



CMCT Announces Actions to Accelerate Focus Towards Premier Multifamily Assets

September 16, 2024

The Board of Directors Declares \$0.04 Per Share Quarterly Common Dividend Payable in Common Stock

CMCT Announces Steps to Strengthen Balance Sheet and Improve Liquidity

DALLAS--(BUSINESS WIRE)--Sep. 16, 2024-- CMCT (NASDAQ: CMCT and TASE: CMCT) announced today actions to accelerate the transition of its focus towards premier multifamily assets from traditional office assets and strengthen its balance sheet and liquidity.

The Company has previously targeted a capital structure consisting of approximately 40% common equity, 30% preferred equity and 30% debt. The recent decline in real estate values, particularly in the Bay Area and the office market in general, has resulted in a lower than targeted common equity ratio. CMCT recently explored the sale of several high-quality assets to improve its common equity ratio. The offer CMCT received reflected what the Company believed to be the fair value of these assets, but the buyer was unable to close. As a result of this and the recent decline in interest rates, CMCT has decided to shift its focus to refinancing rather than a sale of these assets. The Company intends to place property-level financing on several assets and use part of the proceeds to fully repay its recourse corporate-level credit facility. The Company plans to invest any remaining proceeds, along with proceeds from any future potential asset sales, principally in premier multifamily properties.

As part of its program to improve its common equity ratio, the Company is suspending its Series A1 Preferred Stock offering and announcing the redemption of approximately 2.2 million shares of Series A Preferred Stock and approximately 2.6 million shares of Series A1 Preferred Stock, with the redemption price to be paid in shares of common stock in accordance with the terms of the Series A Preferred Stock and Series A1 Preferred Stock, respectively. The Company is also shifting the payment schedule of its quarterly dividend from monthly to quarterly for all its series of outstanding preferred stock. The Company's previously declared dividends on its preferred stock for the third quarter of 2024 will continue to be paid out monthly in September and October as previously announced.

The Company believes these actions will strengthen its balance sheet, improve liquidity and accelerate the transition towards premier multifamily properties. These actions should also better position the Company to take advantage of opportunities that are expected to arise in a recovering real estate market.

Common Stock Dividend Declaration

The Company further announced that its Board of Directors has declared a quarterly dividend of \$0.04 per share of common stock, payable in shares of common stock. The dividend will be paid on October 8, 2024 to stockholders of record at the close of business on September 25, 2024. The number of shares of common stock payable will be determined using the closing price of the common stock on September 13, 2024.

ABOUT CMCT

Creative Media & Community Trust Corporation ("CMCT") is a real estate investment trust that owns, operates and develops premier multifamily and creative office assets in vibrant communities throughout the United States. CMCT is a leader in creative office, acquiring and developing properties catering to rapidly growing industries such as technology, media and entertainment. CMCT applies the expertise of CIM Group Management, LLC to the acquisition, development, and operation of top-tier multifamily properties situated in dynamic markets with similar business and employment characteristics to its creative office investments. CMCT also owns one hotel in Northern California and a lending platform that originates loans under the Small Business Administration's 7(a) loan program. CMCT 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.creativemediacommunity.com).

FORWARD-LOOKING STATEMENTS

This press release contains certain "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, 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," "should," or "goal" or the negative thereof or other variations or similar words or phrases. Such forward-looking statements also include, among others, statements about CMCT's plans and objectives, including the planned transition towards premier multifamily properties and the acceleration of those plans and the strengthening of its balance sheet and improved liquidity and its ability to secure property level financing and repay in full its corporate-level credit facility. 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) its ability to successfully identify and acquire or develop premier multifamily properties or secure property-level financing, in each case on acceptable terms or at all, and its ability to sell additional assets on acceptable terms or at all, (ii) the timing, form, and operational effects of CMCT's development activities, (iii) the ability of CMCT to raise in place rents to existing market rents and to maintain or increase occupancy levels, (iv) fluctuations in market rents, (v) the effects of inflation and continuing higher interest rates on the operations and profitability of CMCT 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 in "Item 1A—Risk Factors" of CMCT's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on March 29, 2024. 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 expressed or implied herein will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements expressed or implied 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 securities laws.

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