



**Monmouth Real Estate  
Investment Corporation**  
A Public REIT Since 1968

*July 2021  
Investor Presentation*

**NYSE: MNR**



*This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements provide Monmouth Real Estate Investment Corporation's current expectations or forecasts of future events. Forward-looking statements include statements about Monmouth's expectations, beliefs, intentions, plans, objectives, goals, strategies, future events, performance and underlying assumptions and other statements that are not historical facts. You can identify forward-looking statements by their use of forward-looking words, such as "may," "will," "anticipate," "expect," "believe," "intend," "plan," "should," "seek," or comparable terms, or the negative use of those words, but the absence of these words does not necessarily mean that a statement is not forward-looking. The forward-looking statements are based on Monmouth's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to it. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to Monmouth. Some of these factors are described under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as included in Monmouth's Annual Report on Form 10-K for the fiscal year ended September 30, 2020, its Quarterly Reports on Form 10-Q for the quarterly periods ended June 30, 2021, March 31, 2021, and December 31, 2020, and its other periodic reports filed with the Securities and Exchange Commission, which are accessible on SEC's Electronic Data Gathering, Analysis and Retrieval website, or "EDGAR" at [www.sec.gov](http://www.sec.gov). These factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included in this presentation and in Monmouth's SEC filings. These and other risks, uncertainties and factors could cause Monmouth's actual results to differ materially from those included in any forward-looking statements it makes. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for Monmouth to predict those events or how they may affect it. Except as required by law, Monmouth is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur.*

*This presentation may include references to "FFO" and "AFFO", which are non-GAAP financial measures. A reconciliation of "FFO" and "AFFO" to the most comparable GAAP financial measures is included in our most recent Quarterly Report on Form 10-Q and/or our Supplemental Information package as of June 30, 2021, furnished to shareholders on Form 8-K, and is available on our website at [www.mreic.reit](http://www.mreic.reit).*

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## **COVID-19 Global Pandemic**

The future effects of the evolving impact of COVID-19 are uncertain, however at this time we believe that the fallout from COVID-19 will not have a material adverse effect on our financial condition.

Monmouth went into the global pandemic very well positioned with a strong balance sheet, a high-quality tenant roster, nearly full occupancy, and a well-covered dividend. Our resilient rent collection results during these challenging times highlights the mission-critical nature of our assets and underscores the essential need for our tenants' operations. In addition, because our weighted average lease maturity is 7.2 years and our weighted average fixed-rate mortgage debt maturity is 11.1 years, we expect our income streams to remain resilient for years to come.

## **Tenant Rent Collections and Occupancy During COVID-19 Pandemic**

- For the month of March 100%
- For the month of April–July 99.9%
- For the month of August 99.7%
- For the month of September-October 99.8%
- For the month of November 100%
- For the month of December-June 99.9%

Occupancy over 99% Throughout

# Select Properties



**FedEx**  
Ground  
Dallas MSA



**amazon**  
Indianapolis MSA



**Milwaukee**  
Memphis MSA



**Coca-Cola**  
Phoenix MSA



**FedEx**  
Atlanta MSA



**Shaw**  
Savannah MSA



# Company Overview

- Single tenant, net-leased Industrial REIT specializing in well-located, modern properties subject to long-term leases primarily to investment grade tenants or their subsidiaries
- Property portfolio contains 24.7 million square feet, consisting of 121 properties with 99.7% occupancy
- Geographically diversified portfolio across 32 states with a focus on major seaports, major intermodal ports, and major airports
- Quality roster of investment grade tenants
  - Approximately 83% of rental revenue is from investment grade tenants or their subsidiaries, including Amazon, Beam Suntory, Coca-Cola, FedEx, Home Depot, International Paper, Magna, National Oilwell, Raytheon Technologies, Shaw Industries, Sherwin-Williams, Siemens, Toyota, UPS and other high-quality companies
- Strong recent growth
  - Monmouth successfully grew GLA by approximately 60% during the past five years
  - In fiscal 2020, we closed on five properties with approximately 1.2 million square feet for \$175.1 million
  - Thus far in fiscal 2021, closed on three properties totaling 1.3 million square feet for \$224.0 million
  - Current acquisition pipeline includes five highly-automated properties containing approximately 1.6 million square feet with a total purchase price of \$183.6 million
    - All five properties are leased long-term to investment grade tenants
- Conservative capital structure
  - 27.1% Net Debt to Total Market Capitalization
  - 6.0x Net Debt/Adjusted EBITDA
  - 2.1x Fixed Charge Coverage
  - 11.1 years Weighted Average Fixed Rate Mortgage Debt Maturity



**ULTA** Indianapolis MSA



**Actavis** Memphis MSA



**B BRAUN** Daytona Beach MSA

# Portfolio Overview

- 121 properties geographically diversified across 32 states, totaling approximately 24.7 million square feet of GLA
- Highest occupancy rate in the Industrial REIT sector at 99.7%
- Currently in our sixth consecutive year with above 98.9% occupancy
- Most modern industrial property portfolio with a weighted average building age of 10.1 years
  - FedEx portfolio weighted average building age is 9.5 years
- Average building size is approximately 204,000 square feet
- Weighted average lease maturity is 7.2 years
- Weighted average rent per square foot is \$6.59
- Ample expansion capability with a land to building ratio of 5.3:1
- FedEx portfolio land to building ratio is 6.3:1
- Simple business model
  - No off-balance sheet joint ventures
  - No in-house development division
  - No significant amount of non-income producing land
  - To serve the digital economy

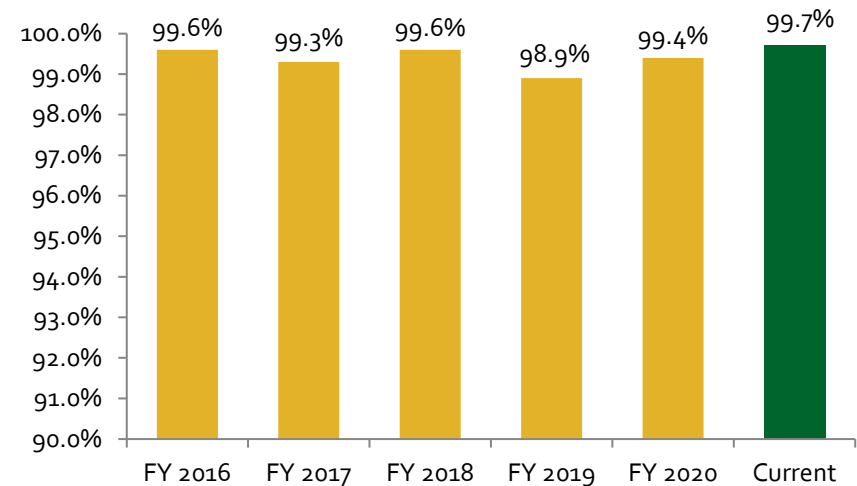


**FedEx** Charlotte MSA

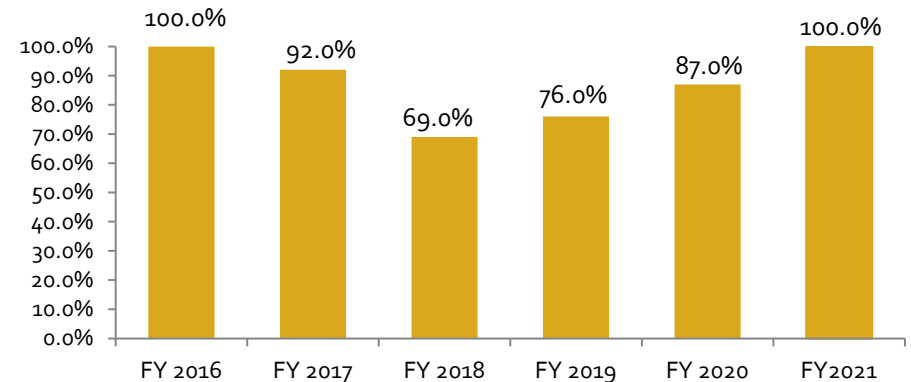
Source: MNR 10-Q and subsequent press releases

# Consistent Results

## Occupancy

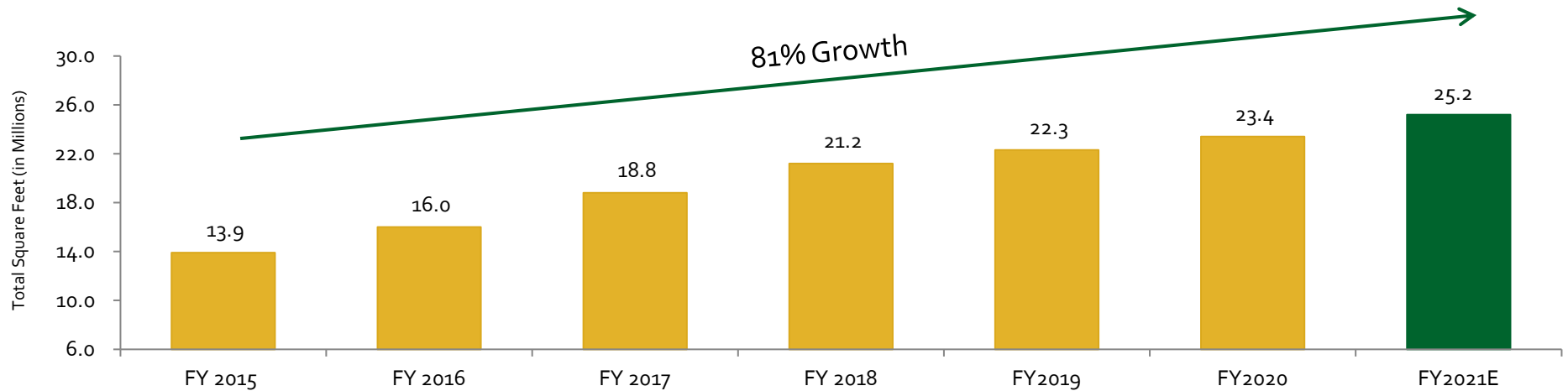


## Tenant Retention

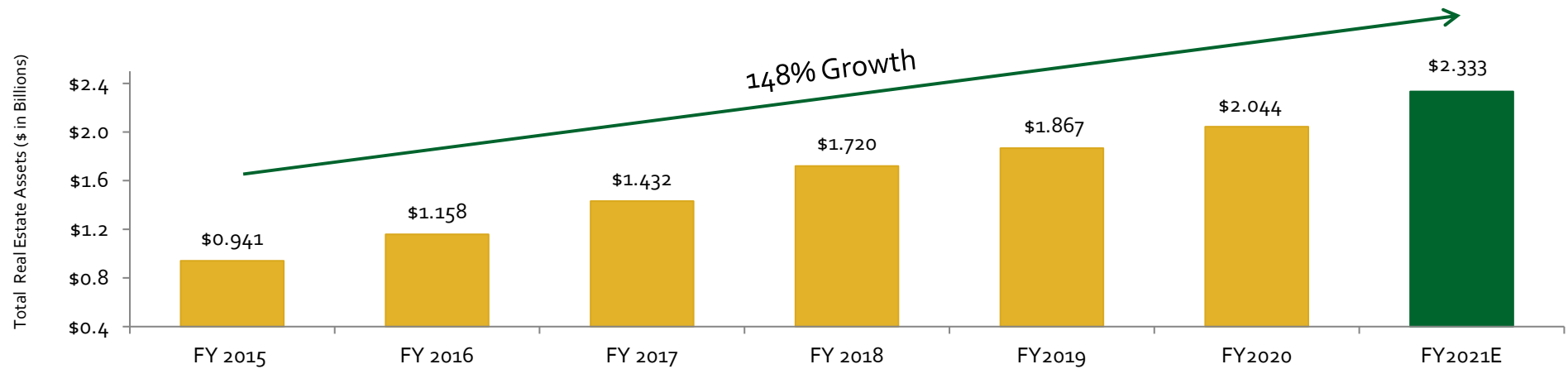


# Portfolio Growth

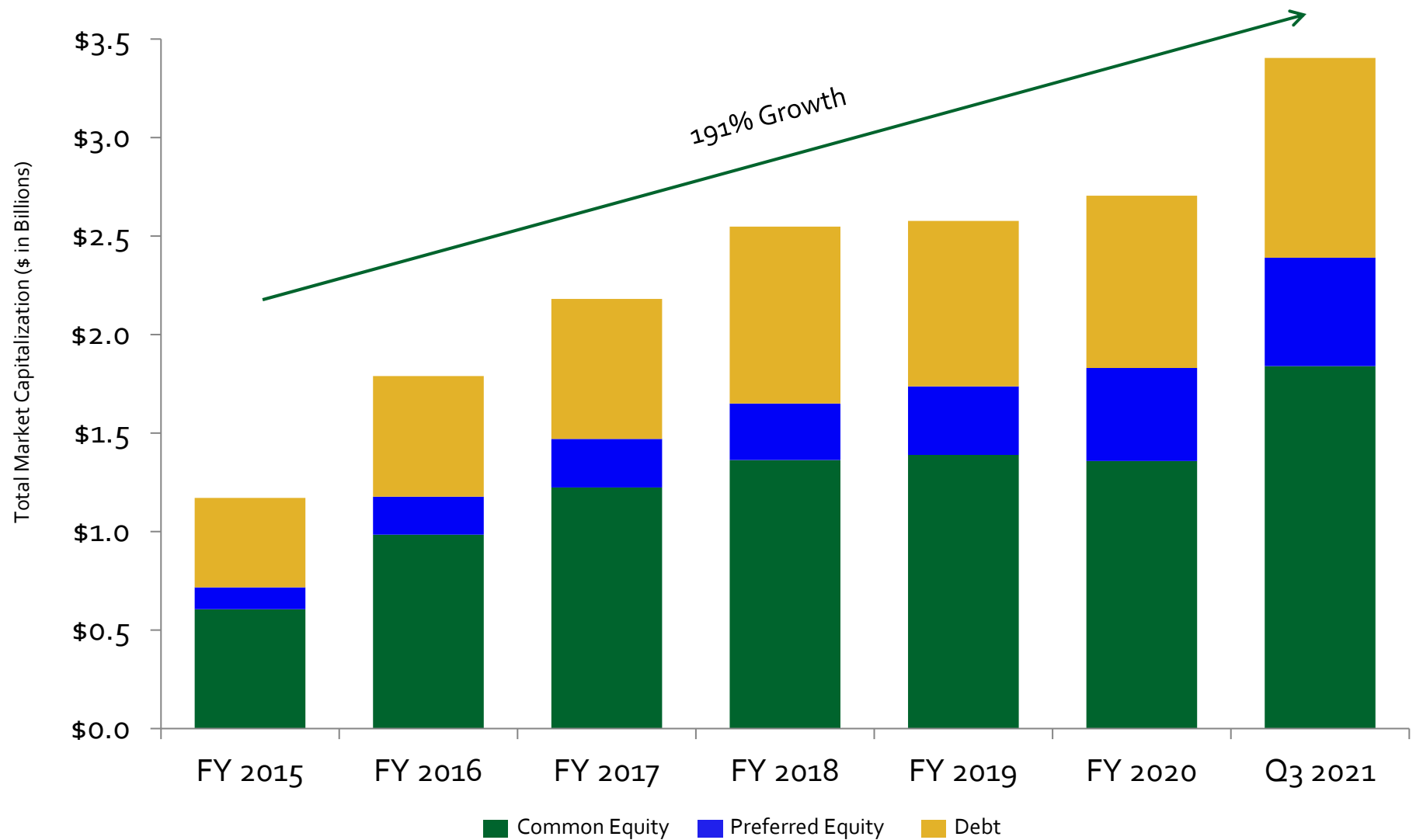
## Total GLA



## Total Real Estate Assets



# Capital Structure

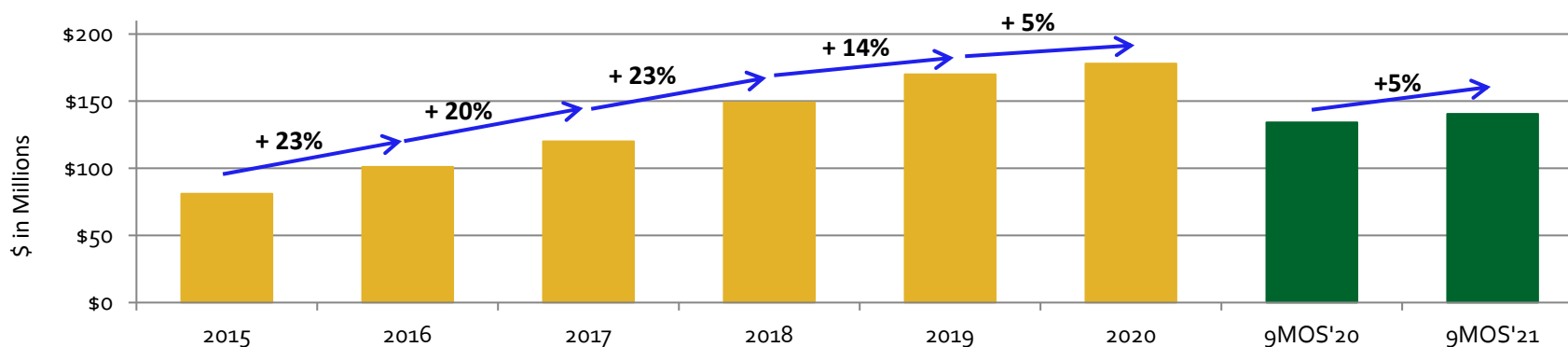




# Financial Highlights

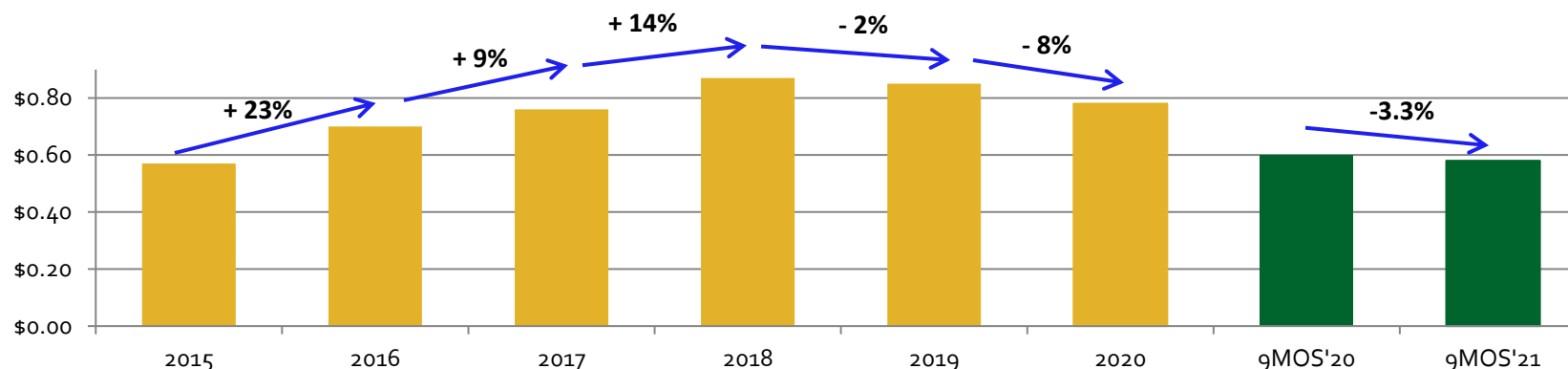
## Gross Revenue

- Gross Revenue has grown at an average annual rate of 17% over the past five years



## Adjusted Funds from Operations per Share

- AFFO per share has grown at an average annual rate of 7% over the past five years

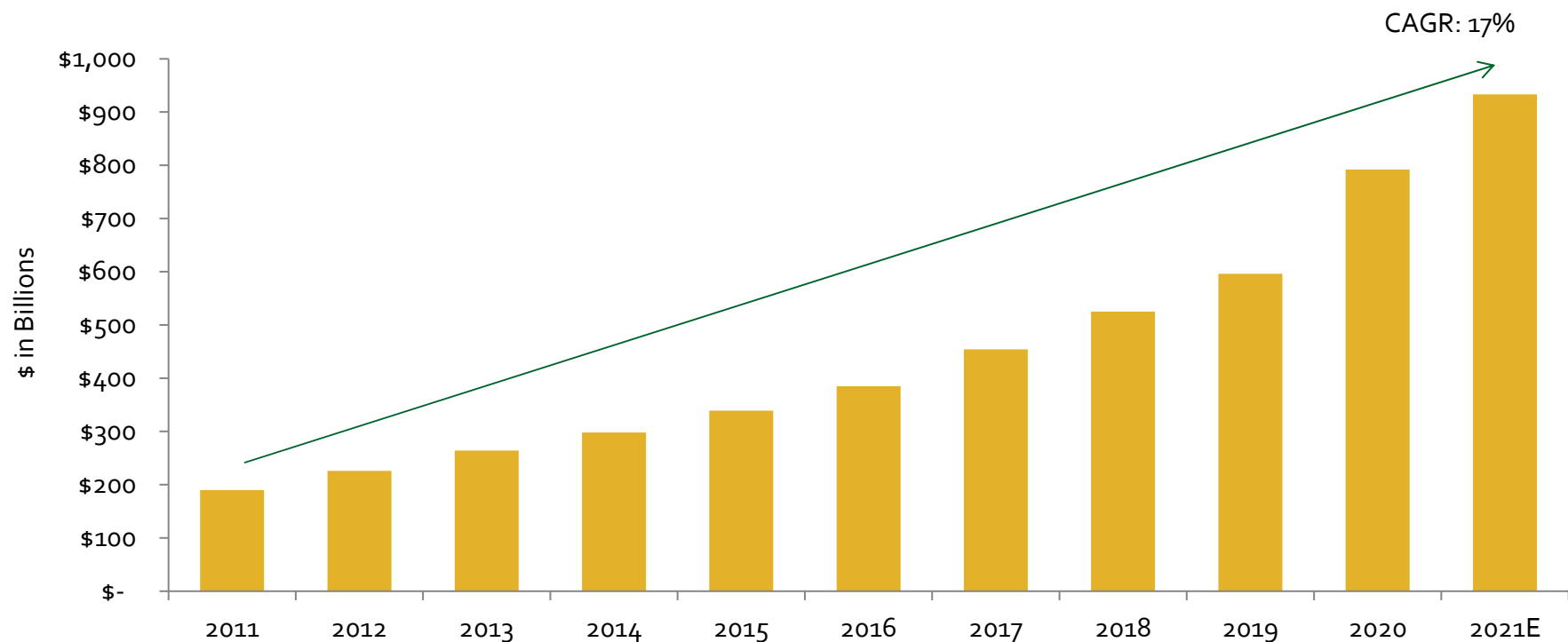


The decrease in AFFO per share was primarily attributable to a \$5.5 million increase in Preferred Dividend expense as a result of an increase in preferred shares outstanding, as well as a \$4.3 million decrease in dividend income, partially offset by a \$9.6 million increase in Net Operating Income (NOI).

# Ecommerce Trends and MNR's Portfolio

- Monmouth was early in anticipating consumer spending's shift from traditional stores to internet sales.
- The entire retail industry continues to migrate from brick and mortar stores to omni-channel platforms. This has led to significant demand for large, modern industrial distribution centers.
- U.S. ecommerce sales are expected to grow to \$933 billion in 2021, representing a 17.9% increase from 2020 and 15.3% of total U.S. retail sales.
- Today, Monmouth's vast FedEx and Amazon holdings represent an integral part of the growing ecommerce ecosystem.

## ECommerce Sales



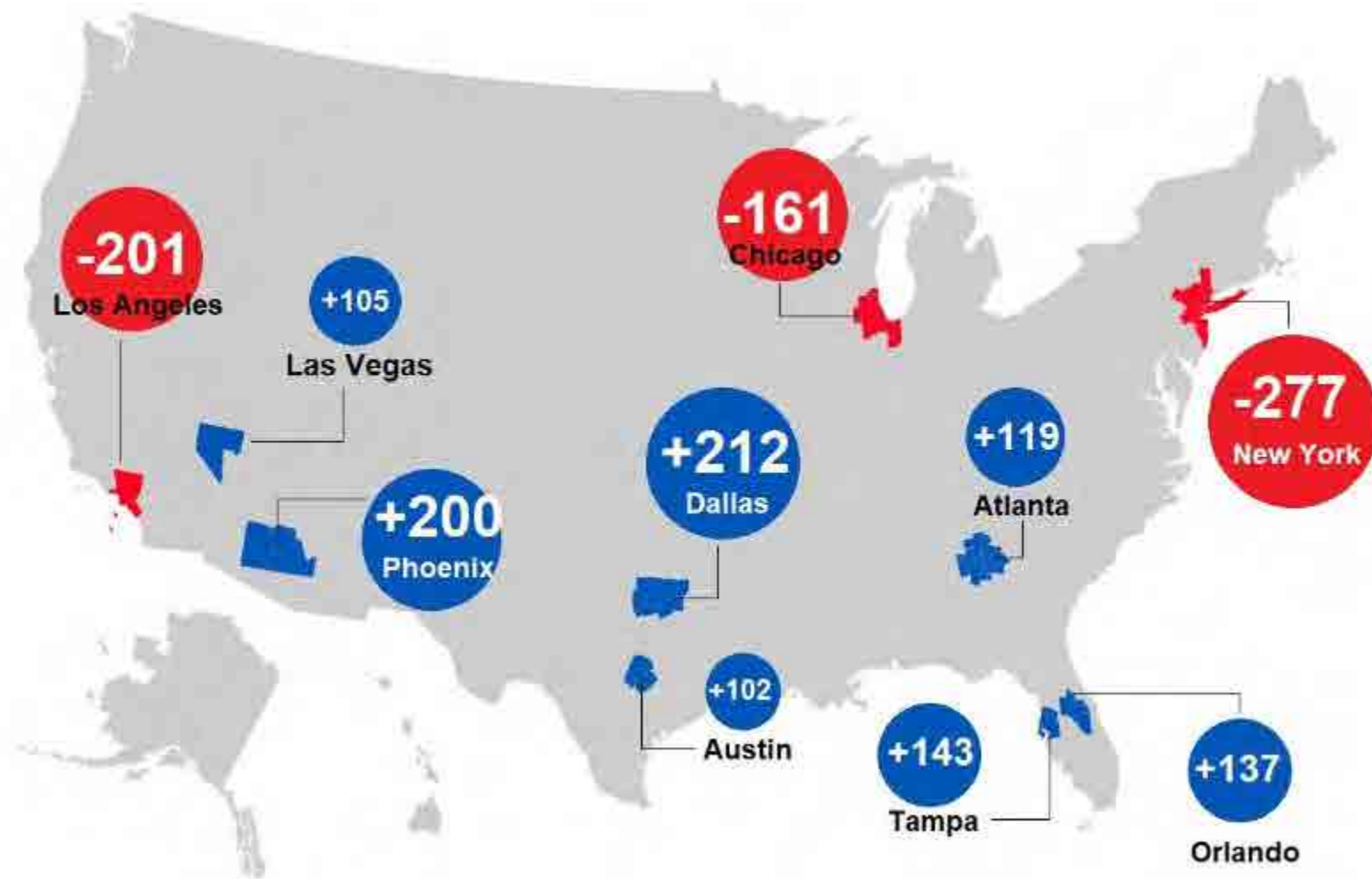
# Inventories-to-Sales Ratio, Retailers

- Supply chains need to be more resilient in a Post-Pandemic World. Inventory levels are projected to increase substantially. This will drive greater industrial space demand.



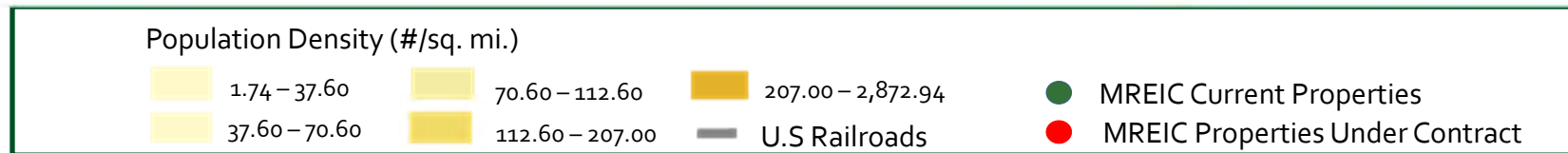
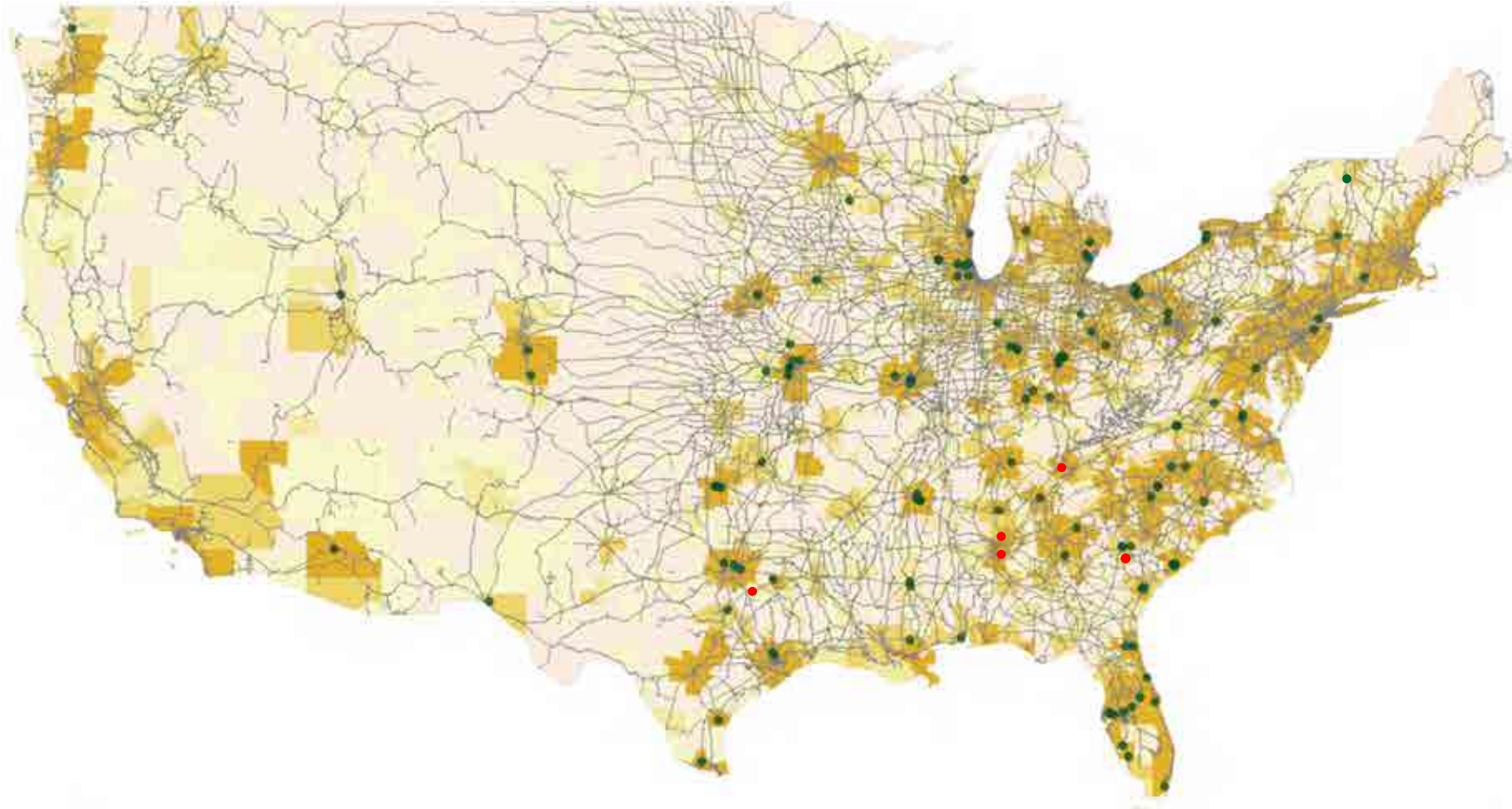
# Triple Digit Demographic Shifts

Metropolitan areas with the greatest daily net population exodus and gain (Pre-COVID Trends)



# Strategic Locations

## Monmouth's Property Portfolio with U.S. Population Density and U.S. Railroads





# Over 70% of the U.S. population lives east of the Mississippi River





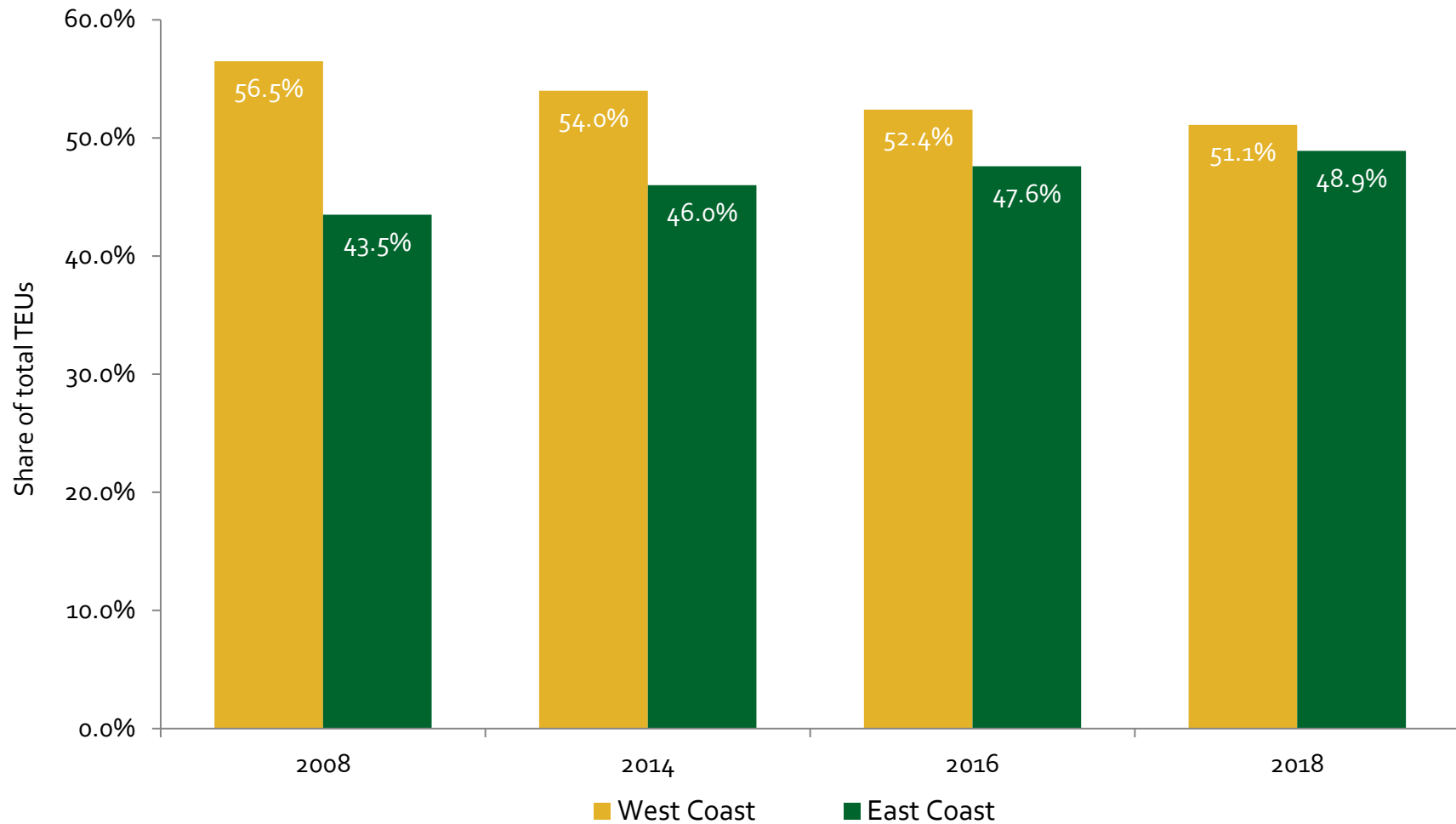
# Supply Chain Bottle Neck on West Coast

## USLAX/USLGB anchored vessels



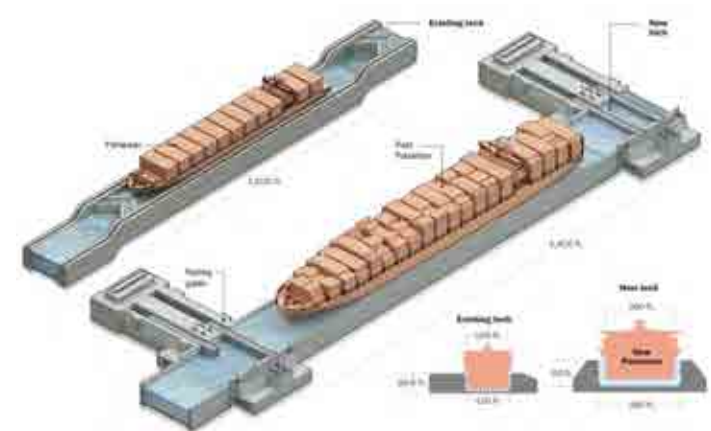
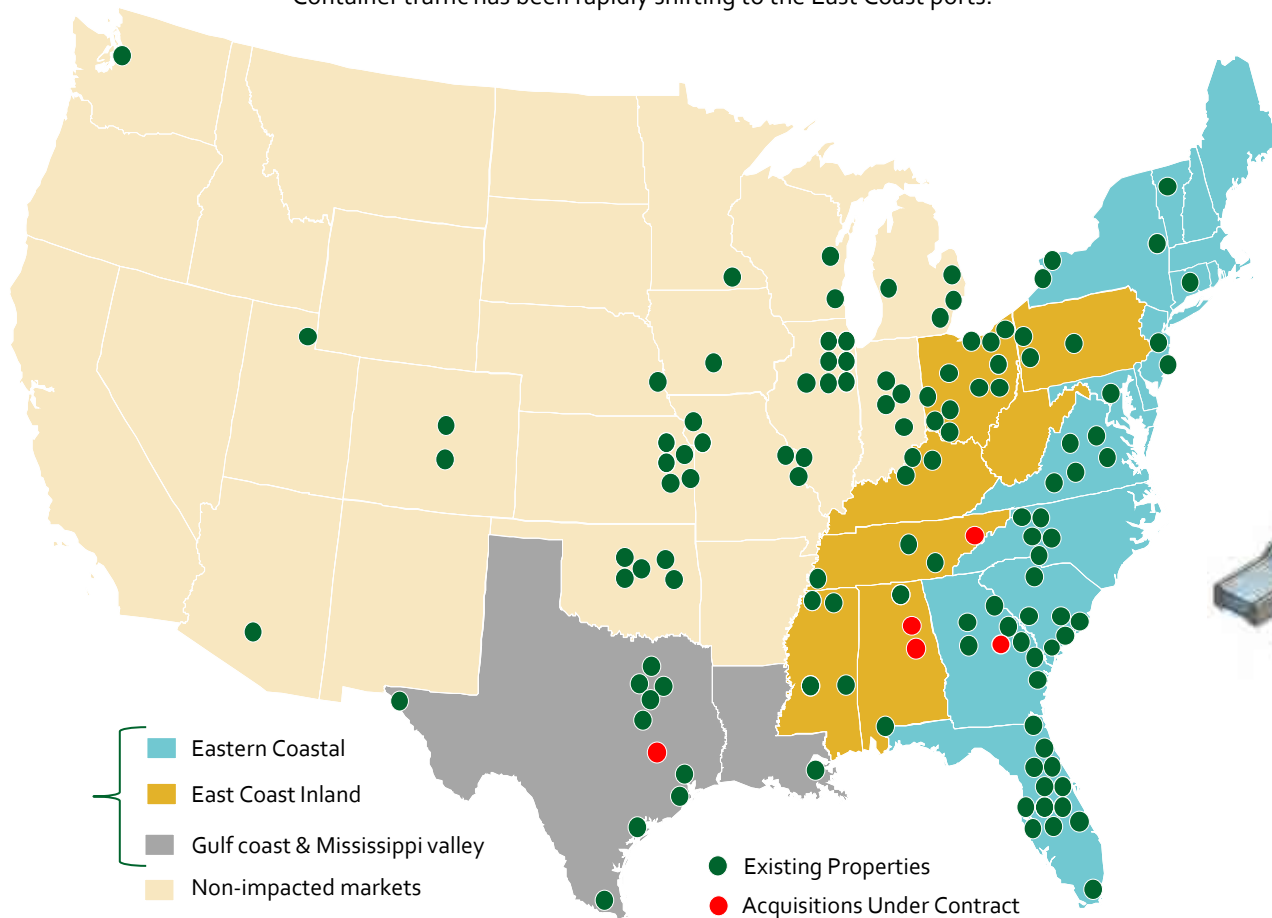
# Expanded Panama Canal Changes the Balance

- Since 2008, shipping container volumes on East Coast ports have increased dramatically by 46.8%. West Coast ports have seen some growth as well, albeit at a much slower rate of 18.4%.
- The Post-Pandemic environment will likely accelerate this trend further.



# Portfolio Markets & Panama Canal Expansion

- Monmouth's acquisition pipeline currently comprises five new build-to-suit industrial properties containing approximately 1.6 million square feet with an aggregate purchase price of \$183.6 million. All five highly-automated properties are leased to investment grade tenants or their subsidiaries.
- Over 70% of the U.S. population lives east of the Mississippi River.
- Following nine years of construction costing \$5.4 billion, the Panama Canal expansion project opened on June 26, 2016.
- North American ports have been spending billions of dollars in order to accommodate these larger ships,
  - These ships have more than twice the cargo capacity of the older ships.
  - The expanded Panama Canal allows larger vessels an approximate 29 days shorter transit time from the Atlantic to the Pacific oceans.
  - Container traffic has been rapidly shifting to the East Coast ports.



# High Quality Tenant Base

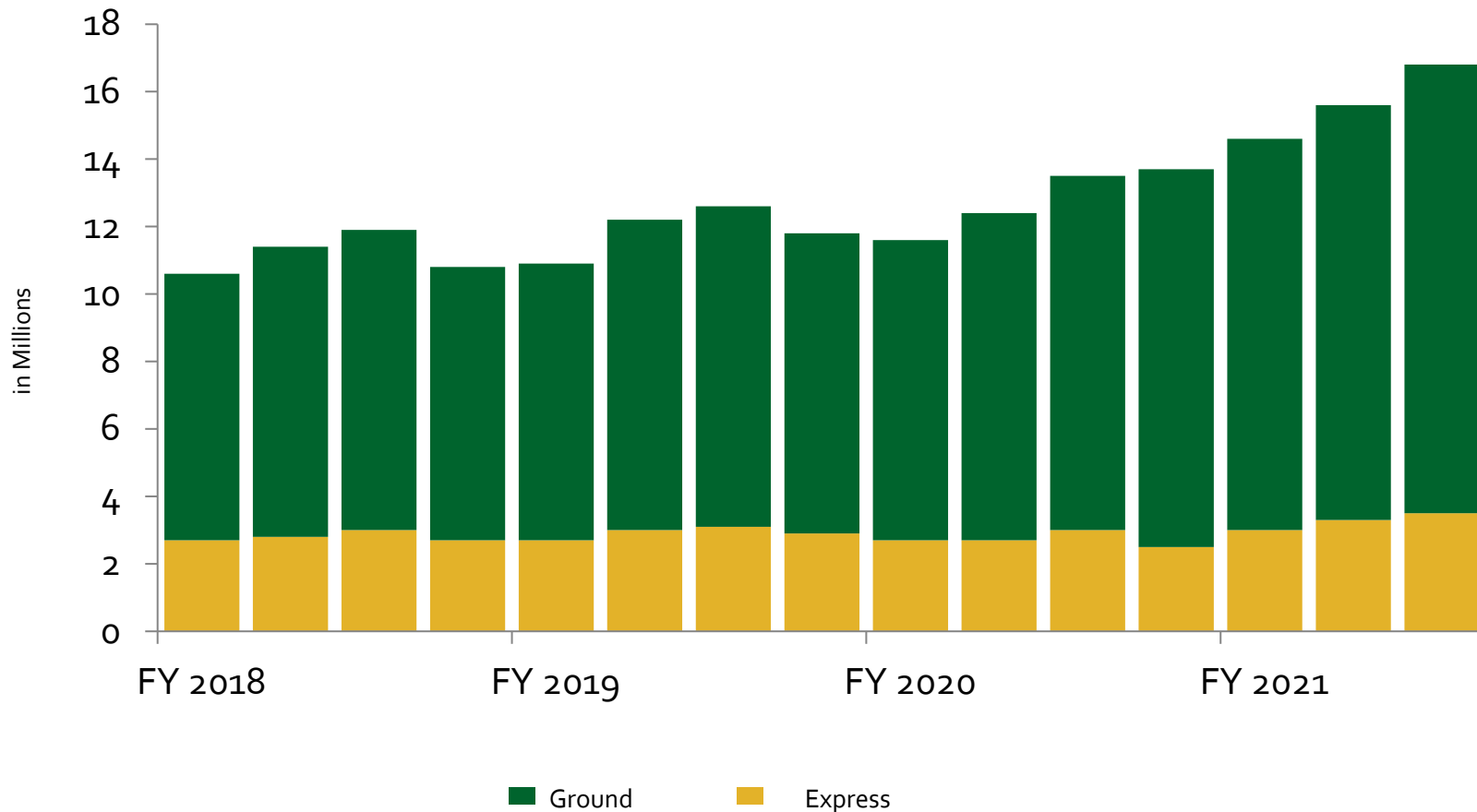
Largest Percentage of Investment Grade Tenants in the REIT Sector



- Approximately 83% of rental revenue is from investment grade tenants or subsidiaries
  - Higher investment grade tenant base than any other REIT
- Rental roster includes Amazon, Beam Suntory, Coca-Cola, FedEx, Home Depot, International Paper, Keurig Dr Pepper, Magna, Milwaukee Tool, National Oilwell, Raytheon Technologies, Shaw Industries, Sherwin-Williams, Siemens, Snap-on, Toyota, ULTA, UPS and other high quality companies
- Monmouth began investing in properties leased to FedEx in 1994
  - Recent acquisitions include four properties consisting of an additional 1.0 million square feet leased to FedEx
  - Sixteen FedEx expansion projects completed since Fiscal 2014, increasing the rent and lease terms of these facilities, with several parking expansion projects currently underway

# FedEx's average U.S. daily package volume

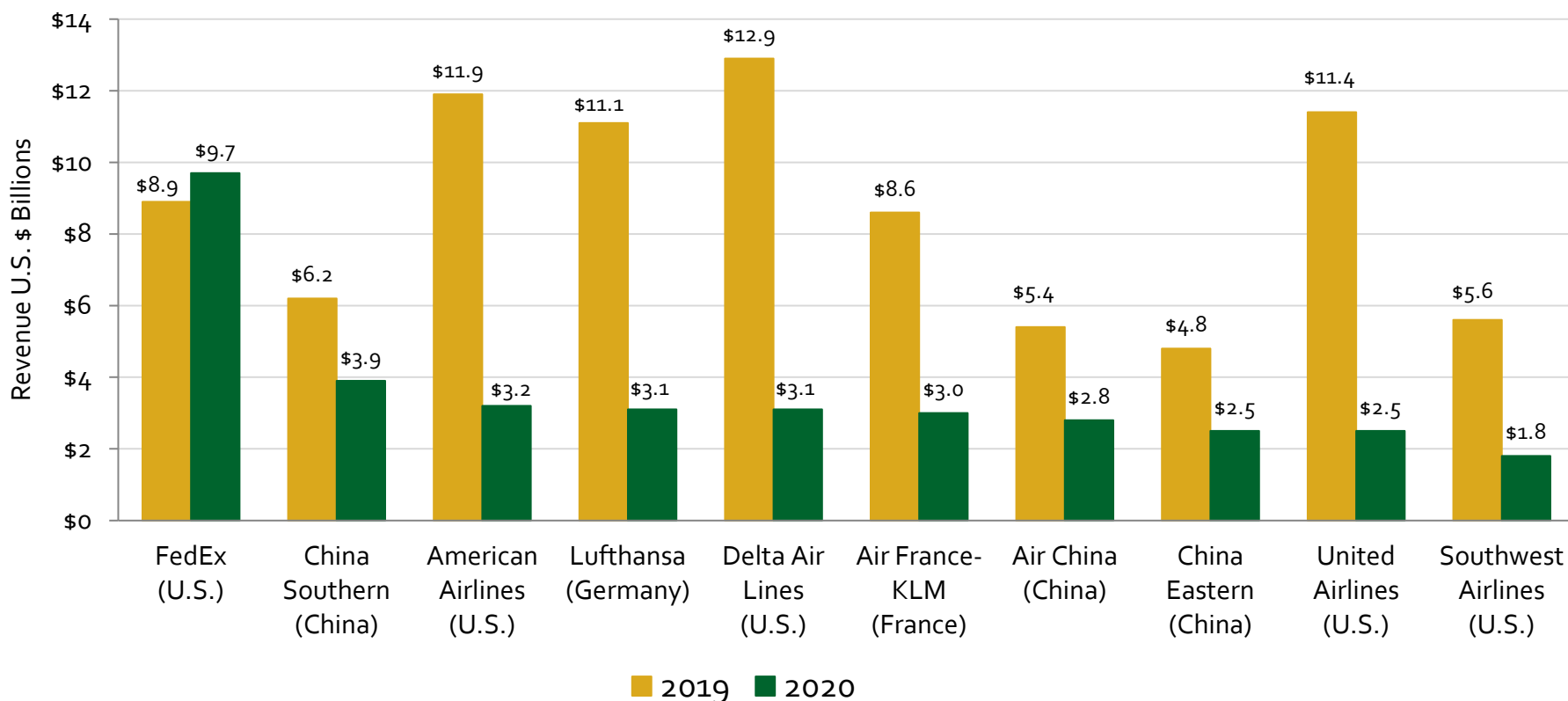
- Driven by Ground home deliveries, FedEx's average daily package volume is now at all-time record levels



# Top 10 Airlines by Operating Revenue

- FedEx was the world's largest air carrier in the quarter that ended on September 30, 2020, up from fifth place a year earlier, as the COVID-19 crisis boosted cargo revenue and decimated passenger services.

Third Quarter 2020 vs. Third Quarter 2019

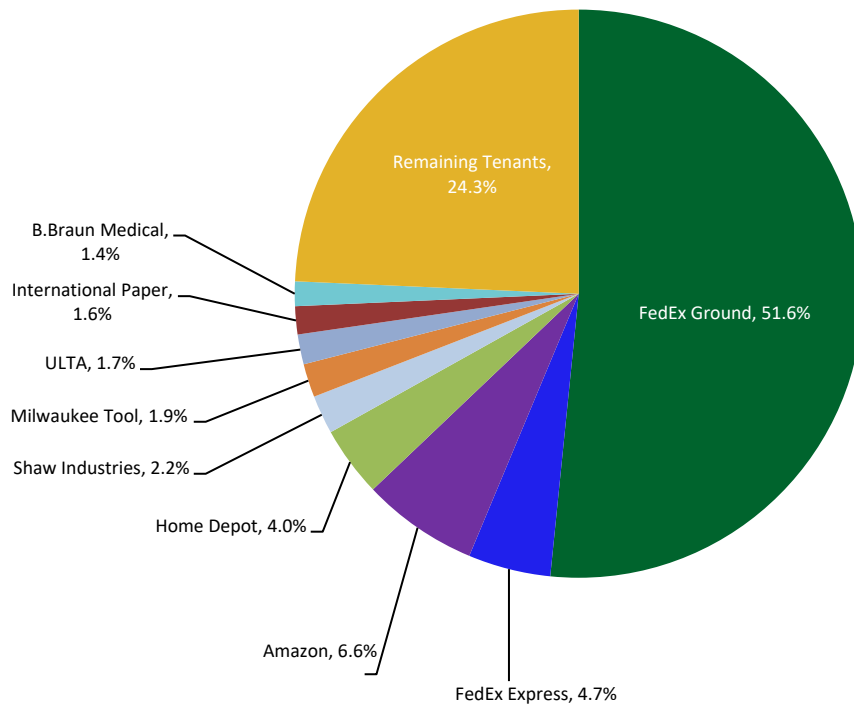




# High Quality Tenants

## Annual Rent by Tenant

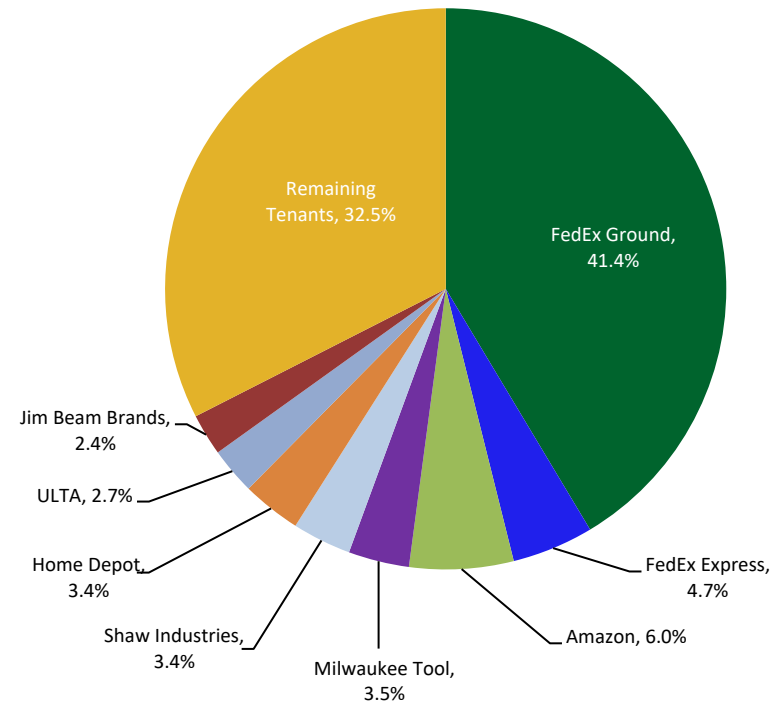
Total Annual Rent: \$162.0 million



FDX and its subsidiaries represent  
56.3% of Annual Rent

## Square Footage by Tenant

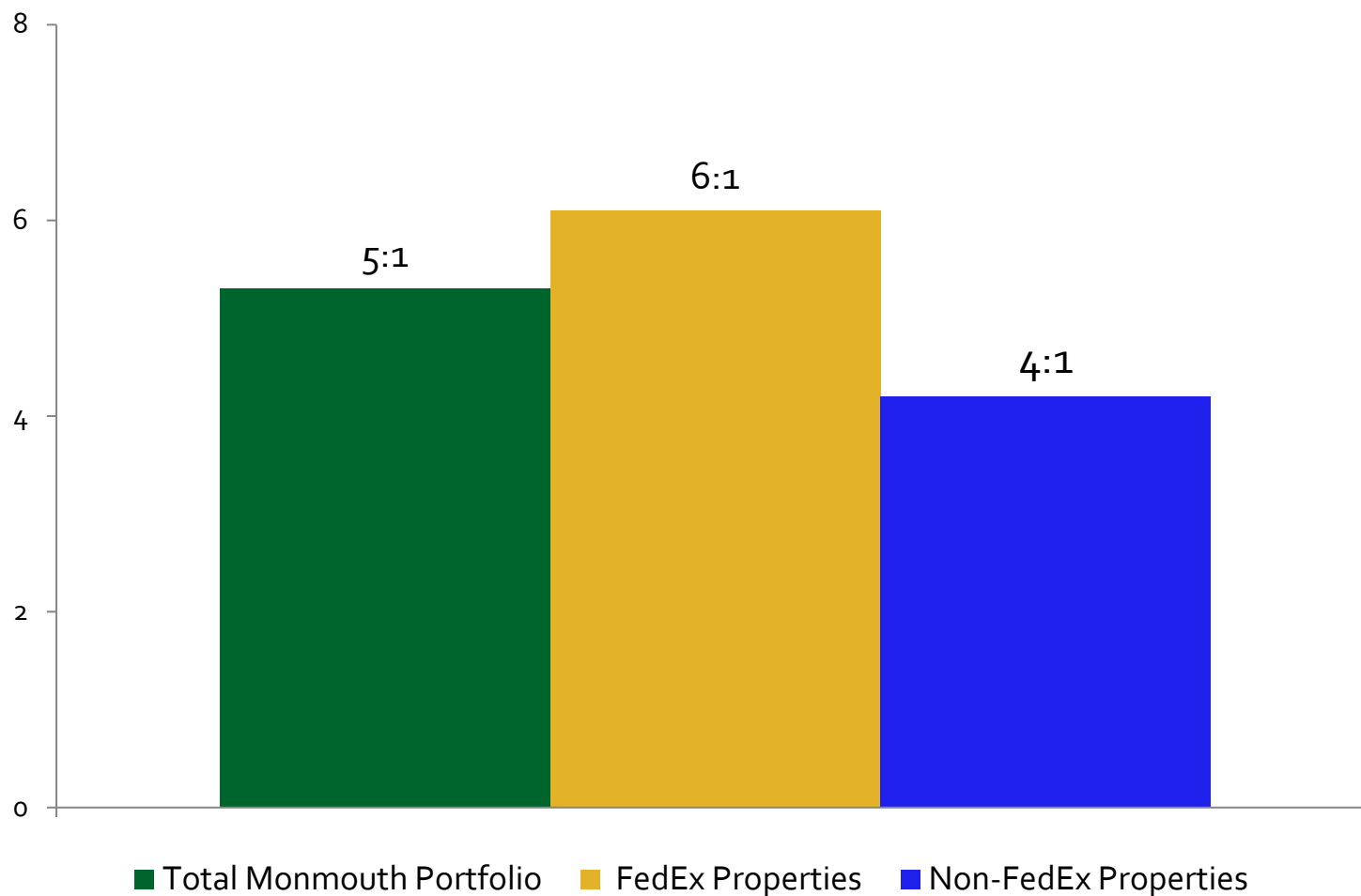
Total Square Footage: 24.7 million



FDX and its subsidiaries represent  
46.1% of Square Footage

# Land – to – Building Ratios

- Monmouth's properties contain ample land in order to accommodate future expansion projects
- Our FedEx properties contain even more land in order to accommodate their significant parking requirements
- Numerous expansion projects are currently underway

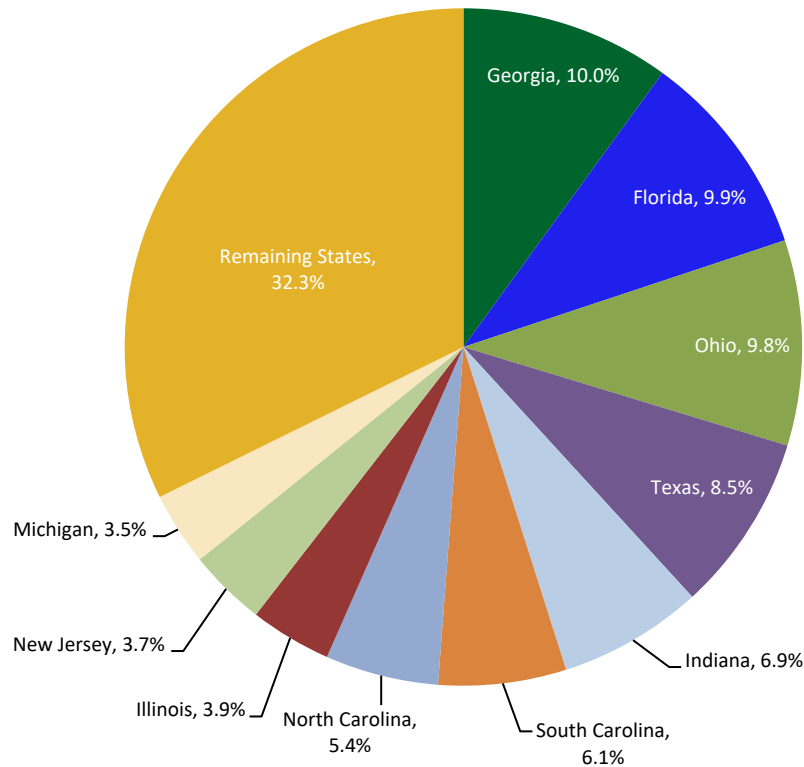


# Geographic Focus

- Our 24.7 million square foot portfolio is well diversified across 32 states
- We have high concentrations in several of the most business friendly states

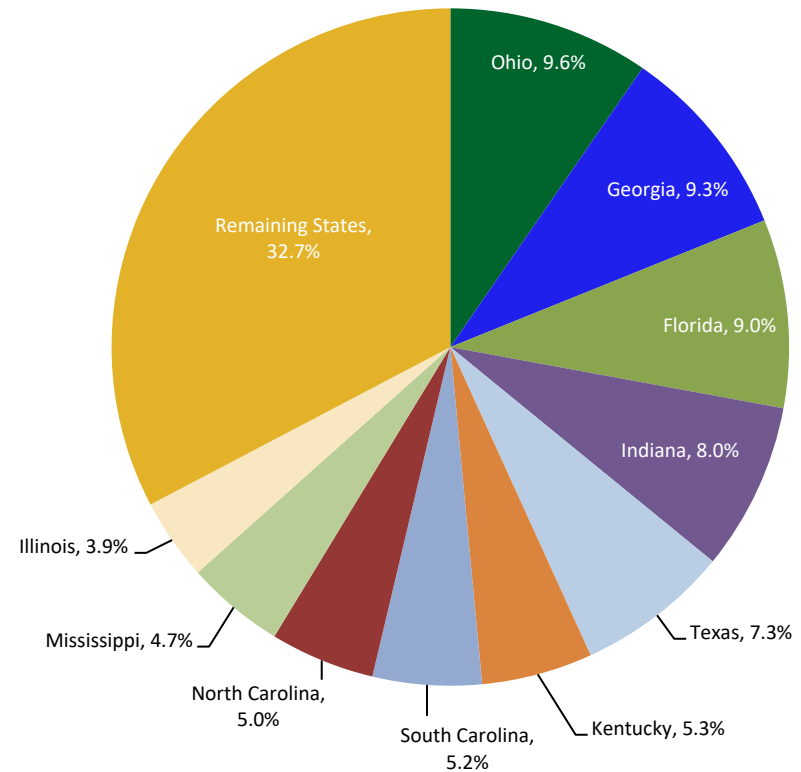
## Annual Rent by State

Total Annual Rent: \$162.0 million



## Square Footage by State

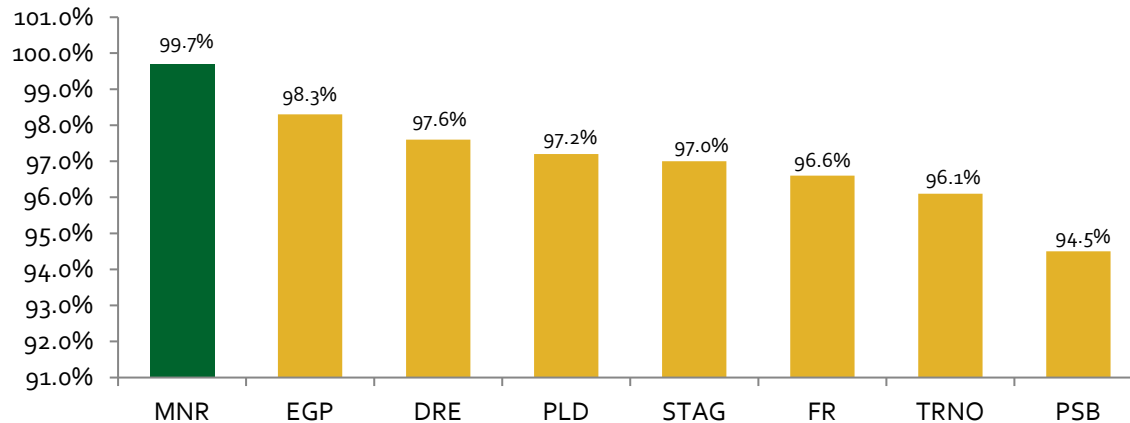
Total Square Footage: 24.7 million



# Summary Portfolio Metrics

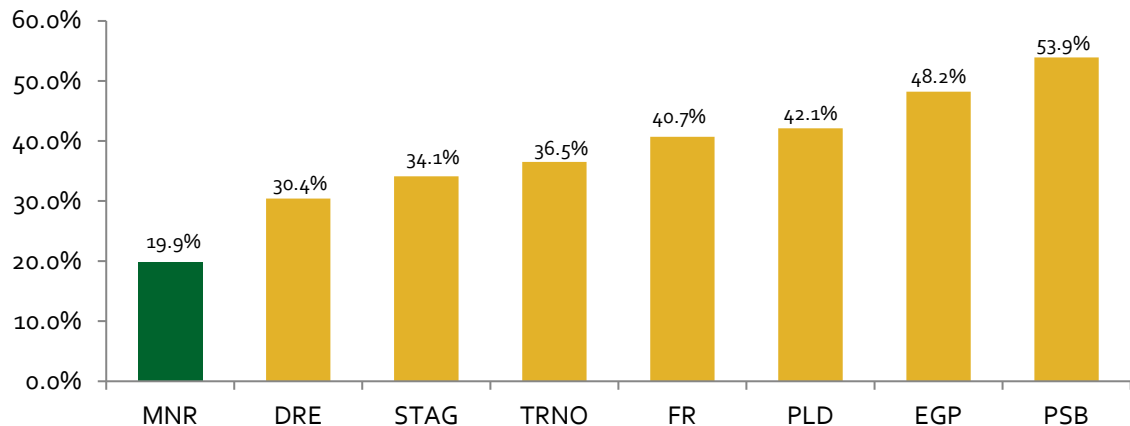
- Highest occupancy rate
- Strongest Tenants
- Longest lease terms
- Youngest portfolio in the Industrial REIT sector with a weighted average building age of 10.1 years

Current  
Occupancy  
Rate



- Highest occupancy rate in the sector









Rent Roll (%  
next 3 years by  
base revenues)



- Limited near term rent roll

# Fiscal 2020 & 2021 Acquisitions

- Monmouth has completed over \$1.5 billion in acquisitions and more than doubled portfolio GLA over the past seven years.
- In fiscal 2020, Monmouth acquired five properties containing approximately 1.2 million square feet for \$175.1 million, all are net-leased to investment grade tenants or their subsidiaries.
- Thus far in fiscal 2021, Monmouth acquired three properties containing approximately 1.3 million square feet for \$224.0 million.
- Monmouth's acquisition pipeline currently contains approximately 1.6 million square feet consisting of five new build-to-suit properties, all of which are net-leased to investment grade tenants or their subsidiaries, with an aggregate purchase price of \$183.6 million.

Fiscal 2020 Acquisitions						FY 2021		
MSAs:	Indianapolis, IN	Columbus, OH	Greensboro, NC	Salt Lake City, UT	Oklahoma City, OK	Columbus, OH	Atlanta, GA	Burlington, VT
Tenant:								
Credit Rating: (S&P/Moody's)	AA-/A2	A-/A3	BBB/Baa2	BBB/Baa2	AA-/A2	BBB/Baa2	A/A2	BBB/Baa2
Year Built:	2019	2020	2020	2020	2020	2020	2020	2021
Size (sf):	615,747	152,995	286,281	69,734	120,780	500,268	657,518	143,794
Acres:	78.6	24.5	39.3	7.5	21.5	100.0	130.23	43.40
Purchase Price:	\$81,500,000	\$17,874,148	\$47,644,571	\$12,863,600	\$15,200,000	\$73,304,000	\$95,935,000	\$54,789,000
Price/SF:	\$132.36	\$116.83	\$166.43	\$184.47	\$125.85	\$146.53	\$145.90	\$381.02
Lease Maturity:	8/31/2034	1/31/2030	4/30/2035	3/31/2035	8/31/2030	9/30/2035	11/30/2040	5/31/2036
Total Annualized Rental Revenue for properties purchased in fiscal 2020 & fiscal 2021:		\$24,113,000						

# Select Acquisitions

FedEx Ground – Orlando, FL MSA – 311,000 sf



This photo illustrates the strong demand for our locations, and how integral they are to the Ecommerce ecosystem. Situated on the I-4 corridor between Tampa and Orlando, Walmart recently constructed two large ecommerce fulfillment centers (one on each side of our FedEx facility) totaling 2.35 million square feet.



# The Changing of The Guard

- The Big Town Mall was for many years the largest mall in Texas, and today...

Before



# The Changing of The Guard

- This large 65 acre parcel situated six miles east of downtown Dallas is now the site of Monmouth's new 352,000 sf FedEx facility.

After





# Acquisition Pipeline

- Large highly-automated acquisition pipeline comprising approximately 1.6 million square feet with a purchase price of \$183.6 million
  - 100% is leased to investment grade tenants
  - Leases commence throughout fiscal 2021 and 2022
  - Acquisitions included in the pipeline have a weighted average lease maturity of 13.4 years
- Nine expansion projects completed within the last five years with a total cost of \$35.1 million
- These expansions resulted in extending the weighted average lease terms by approximately 12 years and produced approximately 9% unlevered annual returns on cost from increased rents
- Several parking expansion projects are currently under construction



Built-to-Suit Infrastructure Installation (material and handling equipment is owned by tenant)



Built-to-Suit Infrastructure Installation (material and handling equipment is owned by tenant)

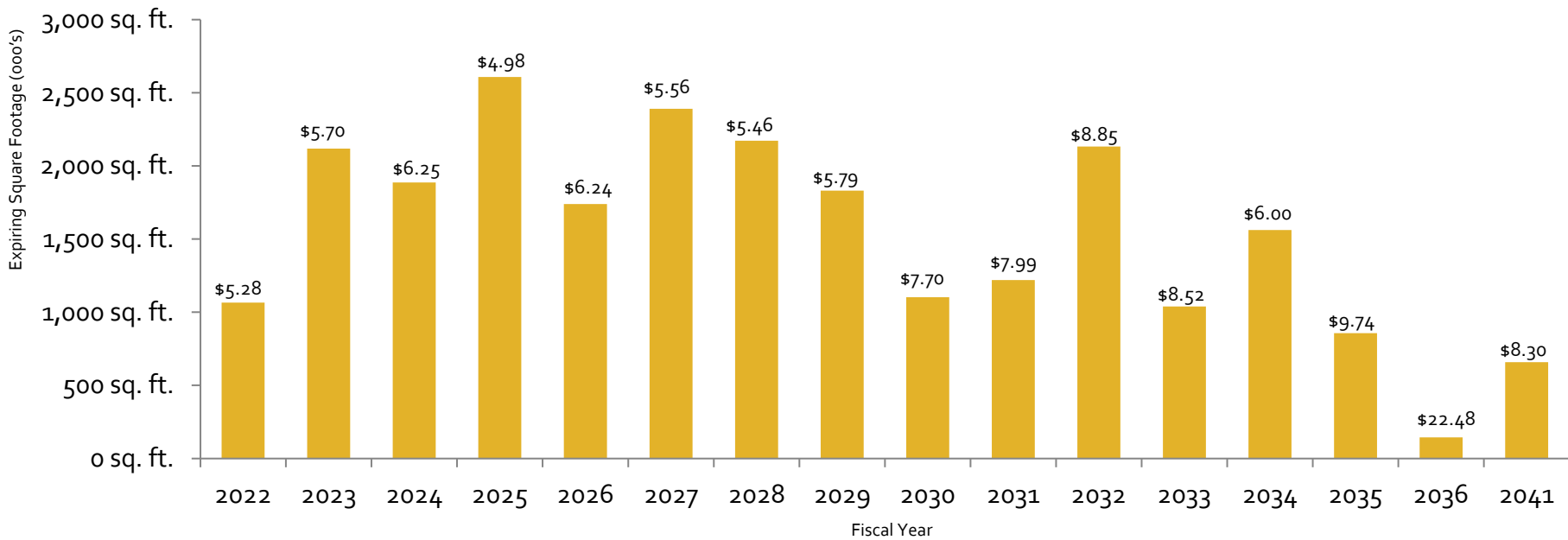


Salt Lake City MSA

# Lease Expirations Are Well Dispersed

- Strong embedded rent growth potential.
- Weighted average lease maturity currently at 7.2 years.
- Weighted average rent per occupied square foot of \$6.59.
- National average rent psf for industrial real estate currently is \$7.03 and trending higher.
- Monmouth historically averages approximately 90% annual tenant retention. Achieved 100% tenant retention in fiscal 2021.
- Fiscal 2021 leases increased by 6% on a GAAP basis.
- Monmouth's properties contain additional land and excess parking.

Expiring square footage ('000's)  
Average rent per occupied square foot of expiring square footage is shown above each bar



GLA	4.3%	8.6%	7.7%	10.6%	7.0%	9.7%	8.8%	7.4%	4.5%	4.9%	8.6%	4.2%	6.3%	3.5%	0.6%	2.7%
ABR	3.5%	7.5%	7.3%	8.0%	6.7%	8.2%	7.3%	6.5%	5.2%	6.0%	11.6%	5.5%	5.8%	5.1%	2.0%	3.4%

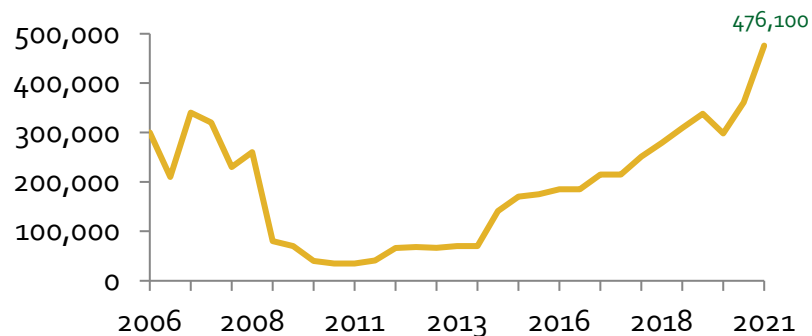
Source: MNR 10-Q and subsequent press releases, GLA: Gross Leasable Area, ABR: Annual Base Rent

# Favorable US Industrial Fundamentals

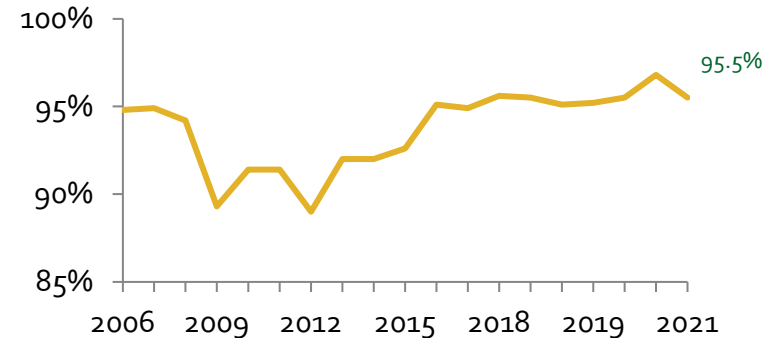
Current economic indicators are very favorable for the US industrial real estate sector and Monmouth's modern portfolio due to:

- Rampant growth in Ecommerce which has accelerated further due to the COVID-19 Pandemic
- Increased inventory stocking due to the COVID-19 Pandemic
- Manufacturing growth due to supply chains shifting back to the U.S.
- Over nine consecutive years of positive net absorption
- Continued benefits from the recently completed Panama Canal expansion

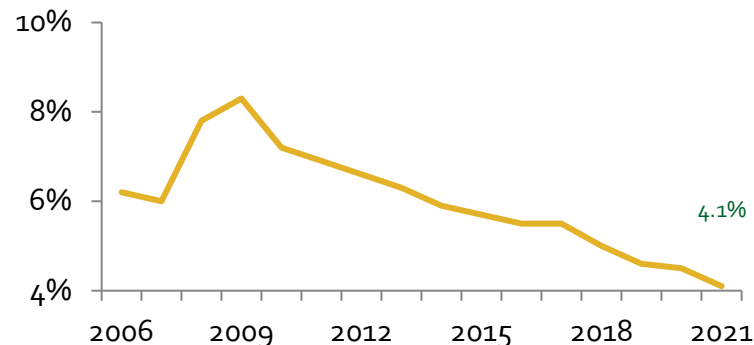
## US Industrial Construction (000's)



## US Industrial Occupancy



## US Industrial Cap Rates



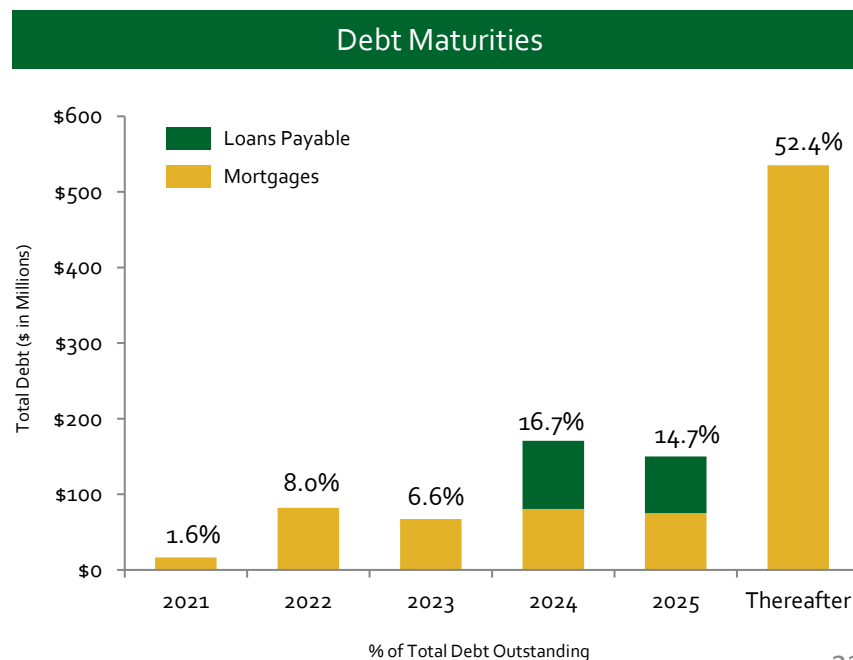
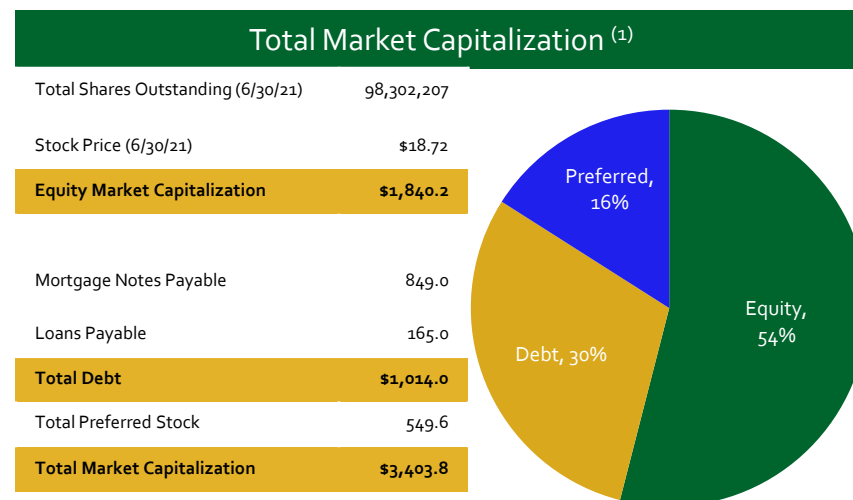
# Conservative Balance Sheet

- Conservative capital structure
  - 27.1% Net Debt to total market capitalization
  - 6.0x Net Debt/Adjusted EBITDA
  - 2.1x Fixed Charge Coverage
  - 91.2% fixed rate debt, weighted average interest rate of 3.8%
- Limited debt maturities each year through 2025
- 83.9% of debt consists of modest LTV asset level mortgage financing
- Weighted average mortgage maturity of 11.1 years, representing one of the longest debt maturity schedules in the REIT sector
- \$474.3 million in potential liquidity
  - \$148.4 million in REIT marketable securities (approximately 5.9% of gross assets)
  - \$135.0 million available on our \$225.0 million unsecured revolving line of credit, plus an additional \$100.0 million potentially available on an accordion feature
  - \$90.9 million in cash
- In October 2018, we completed our first Common Stock offering since 2014, with the sale of 9.2 million shares generating gross proceeds of \$138 million



**amazon** Mobile, AL

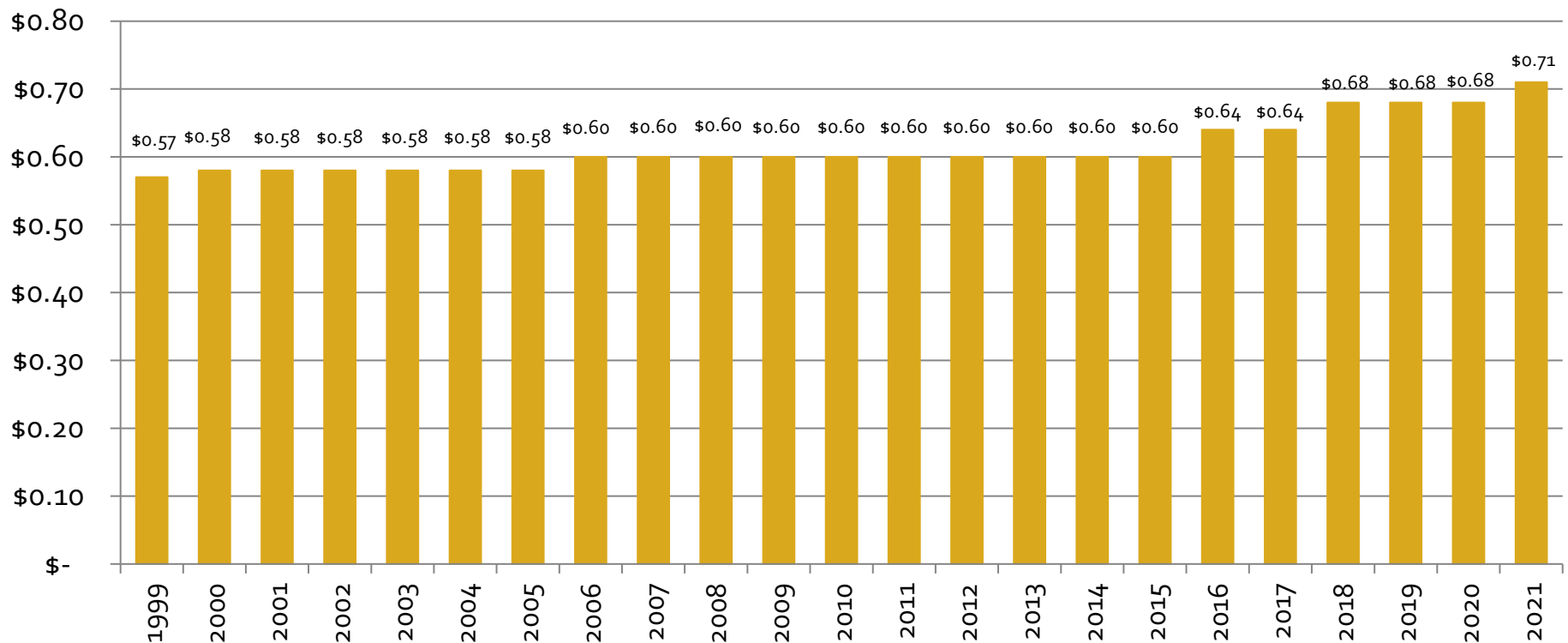
(1) All dollar amounts except stock price are in millions  
Source: MNR 10-Q and subsequent press releases



# Long Term Reliable Cash Dividends

- Monmouth is now in its 30<sup>th</sup> consecutive year of having maintained or increased its dividend, representing one of the best track records in the entire REIT sector.
- On January 14, 2021, Monmouth increased its dividend by 5.9% to \$0.18 per quarter(\$0.72 per year), making our third dividend increase in 5 years. These 3 dividend increases total 20%.
- Current AFFO dividend payout ratio is 90.0%.
- Monmouth was one of the only REITs that maintained its dividend throughout the Great Recession.
- 100% cash dividends since inception.
- Best rent collection and occupancy results during the COVID-19 Pandemic in the Industrial Property sector.

## Dividends Per Share



Source: S&P Global Market Intelligence



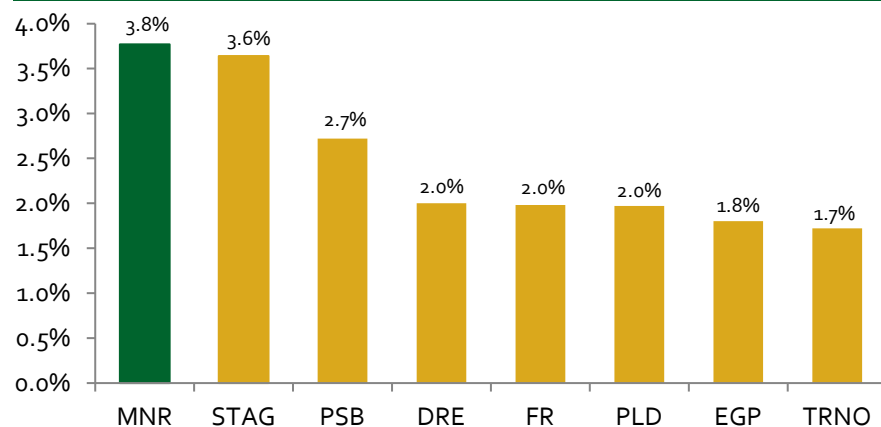
# Calendar year 2020 Industrial REIT Sector Total Return Performance

- The Industrial REIT sector was the best performing sector last year.
- Monmouth was the best performing Industrial REIT last year.
- The broad REIT market (MSCI RMZ Index) total return was negative 8.75% last year.

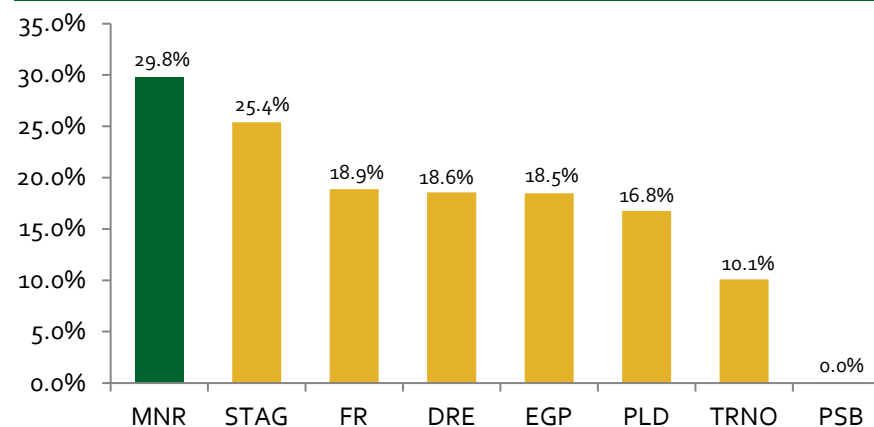


# Peer Analysis

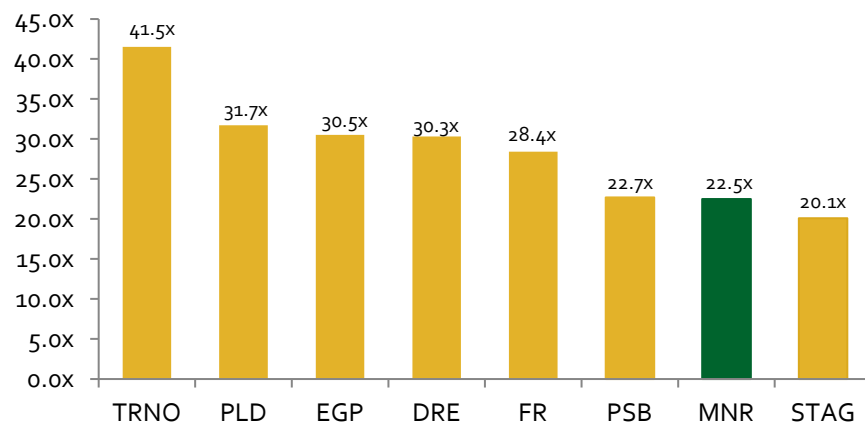
## Dividend Yield



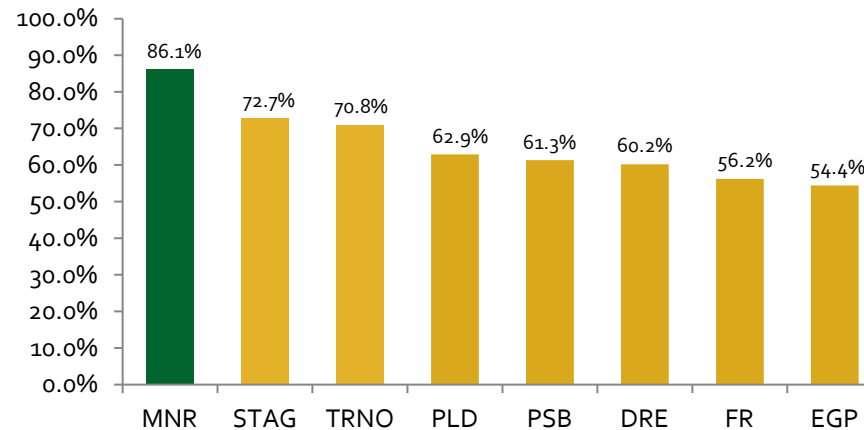
## Total Debt/Total Market Capitalization



## 2021E FFO Multiple



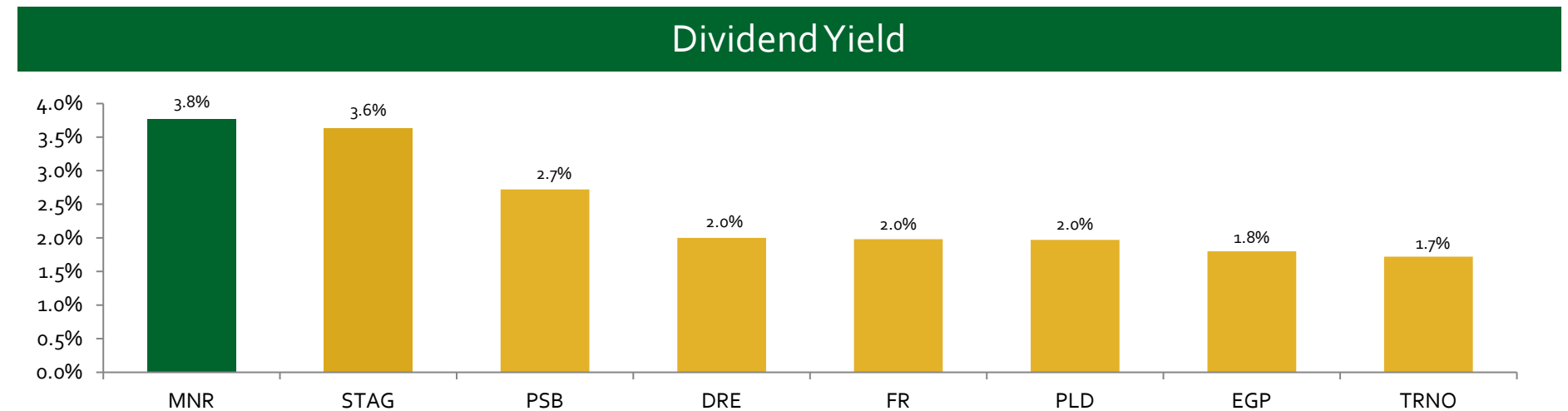
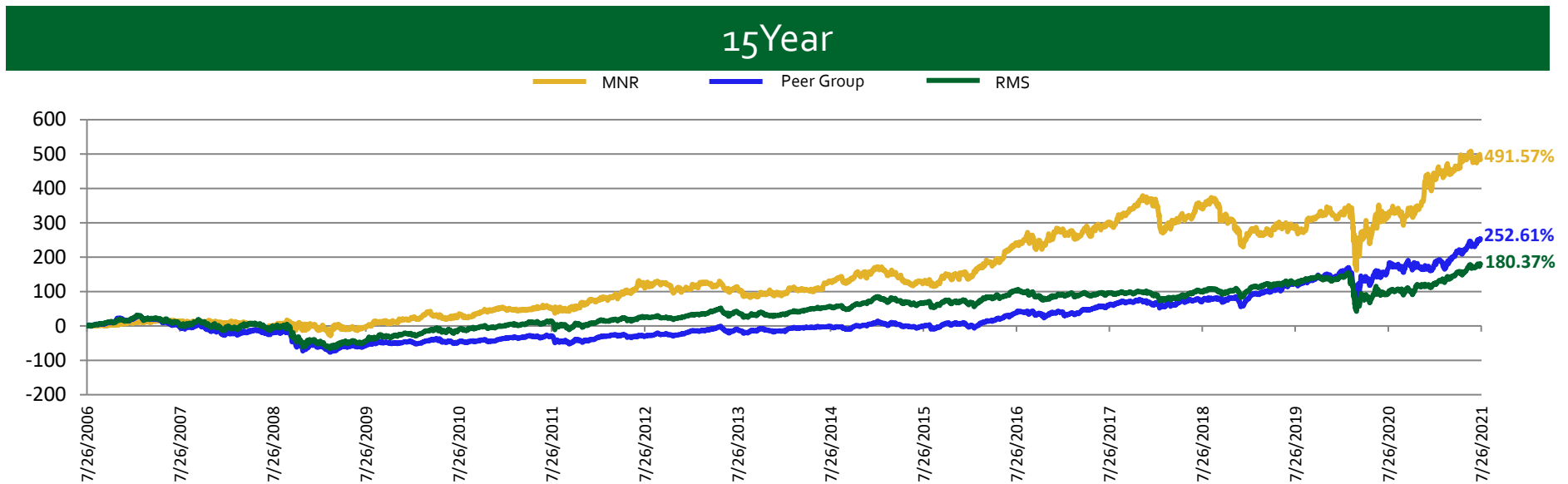
## 2021E FFO Payout Ratio



Source: S&P Global Market Intelligence as of 7/26/2021  
 NOTE: MNR peers include DRE, EGP, FR, PLD, PSB, STAG and TRNO

# Long Term Performance

- Monmouth is one of the top performing REITs
- Slide utilizes a 15 year period to illustrate long term performance including during the Global Financial Crisis



# ESG- Environmental

## Environmental

- **Location:** Monmouth's property portfolio is strategically located adjacent to major seaports, international air freight terminals, major highways, and inter-modal transportation hubs. This minimizes distance traveled for goods flowing through traditional and online networks and reduces the negative carbon and environmental impacts from truck traffic, pollution, and highway congestion.
- **Sustainability:** Our properties incorporate numerous environmentally-friendly features, such as Solar Energy, LEED certification, heat reflective energy efficient roofing systems, and energy efficient lighting. Our tenants are committed to creating and improving healthy, sustainable communities, reducing waste and emissions, maintaining green workspaces, minimizing their carbon footprint, and conserving resources.
- **High Productivity:** Our consistently high-productive use of space, with a real estate portfolio known to possess very low historic vacancy rates and maximum throughput, represents a very efficient and environmentally sustainable business model.



- **Headquarters:** Monmouth's Headquarters, Bell Works in Holmdel, New Jersey includes 60,000 square feet of amorphous silicon photovoltaic glass panels. These panels generate free, clean solar energy throughout the day and offsets approximately 60 tons of annual CO<sub>2</sub> emissions.

# ESG- Social & Governance

## Social

- **Diversity in Management Team:** Monmouth's key functions are approximately 50% diverse based on gender, race, or ethnicity.
- **Competitive Compensation, Work-Life Balance:** Our employees are compensated without regard to gender, race or ethnicity, and routinely recognized for outstanding performance. Employees are offered great flexibility to meet personal and family needs.
- **Ethics and Integrity:** We adhere to a robust Code of Business Conduct and Ethics which extends to our suppliers and vendors, as applicable. We afford all employees meaningful whistleblower protections. All claims will be investigated and addressed without fear of reprisal.
- **Community:** Monmouth supports its Named Executive Officers and all other employees serving on non-profit boards and engaging in charitable activities in the greater community.
- **Partnership:** Working with our major tenants, our buildings have been utilized to bring urgently needed medical supplies, food, clothing, and other aid to areas throughout the world that have been stricken by natural disasters.

## Governance

- **Independent Board:** 9 out of 13 Board Members (69%) are independent.
- **Diversity of Board:** Our board currently includes two women and the age of our board members ranges from 32 years of age to 87 years of age. The Governance Committee mandates that at least one candidate representing a diversity of gender, race, ethnicity, age, and/or sexual orientation be included in each pool of candidates from which a Board nominee is chosen.
- **Plurality Plus Voting for Election of Directors:** A nominee who does not receive a majority of the votes cast in his or her uncontested election must offer to resign as a director.
- **Annual Board Self-Evaluation:** Our directors engage in annual individual performance evaluations.
- **Named Executive Officer (NEO) Stock Ownership:** Effective October 1, 2017, our Named Executive Officers are subject to Stock Ownership Guidelines recommending 2x their base salary.
- **Director Stock Ownership:** Effective September 12, 2017, our Independent Directors are subject to Stock Ownership Guidelines recommending 3x their annual cash fee.
- **Insider Ownership:** Our insider ownership reflects approximately 6% of all shares outstanding, resulting in a strong alignment of ownership with fellow shareholders.
- **Clawback Policy:** Effective October 1, 2017, performance-based compensation to a Named Executive Officer may be recouped if the NEO engaged in fraud or willful misconduct contributing to the need for a material restatement of financial results.
- **Annual Say-on-Pay:** Non-binding votes on executive compensation are held annually.

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# Key Investment Highlights

Best-in-Class Single Tenant Net-Lease Industrial Portfolio

Geographically Diversified with a High Quality Tenant Base

Demonstrated Portfolio, Earnings, and Dividend Growth

Conservative Balance Sheet

Experienced & Aligned Management Team with 6% Ownership

Well Positioned for Future Growth





2020 Annual report is available on our website. Please contact our IR department if you would like to receive a hard copy.



Monmouth Real Estate Investment Corporation  
**Learn more at: [www.mreic.reit/interlockingfragility](http://www.mreic.reit/interlockingfragility)**



## Equity Commonwealth to Acquire Monmouth Real Estate for \$3.4 Billion

### *Equity Commonwealth to Transition into the Industrial Sector*

Chicago and Holmdel, NJ – May 4, 2021 – Equity Commonwealth (NYSE: EQC) and Monmouth Real Estate Investment Corporation (NYSE: MNR), or Monmouth, today announced that they have entered into a definitive merger agreement by which Equity Commonwealth will acquire Monmouth in an all-stock transaction, valued at approximately \$3.4 billion, including the assumption of debt. The combined company is expected to have a pro forma equity market capitalization of approximately \$5.5 billion.

Under the terms of the agreement, Monmouth shareholders will receive 0.67 shares of Equity Commonwealth stock for every share of Monmouth stock they own. Based on the closing price for Equity Commonwealth on May 4, 2021, this represents approximately \$19.40 per Monmouth share. The merger agreement provides for Monmouth to declare and pay one additional regular quarterly common stock dividend of \$0.18 per share without Equity Commonwealth paying a corresponding common dividend to its shareholders. Accordingly, the total consideration to be received by the Monmouth shareholders in the transaction is \$19.58 per Monmouth share.

Equity Commonwealth and Monmouth shareholders are expected to own approximately 65% and 35%, respectively, of the pro forma company following the close of the transaction.

“The transaction provides Equity Commonwealth with a high-quality, net-leased industrial business with stable cash flows while preserving EQC’s balance sheet capacity for future acquisitions,” said Sam Zell, Chairman of the Board of Equity Commonwealth.

“Monmouth provides an attractive and scalable platform,” said David Helfand, President, Chief Executive Officer and Trustee of Equity Commonwealth. “With significant cash and balance sheet capacity, we have the ability to grow the platform and create long-term value for shareholders.”

Monmouth’s portfolio is comprised of 120 properties totaling 24.5 million square feet\*\*\*. In addition, Monmouth has 6 properties totaling 1.8 million square feet under contract and leased to investment grade tenants. Closings for these acquisitions are expected in 2021 and 2022.

“Following a strategic alternatives process, our Board unanimously determined that the merger with Equity Commonwealth is the best outcome to maximize value for Monmouth stockholders,” said Michael P. Landy, President and CEO of Monmouth. “Our stockholders will benefit from Equity Commonwealth’s preeminent leadership team, which has an exceptional track record of delivering shareholder value, its strong balance sheet and its focused strategy to build on Monmouth’s over 50 years of success creating a market leading industrial REIT.”

#### Strategic and Financial Rationale

- **Attractive entry point into a fast-growing sector with robust long-term fundamentals.** The transaction provides the companies’ shareholders the opportunity to build a leading industrial business and participate in the long-term growth of the sector.
- **Balance of scale, stability and growth.** The income stability of the portfolio, coupled with Equity Commonwealth’s sponsorship and strong balance sheet, is expected to provide the combined company with stable recurring cash flows and significant dry powder for future acquisitions.
- **High-quality properties.** The portfolio consists of single tenant, net-leased industrial assets, geographically located across 31 states with a focus on the Eastern United States. Many properties are near airports, seaports, transportation hubs, and situated within or near major population centers, positioning the portfolio well to serve both the first and last mile of the supply chain. With a weighted average building age of 9.9 years, much of the portfolio consists of Class A logistics facilities, featuring modern specs and building features.
- **Fully-funded growth strategy.** Equity Commonwealth is well-positioned to execute on its growth strategy, which is not dependent on raising additional debt or equity capital. Upon closing of the acquisition, Equity Commonwealth is expected to have approximately \$2.5 billion of pro forma cash on the balance sheet. Further, Equity Commonwealth plans to dispose of its four office properties totaling 1.5 million square feet and Monmouth’s portfolio of marketable securities over time and reinvest the proceeds in future acquisitions.
- **Improved leverage.** Post-merger shareholders are expected to benefit from an improved leverage profile. Equity Commonwealth expects to pay \$25 per share plus accrued distributions to cash out Monmouth’s \$550 million 6.125% Series C Redeemable Preferred Stock in connection with the merger. This is anticipated to create immediate savings of approximately \$34 million per annum. Equity Commonwealth has a conservative financing strategy and anticipates long-term leverage targets to be in line with the industrial REIT sector.
- **Increased diversification over time.** For the three months ending March 31, 2021, Monmouth’s largest tenant accounts for 55% of Monmouth’s annual rent. Equity Commonwealth plans to diversify its tenant base and industry concentrations as the portfolio grows.

#### Leadership and Governance

Strong corporate governance will continue to be paramount at Equity Commonwealth. The company will continue to be led by President and Chief Executive Officer David Helfand and the existing senior management team. Upon closing, the number of trustees on Equity Commonwealth’s board will be expanded to 10, with two individuals designated by Monmouth’s board. Sam Zell will remain the Chairman of the Board of Trustees.

### **Dividend Policy**

Monmouth plans to continue to pay its regular quarterly common stock dividend and its Series C Cumulative Redeemable Preferred Stock dividend between signing and closing of the transaction. Equity Commonwealth expects to begin paying a quarterly dividend after the transaction has closed. The Board of Trustees will determine the timing and amount of the dividend.

### **Transaction Timing & Approval**

The transaction is expected to close during the second half of 2021, subject to customary closing conditions, including approval by the common shareholders of both Equity Commonwealth and Monmouth.

The Board of Trustees of Equity Commonwealth and the Board of Directors of Monmouth Real Estate have each unanimously approved the transaction.

### **Advisors**

Goldman Sachs & Co. LLC is acting as financial advisor and Fried, Frank, Harris, Shriver and Jacobson LLP is serving as legal advisor to Equity Commonwealth. J.P. Morgan Securities LLC and CS Capital Advisors, LLC are acting as financial advisors and Stroock & Stroock & Lavan LLP is serving as legal advisor to Monmouth.

### **Conference Call Information**

Equity Commonwealth will host a webcast and conference call to discuss the transaction on Wednesday, May 5, 2021, at 9:00 A.M. CT. The conference call will be available via live audio webcast on [www.eqcre.com](http://www.eqcre.com). A replay of the audio webcast will also be available following the call. To access the call via telephone, use (877) 407-9039 (Domestic) or (201) 689-8470 (International), no passcode is required. An investor presentation will be available on Equity Commonwealth's investor relations page at [ir.eqcre.com/corporate-profile/](http://ir.eqcre.com/corporate-profile/).

### **About Equity Commonwealth**

Equity Commonwealth (NYSE: EQC) is a Chicago based, internally managed and self-advised real estate investment trust (REIT) with commercial office properties in the United States. EQC's portfolio is comprised of 4 properties totaling 1.5 million square feet.

### **About Monmouth**

Monmouth Real Estate Investment Corporation (NYSE: MNR), founded in 1968, is one of the oldest public equity REITs in the world. Monmouth specializes in single tenant, net-leased industrial properties, subject to long-term leases, primarily to investment grade tenants. Monmouth is a fully integrated and self-managed real estate company, whose property portfolio consists of 120 properties, containing a total of approximately 24.5 million rentable square feet, geographically diversified across 31 states.

### **Regulation FD Disclosures**

We use any of the following to comply with our disclosure obligations under Regulation FD: press releases, SEC filings, public conference calls, or our websites. We routinely post important information on our websites at [www.eqcre.com](http://www.eqcre.com) and [www.mreic.reit](http://www.mreic.reit), including information that may be deemed to be material. We encourage investors and other interested parties to monitor these distribution channels for material disclosures.

### **No Offer or Solicitation**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to buy, sell or solicit any securities or any proxy, vote or approval in any jurisdiction pursuant to or in connection with the proposed merger or otherwise, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be deemed to be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

### **Additional Information and Where to Find It**

In connection with the proposed merger, Equity Commonwealth intends to file a registration statement on Form S-4 with the U.S. Securities and Exchange Commission ("SEC") to register the common shares of Equity Commonwealth to be issued pursuant to the merger. The registration statement will include a prospectus and joint proxy / solicitation statement which will be sent to the common shareholders of Equity Commonwealth and the common shareholders of Monmouth seeking their respective approvals of the merger (the "solicitation statement / prospectus"). Equity Commonwealth and Monmouth may also file other documents regarding the proposed merger with the SEC. This communication is not intended to be, and is not, a substitute for such filings or for any other document that Equity Commonwealth and/or Monmouth may file with the SEC in connection with the proposed merger. Shareholders are urged to read the solicitation statement/prospectus, as well as any amendment or supplement thereto and any other relevant documents filed with the SEC in connection with the proposed merger, when they become available, because they will contain important information about Equity Commonwealth, Monmouth and the proposed mergers. Investors and security holders will be able to obtain free copies of the registration statement and solicitation statement / prospectus and other documents filed with the SEC, when they become available, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC will also be available free of charge from Equity Commonwealth and Monmouth using the sources indicated below.

### **Participants in the Solicitation**

Equity Commonwealth and Monmouth and certain of their respective directors and executive officers and other employees may be deemed to be participants in the solicitation of proxies in connection with the proposed merger under the rules of the SEC. Investors may obtain information regarding the names, affiliations and interests of directors and executive officers of Equity Commonwealth in Equity Commonwealth's proxy statement for its 2021 annual meeting of shareholders, which was filed with the SEC on April 27, 2021, as well as in its other filings with the SEC. Information about Monmouth's directors and executive officers is available in Monmouth's Annual Report on Form 10-K for Monmouth's fiscal year ended September 30, 2020, filed with the SEC on November 23, 2020, and in other documents filed by Monmouth with the SEC. Other information regarding participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the registration statement on Form S-4, the solicitation statement / prospectus and other relevant materials to be filed with the SEC regarding the proposed merger (if and when they become available). You may obtain free copies of these documents at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC will also be available free of charge from Equity Commonwealth and Monmouth using the sources indicated below.

### **Forward-Looking Statements**

Some of the statements contained in this press release constitute forward-looking statements within the meaning of the federal securities laws, including, but not limited to, statements regarding consummating the merger, asset sales and other transactions described herein and the timing thereof. Any forward-looking statements contained in this press release are intended to be made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in this press release reflect Equity Commonwealth's and Monmouth's current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances regarding Equity Commonwealth and Monmouth that may cause actual results to differ significantly from those expressed in any forward-looking statement, including, without limitation, (i) inability to complete the proposed merger because, among other reasons, one or more conditions to the closing of the proposed merger may not be satisfied or waived; (ii) uncertainty as to the timing of completion of the proposed merger; (iii) potential adverse effects or changes to relationships with Equity Commonwealth's or Monmouth's respective tenants, employees, service providers or other parties resulting from the announcement or completion of the proposed merger; (iv) the outcome of any legal proceedings that may be instituted against the parties and others related to the merger agreement; (v) possible disruptions from the proposed merger that could harm Equity Commonwealth's or Monmouth's respective business, including current plans and operations; (vi) unexpected costs, charges or expenses resulting from the proposed merger; (vii) uncertainty of the expected financial performance of Equity Commonwealth following completion of the proposed merger, including the possibility that the benefits anticipated from the proposed merger will not be realized or will not be realized within the expected time period; (viii) legislative, regulatory and economic developments; and (ix) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism, outbreak of war or hostilities and epidemics and pandemics, including COVID-19, as well as Equity Commonwealth's or Monmouth's management's response to any of the aforementioned factors. These factors should not be construed as exhaustive and should be read in conjunction with other risk factors and cautionary statements that are included in Equity Commonwealth's and Monmouth's SEC filings. Equity Commonwealth and Monmouth do not guarantee that the transactions and events described will happen as described (or that they will happen at all).

While forward-looking statements reflect good faith beliefs, they are not guarantees of future performance. Equity Commonwealth and Monmouth disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

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