

## **Cominar Provides COVID-19 Business Update and Withdraws 2020 Guidance**

**Québec City, March 27, 2020 — Cominar Real Estate Investment Trust** (“Cominar” or the “REIT”) (TSX: CUF.UN) provided today an update on COVID-19 matters and announced that it is withdrawing the REIT’s fiscal 2020 guidance due to the growing economic and operating impact of the COVID-19 pandemic, the uncertainty with regard to its duration and the impact on the REIT’s tenants and their ability to satisfy rental payment obligations. These are unprecedented times and Cominar is taking all necessary measures to ensure the health of its employees, support its tenants and best manage the short-term challenges to its business.

### **Government Measures and Supporting Our Tenants**

The Gouvernement du Québec has put in place numerous stringent measures to protect Quebecers and to slow the spread of the COVID-19 virus including most recently the closing as of Wednesday, March 25 at midnight until April 13, 2020 of all non-essential stores and services. These measures include closure of all shopping malls, non-essential businesses and construction sites until April 13. Grocery stores, pharmacies and SAQ outlets remain open, and as commercial activities continue, businesses can continue to engage in teleworking and e-commerce. For a list of essential services, please see :

<https://www.quebec.ca/en/health/health-issues/a-z/2019-coronavirus/essential-services-commercial-activities-covid19/>.

The REIT currently has approximately 350 of its employees active in teleworking, and the REIT estimates that the vast majority of its clients are complying with governmental directives and recommendations relating to occupancy and use of the REIT’s properties.

Covid-19 is expected to have the most impact on the retail portfolio, which accounted for 36% of the REIT’s revenues in 2019 and had a weighted average lease term of 8.2 years as at December 31, 2019. The REIT estimates that approximately 32% of its retail revenues and 12% of its total revenues are derived from tenants that are considered essential services. In addition, the REIT estimates that approximately 32% of its office revenues and approximately 17% of its total revenues are derived from government or para-governmental tenancies. The REIT expects to face revenue declines and deferrals in future quarters, which it is currently assessing.

“Cominar’s top priority is ensuring the safety and well-being of its employees and tenants as well as the communities it serves. We are acutely aware of the financial pressures on our tenant base, particularly on independent retailers, and we intend to work with our tenants on a case-by-case basis to support their businesses and find solutions in the short term while protecting the financial stability of the REIT” stated Sylvain Cossette, President and Chief Executive Officer. “We firmly believe that strong government and municipal assistance will be required to support businesses, retailers and commercial property owners in this period of disruption and allow them to thrive once again when we emerge from this pandemic,” added Mr. Cossette. “On a personal note, I can’t thank all of our employees enough for everything they are doing for our tenants, our communities and the REIT” added Mr. Cossette.

### **Strong Liquidity Position**

Cominar’s balance sheet is well positioned with \$530 million of liquidity which includes approximately \$130 million of cash on hand as well as \$400 million of availability on the REIT’s undrawn credit line. In addition, the REIT had \$2.1 billion of unencumbered assets and an unencumbered asset ratio of 1.8x as at year-end 2019. Current liquidity represents 15% of total debt as at Dec 31, 2019 and 110% of 2020 maturities. Cominar has \$481 million of debt maturing over the next 12 months, which can be repaid from available liquidity.

“The initiatives we have taken over the last year to strengthen our balance sheet provide Cominar with the financial resources to weather this unprecedented economic storm and we are working on additional initiatives which would further bolster our liquidity position,” stated Heather Kirk Executive Vice President and Chief Financial Officer. “Given the uncertainty of the impact of COVID-19 on our business, we are withdrawing our guidance and will provide additional updates in due course,” added Mrs. Kirk.

### **Expense Reductions**

As construction activity is essentially shut down in the Province of Québec, the REIT has reduced its construction work force by approximately 85 unionized construction workers. The REIT is actively identifying other areas of its business where it can further reduce spending including, municipal tax deferrals, energy reductions, maintenance adjustments, staffing levels and capital expenditures in order to offset the expected negative impact on its business and cash flow in the short term.

### **Transaction Activity**

Amid the spread of COVID-19, Cominar expects liquidity in the property markets to slow and as a result, the REIT is no longer forecasting disposition activity through the end of the year. Cominar continues to see value in properties such as its CN Central Station asset and will re-

evaluate its value-maximization options for this irreplaceable and strategic Montreal property as market and economic conditions evolve.

### **Supporting Our Communities**

During these challenging times, Cominar has been making resources and facilities available to support the needs of the Gouvernement du Québec and its communities. By way of example, Cominar is facilitating blood drive initiatives of Héma-Québec at its shopping malls to ensure the continuity of necessary blood donation activities, providing free parking at properties adjacent to hospitals for health care workers and providing emergency space to the Gouvernement du Québec. Following the call of the Gouvernement du Québec to citizens to help their communities by volunteering, the REIT is exploring ways to create opportunities for its employees to contribute as part of Cominar's long-standing tradition of community involvement and employee volunteerism.

Cominar will release its Q1 2020 financial results on May 7, 2020 and will provide an update on its earnings conference call that same day at 11 a.m.

### **Profile as at March 27, 2020**

Cominar is one of the largest diversified real estate investment trusts in Canada and is the largest commercial property owner in the Province of Québec. Our portfolio consists of 315 high-quality office, retail and industrial properties, totalling 35.9 million square feet located in Montreal, Québec City and Ottawa areas. Cominar's primary objective is to maximize total return to unitholders by way of tax-efficient distributions and maximizing the unit value through the proactive management of our portfolio.

### **Forward-Looking Statements**

This press release may contain forward-looking statements with respect to Cominar and its operations, strategy, financial performance and financial position. These statements generally can be identified by the use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intend", "believe" or "continue" or the negative thereof or similar variations and the use of conditional and future tenses. The actual results and performance of Cominar discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, impact of the Covid-19 crisis, general economic and market factors, competition, changes in government regulation and the factors described under "Risk Factors" in Cominar's Annual Information Form. The cautionary statements qualify all forward-looking statements attributable to Cominar and persons acting on its behalf. Unless otherwise stated, all forward-

looking statements speak only as of the date of this press release. Cominar does not assume any obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

**For information**

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