



CIM Commercial Trust Announces Significant Reduction in Management Fee

January 5, 2022

Anticipates \$0.21 per share in annualized cost savings

Management intends to recommend a dividend increase starting in first quarter 2022

DALLAS--(BUSINESS WIRE)--Jan. 5, 2022-- CIM Commercial Trust Corporation (NASDAQ: CMCT and TASE: CMCT-L) ("we", "our", "CMCT", "CIM Commercial", or the "Company") announced that CIM Group, the manager to CMCT, has agreed to a fee waiver that is expected to reduce CMCT's management fee by approximately 55%, resulting in \$0.21 per share of annualized cost savings. The agreement is effective January 1, 2022.

"This new fee structure more closely aligns our manager with the success of the common stockholders of CIM Commercial," said David Thompson, Chief Executive Officer of CIM Commercial Trust. "Management intends to recommend to the Board that CIM Commercial use substantially all of the cost savings achieved by the lower management fee to reward common stockholders through a dividend increase starting in the first quarter. With the new fee structure, the company is now well-positioned for growth. We have an attractive portfolio with a significant same store growth opportunity. In addition, we will continue to leverage the resources of CIM Group's large scale vertically integrated real asset platform to source and execute on attractive acquisitions to create value for shareholders."

CIM Group has agreed to the new management fee structure and will waive all fees in excess of this new calculation.

New		Existing	
		Based on the fair value of RE assets	
		Less than \$500 million	1.00%
		\$500 million to \$1 billion	0.95%
		\$1 billion to \$1.5 billion	0.90%
		\$1.5 billion to \$4 billion	0.85%
		\$4 billion+	0.40%
Base Fee	1% of CMCT's net asset value attributable to its common stock		
Incentive Fee	In any quarter, 100% of CIM Commercial's quarterly core funds from operations ("core FFO") in excess of a quarterly threshold equal to 1.75% (the "hurdle rate") (i.e., 7.00% on an annualized basis), but less than 2.1875% (i.e., 8.75% annualized), of CIM Commercial's average adjusted common stockholders' equity (i.e., common stockholders' equity plus accumulated depreciation and amortization) for such quarter and 20% of the amount of the quarterly core FFO, if any, that exceeds 2.1875% (8.75% annualized) of CMCT's average adjusted common stockholders' equity for such quarter.	In any quarter, 15% of CIM Commercial's quarterly core FFO in excess of a quarterly threshold equal to 1.75% (i.e., 7.00% on an annualized basis) of CIM Commercial's average adjusted common stockholders' equity (i.e., common stockholders' equity plus accumulated depreciation and amortization) for such quarter.	
Capital Gains	(i) 15% of cumulative aggregate realized capital gains net of aggregate realized capital losses minus (ii) the aggregate capital gains fees paid in prior periods. Realized capital gains and realized capital losses are calculated by subtracting from the sales price of a property (a) any costs and expenses incurred to sell such property and (b) the property's original acquisition price plus any subsequent, non-reimbursed capital improvements thereon paid for by CIM Commercial.	NA	
Annualized Management fee (based on 3Q'21)	\$4.0 million	\$9.0 million	
Independent Board Member Option	CMCT, at the direction of the independent members of its Board of Directors, will have a rolling, one-time option to revert to the existing management fee methodology if the cumulative fees paid to CIM under the new methodology exceed the cumulative fees that would have been paid to CIM under the existing methodology.	NA	

ABOUT CIM COMMERCIAL TRUST CORPORATION

CIM Commercial Trust is a real estate investment trust that primarily owns and operates Class A and creative office real assets in vibrant and improving metropolitan communities throughout the United States. CIM Commercial Trust, supported by the broad real estate capabilities of CIM Group, seeks to focus on the acquisition, ownership, operation and development of cash flowing creative office, multifamily, retail, parking, infill industrial and limited service hospitality real assets in communities qualified by CIM Group. 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, finance, leasing, and onsite property management capabilities. (www.cimcommercial.com).

FORWARD-LOOKING STATEMENTS

This press release contains certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”), which are intended to be covered by the safe harbors created thereby. Such forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “will,” “project,” “target,” “expect,” “intend,” “might,” “believe,” “anticipate,” “estimate,” “could,” “would,” “continue,” “pursue,” “potential,” “forecast,” “seek,” “plan,” or “should” or the negative thereof or other variations or similar words or phrases. Such forward-looking statements include, among others, statements about CMCT’s plans and objectives relating to future growth, the amount of any future common stock dividend increase and estimates of the savings to be achieved from the reduced fee structure. 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’s management 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 scope, severity and duration of the current pandemic of COVID-19, and actions taken to contain the pandemic or mitigate its impact, and the winding-down or termination of governmental assistance programs implemented to address the pandemic, (ii) the adverse effect of COVID-19 on the financial condition, results of operations, cash flows and performance of CMCT and its tenants and business partners, the real estate market and the global economy and financial markets, among others, (iii) the timing, form, and operational effects of CMCT’s development activities, (iv) the ability of CMCT to raise in place rents to existing market rents and to maintain or increase occupancy levels, (v) fluctuations in market rents, including as a result of COVID-19, and (vi) general economic, market and other conditions. Additional important factors that could cause CMCT’s actual results to differ materially from CMCT’s expectations are discussed under the section “Risk Factors” in CMCT’s Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission (“SEC”) on March 16, 2021 and amended on April 30, 2021 (the “2020 Form 10-K”). The forward-looking statements included herein are based on current expectations and there can be no assurance that these expectations will be attained. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond CMCT’s control. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by CMCT or any other person that CMCT’s objectives and plans will be achieved. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made. CMCT does not undertake to update them to reflect changes that occur after the date they are made, except as may be required by applicable law.

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