MONMOUTH REAL ESTATE INVESTMENT CORPORATION

BELL WORKS

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A Public REIT Since 1968

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MONMOUTH REAL ESTATE REPORTS RESULTS FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

HOLMDEL, NJ, February 4, 2021........ Monmouth Real Estate Investment Corporation (NYSE:MNR) reported Net Income Attributable to Common Shareholders of $25.7 million or $0.26 per diluted share for the three months ended December 31, 2020 as compared to Net Income Attributable to Common Shareholders of $3.5 million or $0.04 per diluted share for the three months ended December 31, 2019, representing an increase of $22.2 million or $0.22 per diluted share. During the three months ended December 31, 2020, we recognized a $19.7 million unrealized gain or $0.20 per diluted share as compared to a $3.6 million unrealized loss or $0.04 per diluted share for the three months ended December 31, 2019. Funds from Operations (FFO), which excludes unrealized gains or losses from our securities portfolio, for the three months ended December 31, 2020 were $18.9 million or $0.19 per diluted share versus $19.3 million or $0.20 per diluted share for the three months ended December 31, 2019, representing a $0.01 decrease in FFO per diluted share. Adjusted Funds from Operations (AFFO), which also excludes unrealized and realized gains or losses from our securities portfolio, for the three months ended December 31, 2020 were $18.2 million or $0.19 per diluted share versus $19.9 million or $0.21 per diluted share for the three months ended December 31, 2019, representing a $0.02 decrease in AFFO per diluted share. The decrease in FFO and AFFO was primarily attributable to an increase in our preferred dividend expense of $2.1 million and a reduction in dividend income of $1.6 million partially offset by an increase in Net Operating Income of $2.1 million, compared to the same prior year period. AFFO of $18.2 million or $0.19 per diluted share for the current quarter ended December 31, 2020 is unchanged sequentially with AFFO of $18.2 million or $0.19 per diluted share for the quarter ended September 30, 2020. During the last two weeks of the current quarter, we purchased two properties, (one on December 17, 2020 and one on December 24, 2020), for an aggregate purchase price of $170.0 million which will generate $10.1 million in annualized revenue. The current quarter does not reflect the full run-rate NOI effect of these two recent acquisitions. A portion of the preferred offering proceeds raised earlier in the quarter were used to fund these two transactions at the end of the period. We also ended the quarter with approximately $29.3 million in cash and cash equivalents which we expect to use to fund our near-term pipeline. We expect that the full run-rate NOI generated from these recent acquisitions, the deployment of our excess cash proceeds along with our $169.3 million acquisition pipeline, as well as our large expansion pipeline, to meaningfully grow our FFO and AFFO per share earnings going forward.

A summary of significant financial information for the three months ended December 31, 2020 and 2019 (in thousands, except per share amounts) is as follows:

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
Rental Revenue	$ 36,846	$ 34,870
Reimbursement Revenue	$ 6,737	$ 6,830
Lease Termination Income	$ 377	$ -0-
Net Operating Income (NOI) (1)	$ 36,529	$ 34,467
Total Expenses	$ 22,213	$ 22,469
Dividend Income	$ 1,607	$ 3,238
Unrealized Holding Gains (Losses) Arising During the Periods	$ 19,721	$ (3,635)
Net Income	$ 33,916	$ 9,625
Net Income Attributable to Common Shareholders	$ 25,746	$ 3,528
Net Income Attributable to Common Shareholders Per Diluted Common Share	$ 0.26	$ 0.04
FFO (1)	$ 18,880	$ 19,322
FFO per Diluted Common Share (1)	$ 0.19	$ 0.20
AFFO (1)	$ 18,170	$ 19,934
AFFO per Diluted Common Share (1)	$ 0.19	$ 0.21
Dividends Declared per Common Share	$ 0.17	$ 0.17
Weighted Avg. Diluted Common Shares Outstanding	98,211	97,006

A summary of significant balance sheet information as of December 31, 2020 and September 30, 2020 (in thousands) is as follows:

		December 31, 2020		September 30, 2020
Cash and Cash Equivalents	$	29,280	$	23,517
Real Estate Investments	$	1,903,840	$	1,747,844
Securities Available for Sale at Fair Value	$	126,292	$	108,832
Total Assets	$	2,122,201	$	1,939,783
Fixed Rate Mortgage Notes Payable, net of Unamortized Debt Issuance Costs	$	888,247	$	799,507
Loans Payable	$	75,000	$	75,000
Total Shareholders' Equity	$	1,125,952	$	1,037,605

During the quarter, we accomplished the following:

- Increased our Revenue, by 5.4% over the prior year period to $44.0 million;
- Increased our Net Operating Income by 6% over the prior year period to $36.5 million;
- Maintained a conservative AFFO dividend payout ratio of 89.5%;
- Increased our gross leasable area (GLA) by 7% over the prior year period to 24.5 million square feet;
- Entered into commitments to acquire four new build-to-suit properties containing 1.2 million total square feet for a total cost of $169.3 million;
- Completed $170.0 million in acquisitions comprising two new built-to-suit, net-leased, industrial properties comprising approximately 1.1 million square feet leased to FedEx Ground and Home Depot U.S.A. for 15 and 20 years, respectively, and generating $10.1 million in annualized revenue;
- Increased our occupancy rate by 50bps over the prior year period to 99.7% and by 30bps sequentially;
- Renewed six of the ten leases scheduled to expire in fiscal 2021. The six lease renewals, comprising 834,000 square feet or 69% of expiring square footage resulted in an 8.5% weighted-average increase in GAAP rent, a 2.0% weighted-average increase in cash rent and have a weighted-average lease term of 3.8 years;
- Increased our annualized average base rent per occupied square foot by 4% to $6.52 from the prior year period;
- Increased our weighted average lease maturity from 7.1 years as of September 30, 2020 to 7.5 years currently;
- Maintained our weighted average debt maturity on our fixed-rate mortgage debt at 11.5 years;
- Raised $1.3 million (including dividend reinvestments of $1.0 million) through our Dividend Reinvestment and Stock Purchase Plan, representing a 6% participation rate;
- Raised $76.0 million in net proceeds through our 6.125% Series C Perpetual Preferred Stock ATM Program at an average price of $24.88 per share.

Michael P. Landy, President and CEO, commented on the results for the first quarter of fiscal 2021,

"Thus far in fiscal 2021, we completed two high-quality acquisitions comprising 1.1 million square feet for an aggregate purchase price of $170.0 million. These properties, located in the Columbus, OH and Atlanta, GA MSAs, are leased to FedEx Ground and Home Depot U.S.A. for 15 and 20 years, respectively. They are expected to generate $10.1 million in annual rent demonstrating our continued ability to source accretive transactions in a highly-competitive acquisition environment. Our $169.3 million acquisition pipeline currently contains four new build-to-suit properties comprising 1.2 million total square feet. These properties have a weighted-average lease term of 12.8 years. In keeping with our business model, these properties are all leased to investment grade tenants."

"In addition to our pipeline, we also have six FedEx Ground parking expansion projects currently underway along with more under discussion. These six projects are expected to cost approximately $16.8 million and are targeted to be completed over the next few quarters. These expansions will enable us to grow our property level NOI by capturing additional rent while at the same time extending the duration of our leases. This past quarter we completed the first phase of a parking expansion for FedEx at our Kansas City, KS location for a total of $3.4 million increasing annualized rent by $340,000. We are in discussions to do a second phase parking expansion at this location which will increase the rent further and extend the lease term. We are also in discussions with FedEx to expand the parking at 11 additional locations and expect to identify additional growth opportunities in our portfolio going forward."

"This past year was a time when resiliency was severely tested by the COVID-19 Pandemic. Monmouth stood out as a safe haven throughout these challenging times. The Company is now in its 30th year of having maintained or increased its common stock cash dividend, in addition to being one of the few REITs that preserved its cash dividend during the Global Financial Crisis of 2007-2008. Subsequent to the quarter end, we announced a 5.9% increase in our quarterly dividend to $0.18 per share or an annualized dividend rate of $0.72 per share. This marks our third dividend increase in the past five years, amounting to a 20% increase during that span. Our unique and simple business model has enabled us to achieve consistently high occupancy rates, strong tenant retention, and exceptional rent collections, as well as strong overall growth. Our occupancy rate has been over 98.9% for six consecutive years while our weighted-average lease maturity has remained in excess of seven years for the past seven consecutive years, illustrating the strength and visibility of our income streams."

"U.S. industrial real estate has experienced a protracted period of cap rate compression. While the acquisition environment has become more challenging, at the same time, the value of our properties has also appreciated substantially. Our new annual report is now featured on our website. This report represents an excellent resource for understanding our Company and our outlook. We strongly encourage you to read it. Please contact our Investor Relations department if you would like to receive a hard copy. We look forward to reporting continued progress throughout the year."

Monmouth Real Estate Investment Corporation will host its First Quarter FY 2021 Financial Results Webcast and Conference Call on Thursday, February 4, 2021 at 5:30 p.m. Eastern Time. Senior management will discuss the results, current market conditions and future outlook.

Our First Quarter FY 2021 financial results being released herein will be available on our website at www.mreic.reit in the Investor Relations section, under Filings and Reports.

To participate in the **Webcast**, select the **1Q2021 Webcast and Earnings Call** "Link to Webcast" on the homepage of our website at www.mreic.reit, in the Highlights section, which is located towards the bottom of the homepage. Interested parties can also participate via **conference call** by calling toll free 1-877-510-5852 (domestically) or 1-412-902-4138 (internationally).

The replay of the conference call will be available at 7:30 p.m. Eastern Time on Thursday, February 4, 2021. It will be available until May 5, 2021, and can be accessed by dialing toll free 1-877-344-7529 (domestically) and 1-412-317-0088 (internationally) and entering the passcode 10150337. A transcript of the call and the webcast replay will be available at our website on the Investor Relations homepage, www.mreic.reit.

Monmouth Real Estate Investment Corporation, founded in 1968, is one of the oldest public equity REITs in the world. We specialize in single tenant, net-leased industrial properties, subject to long-term leases, primarily to investment-grade tenants. Monmouth Real Estate is a fully integrated and self-managed real estate company, whose property portfolio consists of 121 properties, containing a total of approximately 24.5 million rentable square feet, geographically diversified across 31 states. Our occupancy rate as of this date is 99.7%.

Certain statements included in this press release which are not historical facts may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements are based on our current expectations and involve various risks and uncertainties. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can provide no assurance those expectations will be achieved. The risks and uncertainties that could cause actual results or events to differ materially from expectations are contained in our annual report on Form 10-K and described from time to time in our other filings with the SEC. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Notes:
(1) Non-U.S. GAAP Information: FFO, as defined by The National Association of Real Estate Investment Trusts (NAREIT), represents net income attributable to common shareholders, as defined by accounting principles generally accepted in the United States of America (U.S. GAAP), excluding extraordinary items, as defined under U.S. GAAP, gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization. Included in the NAREIT FFO White Paper - 2018 Restatement, is an option pertaining to assets incidental to our main business in the calculation of NAREIT FFO to make an election to include or exclude mark-to-market changes in the value recognized on these marketable equity securities. In conjunction with the adoption of the FFO White Paper - 2018 Restatement, for all periods presented, we have elected to exclude unrealized gains and losses from our investments in marketable equity securities from our FFO calculation. NAREIT created FFO as a non-GAAP supplemental measure of REIT operating performance. We define Adjusted Funds From Operations (AFFO) as FFO, excluding stock based compensation expense, depreciation of corporate office tenant improvements, amortization of deferred financing costs, lease termination income, non-recurring severance expense, effect of non-cash U.S. GAAP straight-line rent adjustments and subtracting recurring capital expenditures. We define recurring capital expenditures as all capital expenditures that are recurring in nature, excluding capital expenditures related to expansions at our current locations or capital expenditures that are incurred in conjunction with obtaining a new lease or a lease renewal. We believe that, as widely recognized measures of performance used by other REITs, FFO and AFFO may be considered by investors as supplemental measures to compare our operating performance to those of other REITs. FFO and AFFO exclude historical cost depreciation as an expense and may facilitate the comparison of REITs which have a different cost basis. However, other REITs may use different methodologies to calculate FFO and AFFO and, accordingly,

our FFO and AFFO may not be comparable to all other REITs. The items excluded from FFO and AFFO are significant components in understanding our financial performance.

FFO and AFFO are non-GAAP performance measures and (i) do not represent Cash Flow from Operations as defined by U.S. GAAP; (ii) should not be considered as an alternative to Net Income or Net Income Attributable to Common Shareholders as a measure of operating performance or to Cash Flows from Operating, Investing and Financing Activities; and (iii) are not an alternative to Cash Flows from Operating, Investing and Financing Activities as a measure of liquidity. FFO and AFFO, as calculated by us, may not be comparable to similarly titled measures reported by other REITs.

The following is a reconciliation of the Company's U.S. GAAP Net Income Attributable to Common Shareholders to the Company's FFO and AFFO for the three months ended December 31, 2020 and 2019 (in thousands):

	Three Months Ended	
	12/31/2020	**12/31/2019**
Net Income Attributable to Common Shareholders	$25,746	$3,528
Less/Plus: Unrealized Holding (Gains) Losses Arising During the Periods	(19,721)	3,635
Plus: Depreciation Expense (excluding Corporate Office Capitalized Costs)	12,020	11,380
Plus: Amortization of Intangible Assets	532	508
Plus: Amortization of Capitalized Lease Costs	303	271
FFO Attributable to Common Shareholders	**18,880**	**19,322**
Plus: Depreciation of Corporate Office Capitalized Costs	57	53
Plus: Stock Compensation Expense	57	156
Plus: Amortization of Financing Costs	331	435
Plus: Non-recurring Severance Expense	-0-	786
Less: Lease Termination Income	(377)	-0-
Less: Recurring Capital Expenditures	(160)	(218)
Less: Effect of Non-cash U.S. GAAP Straight-line Rent Adjustment	(618)	(600)
AFFO Attributable to Common Shareholders	**$18,170**	**$19,934**

The following are the Cash Flows provided (used) by Operating, Investing and Financing Activities for the three months ended December 31, 2020 and 2019 (in thousands):

	Three Months Ended	
	12/31/2020	**12/31/2019**
Operating Activities	$29,692	$18,872
Investing Activities	(166,774)	(81,741)
Financing Activities	142,845	59,073

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