other conditions. For a further list and description of the risks and uncertainties inherent in forward-looking statements, see CIM Commercial's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and the Registration Statement on Form S-11 (No. 333-210880) relating to the Series A Preferred Stock.

Forward-looking statements are not guarantees of performance or results and speak only as of the date such statements are made. CMCT undertakes no obligation to publicly update or release any revisions to its forward-looking statements, whether to reflect new information, future events, changes in assumptions or circumstances or otherwise, except as required by law.

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