



## Postmedia Provides Business Update Related to COVID-19

April 7, 2020 (TORONTO) – Postmedia Network Canada Corp. (“**PNCC**” or the “**Company**”) along with its wholly-owned subsidiary, Postmedia Network Inc. (“**PNI**” and together with PNCC, “**Postmedia**”) today announced proactive measures taken in response to the COVID-19 crisis.

“From the onset of the global pandemic, our focus has been on keeping our employees safe and maintaining the critical connections we have to the communities we serve.” said Andrew MacLeod, President and Chief Executive Officer, Postmedia. “We have seen the mandated shut down of huge portions of the Canadian economy which is having widespread impact on all industries, including media. We intend to continue to take necessary steps to successfully manage our business in this unprecedented environment.”

One of the immediate measures announced today is receipt by PNI of a temporary waiver of certain payments related to its 8.25% first lien notes, maturing July 2023 (the “**Notes**”).

### Key Terms of the Waiver

- The cash interest payment on the Notes, which would otherwise be payable on April 30, will instead be satisfied through the issuance of additional Notes.
- Postmedia’s obligation to make a mandatory excess cash flow redemption following the end of its second fiscal quarter has been waived in full.

“We, like countless other businesses large and small, are taking these proactive steps to ensure maximum flexibility while we navigate this crisis.” said MacLeod.

### Other Business Updates

As a news media company, Postmedia is generally exempt from mandates requiring closures of non-essential businesses and therefore has been able to continue operations. However, we expect our advertising revenues to decline as a result of widespread business closures and social distancing measures. Postmedia continues to actively monitor all aspects of its business and operations and to work closely with its customers, noteholders and other partners to manage the business through the crisis.

### Community Impact

Postmedia has dropped its paywalls on all stories related to the coronavirus outbreak across all of our newspaper websites. We want to ensure that readers can stay informed about the steps governments are taking to react to the outbreak, the latest recommendations from public health officials and the impacts to our country.

### Health and Safety of Employees

All Postmedia employees who are able to do so are now working from home and physically distancing by conducting meetings virtually.

In areas of the business where we cannot implement remote work – as in our production facilities – we have closed the sites to outside visitors, increased cleaning protocols, and reviewed workflows to allow for more physical distancing.

### **Additional Information**

The full text of the indenture and the waiver related to the Notes will be posted on the Company's website at [www.postmedia.com](http://www.postmedia.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About Postmedia Network Canada Corp.**

Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B) is the holding company that owns Postmedia Network Inc., a Canadian newsmedia company representing more than 140 brands across multiple print, online, and mobile platforms. Award-winning journalists and innovative product development teams bring engaging content to millions of people every week whenever and wherever they want it. This exceptional content, reach and scope offers advertisers and marketers compelling solutions to effectively reach target audiences. For more information, visit [www.postmedia.com](http://www.postmedia.com).

### **Forward-Looking Information**

This news release may include information that is “forward-looking information” under applicable Canadian securities laws. The Company has tried, where possible, to identify such information and statements by using words such as “believe,” “expect,” “intend,” “estimate,” “anticipate,” “may,” “will,” “could,” “would,” “should” and similar expressions and derivations thereof in connection with any discussion of future events, trends or prospects or future operating or financial performance. Forward-looking statements in this news release include statements with respect to the impact of the COVID-19 pandemic on the Company's business. By their nature, forward-looking information and statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, among others: competition from digital and other forms of media; the effect of economic conditions on advertising revenue; the ability of the Company to build out its digital media and online businesses; the failure to maintain current print and online newspaper readership and circulation levels; the realization of anticipated cost savings; possible damage to the reputation of the Company's brands or trademarks; possible labour disruptions; possible environmental liabilities, litigation and pension plan obligations; fluctuations in foreign exchange rates; the prices of newsprint and other commodities and the other risk factors included in the section entitled “Risk Factors” contained in our annual management's discussion and analysis for the years ended August 31, 2019 and 2018. In addition, we are subject to the risk and uncertainties related to the COVID-19 pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus including travel bans, self-imposed quarantine periods and social distancing. The outbreak of contagious illness such as this could impact our operations in a number of ways including quarantined employees, travel restrictions, temporary closure of our facilities, a decrease in demand for advertising, as well as interruptions to our supply chain, including temporary closure of supplier facilities. Although the Company bases such information and statements on assumptions believed to be reasonable when made, they are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry in which the Company operates, may differ materially from any such information and statements in this press release. Given these risks and uncertainties, undue reliance should not be placed on any forward-looking information or forward-looking statements, which speak only as of the date of such information or statements. Other than as required by law, the Company does not undertake, and specifically declines, any obligation to

update such information or statements or to publicly announce the results of any revisions to any such information or statements.

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