

Blackwells Offers to Acquire Monmouth Real Estate Investment Corporation

Makes All-Cash Offer to Acquire Company for \$18.00 per Share

*Offer Represents 21.6% Premium to Unaffected Share Price as of December 1, 2020,
and 24.8% Premium Over 6-Month VWAP*

Calls on Board to Form Independent Special Committee to Evaluate Offer

NEW YORK, Dec. 21, 2020 (GLOBE NEWSWIRE) — Blackwells Capital LLC (together with its affiliates “Blackwells”), an alternative investment management firm that is one of the largest owners of Monmouth Real Estate Investment Corporation (NYSE: MNR) (“Monmouth” or the “Company”), announced today that on December 18, 2020, it submitted an offer letter to the Company’s Board of Directors (the “Board”) outlining an all-cash offer to acquire Monmouth for \$18.00 per share.

Blackwells’ offer represents a 21.6% premium to the unaffected share price as of December 1, 2020 (at which time Blackwells privately submitted its first all-cash offer to the Chairman of the Board, Eugene Landy), and exceeds the unaffected three-month and six-month VWAPs by 23.8% and 24.8%, respectively. The all-cash transaction is valued at approximately \$3.8 billion, including the assumption of debt.

Jason Aintabi, Chief Investment Officer of Blackwells, said, “As a public company, Monmouth has significantly underperformed comparable industrial REITs over the last five years, further exacerbated by the stock’s lack of liquidity. Blackwells’ cash offer provides shareholders immediate liquidity at a 17% premium above consensus net asset value – though the stock has long traded at a discount to it. Our offer also represents a premium to unaffected price well above the average premium for completed REIT deals over the last five years.”

Added Aintabi, “After we privately made our first offer on December 1, I had a constructive dialog with the Company’s CEO Michael Landy, who expressed enthusiasm and a desire to engage. Soon thereafter, we received a puzzling follow-up letter from Michael’s father, Chairman Eugene Landy, indicating that on second thought Monmouth would not engage with us, because exploring our offer would ‘not be in the best interests of the company.’ For myriad and tangible reasons, Monmouth in its current state, does not belong in the public markets. Pursuing our offer is the best way to maximize value for all Monmouth shareholders.”

Blackwells believes that a Special Committee of the Board, excluding Landy family members, Landy family affiliates, and those directors affiliated with UMH Properties, Inc., should be formed to objectively review the new Blackwells offer.

Blackwells is now making its offer public, to ensure all Monmouth shareholders have equal access to this information, in light of unusual trading volumes and share price dynamics since the submission of our first offer privately to the Company.

The full text of the offer letter follows:

December 18, 2020

Mr. Eugene W. Landy
Chairman of the Board and Executive Director
Monmouth Real Estate Investment Corp.
401 Crawford's Corner
Suite 1405
Holmdel, NJ 07733

RE: Proposal for Acquisition of Monmouth

Dear Mr. Landy:

It is my pleasure on behalf of Blackwells Capital LLC ("Blackwells" or "we") to submit this preliminary proposal for the negotiated acquisition of Monmouth Real Estate Investment Corporation (the "Company" or "you") by Blackwells (the "Transaction"). Blackwells has made a substantial investment in the common stock of the Company and is one of the Company's largest shareholders.

Blackwells proposes to acquire 100% of the outstanding equity interests in the Company for \$18.00 per share of common stock, par value \$0.01 per share, in cash, subject to the terms set forth below (the "Proposal"). The Transaction will provide your stockholders with a substantial premium to recent trading prices of the stock and an attractive value for their shares. Our Proposal provides stockholders with compelling value, low execution risk and a quick timeline to closing.

Blackwells is a leading global alternative asset manager, founded in 2016 by Jason Aintabi, its Chief Investment Officer. Blackwells has an extensive background in real estate, with existing public and private investments in similar assets to the Company. Throughout their careers, Blackwells' principals have invested globally on behalf of leading public and private equity firms and have held operating roles and served on the boards of media, energy, technology, insurance and real estate enterprises.

Blackwells looks forward to working collaboratively with the Company's Board of Directors to finalize our Proposal. Having analyzed publicly available information about the Company comprehensively, we believe you have an attractive portfolio of high-quality properties, demonstrated portfolio and NOI growth, and conservative expense management. We have a tremendous amount of respect for the Company's history, and the amount of diligent effort and foresight the Landy family has employed in achieving the Company's success to date.

Proposal

Value: Blackwells proposes an all-cash acquisition of 100% of the outstanding shares of the Company for \$18.00 per share of common stock, par value \$0.01 per share, reflecting a 21.6% premium to the unaffected market price of \$14.80 prior to our offer and premiums to the then 52-week high (\$15.53) and 52-week low (\$8.42) of 15.9% and 113.8%, respectively. Notably, the proposed price exceeds the unaffected 1-month, 3-month, and 6-month VWAPs by 19.3%, 23.8%, and 24.8%, respectively¹.

Financing: We would expect to finance the Transaction with a combination of debt and equity. Blackwells' internal resources, as well as certain limited partner commitments, conditioned on completion of satisfactory diligence investigations, will fund the equity portion of the Transaction. We have engaged [REDACTED] to arrange the debt financing of the Proposal; its highly confident letter is attached as Appendix I to this letter.

Below please find our expected sources and uses to finance the Transaction:

| (\$ in millions) | Sources & Uses² | | | | |
|------------------------------|---------------------------------------|----------------|--|---------------|--|
| <i>Uses of Funds</i> | | \$ | | % | |
| Purchase of Equity | | [REDACTED] | | [REDACTED] | |
| Committed Acquisitions | | | | | |
| Refinanced Debt | | | | | |
| Refinanced Preferred | | | | | |
| Mortgage Defeasance Costs | | | | | |
| Debt Financing Expenses | | | | | |
| Management Change of Control | | | | | |
| Advisory Expenses | | | | | |
| Total | | \$3,780 | | 100.0% | |
| <i>Sources of Funds</i> | | \$ | | % | |
| Sponsor Equity | | [REDACTED] | | [REDACTED] | |
| New Debt | | | | | |
| Cash from Balance Sheet | | | | | |
| Total | | \$3,780 | | 100.0% | |

Due Diligence: The Proposal is subject to our completion of standard confirmatory diligence. Given our industry experience and the substantial preparatory work we have done, we can proceed expeditiously with the requisite due diligence and simultaneously negotiate a definitive agreement. Our work would include customary property-level diligence, financial diligence, and confirmatory legal, accounting and tax reviews. We have engaged [REDACTED] as our legal advisor in connection with the Proposal and are prepared to enter into a confidentiality agreement with you to facilitate these reviews. Given our and our advisors' experience with transactions of this type, we expect to be able to complete the required due diligence and enter into definitive documentation within 45 days. A preliminary copy of our due diligence request list is attached as Appendix II to this letter. We are eager to commence work, and our team is available immediately.

Closing Conditions: The consummation of the Transaction will be subject to limited customary closing conditions for a public company transaction of this nature.

Exclusivity: We propose to enter into exclusive bilateral negotiations with you and work expeditiously to sign and announce the Transaction. We would expect the Transaction to provide for a customary “Go-Shop” period. A copy of our proposed exclusivity agreement is attached as Appendix III to this letter.

Reviews and Approvals: This letter has been reviewed and approved by our investment committee.

Management and Founders: We are impressed with the management team and prior to executing a definitive agreement, we would expect customary access to management to discuss their continuing roles. We are also happy, at the appropriate time, to discuss the Landy family’s goals and desires for future involvement with the Company, including continuing participation in the equity ownership of the Company.

This letter does not constitute a binding obligation or commitment of either party or its affiliates to proceed with any transaction. No such obligations will be imposed on either party or its affiliates unless and until a mutually acceptable definitive agreement is formally entered into by both parties.

We look forward to working collaboratively with the Board and its advisors to advance our Proposal. Please contact me at your earliest convenience to discuss next steps.

Sincerely,

/s/

Jason Aintabi

Appendix I

[FINANCIAL INSTITUTION ADDRESS]

12/01/2020

Blackwells Asset Management LLC

800 Third Avenue, 39th Floor
NY, NY 10022

Attention:
Mr. Jason Aintabi
Chief Investment Officer

Re: Acquisition Financing – Highly Confidential Letter Ladies and Gentlemen:

You have informed [REDACTED] (“[REDACTED]”) that you are presently considering a transaction pursuant to which you and/or one or more of your affiliates (collectively, the “Sponsor”) would (i) acquire (the “Acquisition”), through a newly-formed corporation (“Newco”) wholly-owned by the Sponsor and other equity investors reasonably acceptable to [REDACTED] (collectively with the Sponsor, the “Equity Investors”), all or substantially all of the outstanding equity interests of, or all or

substantially all of the business (including, without limitation, all assets, licenses and related operations) of, a company identified to us and code- named “[REDACTED]” (together with its subsidiaries, the “Acquired Business”) and (ii) refinance substantially all of the existing indebtedness of the Acquired Business and pay any and all accrued and unpaid interest and call premiums thereon (the “Refinancing”). We understand that the Acquired Business shall be acquired free of indebtedness and preferred stock, with such exceptions (if any) for any existing indebtedness as may be agreed to by [REDACTED].

[REDACTED] further understands that the sources of funds needed to effect the Acquisition and the Refinancing, to pay all fees and expenses incurred in connection with the Transaction (as defined below) and to provide for the working capital needs and general corporate purposes of Newco and its subsidiaries after giving effect to the Transaction shall be provided through:

(i) a cash common equity financing to be provided by the Equity Investors in an aggregate amount of not less than approximately 25% of the pro forma total consolidated capitalization of Newco and its subsidiaries after giving effect to the Transaction (the “Equity Financing”); and

(ii) third-party debt financing consisting of mortgage secured notes (the “Senior Mortgage Debt”) to be issued by Newco (either pursuant to a bridge financing or by private placement; all or a portion of the Senior Mortgage Debt may be in the form of an CMBS execution, and may include a mezzanine debt portion secured by equity pledges) in an aggregate principal amount of \$2,640 million (the “Senior Acquisition Financing”)

The Acquisition, the Refinancing, the Equity Financing and the Senior Acquisition Financing collectively are herein called the “Transaction”.

[REDACTED] is pleased to inform you that, based on our preliminary review of certain financial information and projections provided by you to us, our understanding of the Transaction as described above and current market conditions and subject to the satisfaction of all conditions outlined below, we are highly confident in our ability to arrange and/or place the Senior Acquisition Financing (directly and/or through one or more of our affiliates) to finance, in part, the Transaction.

You understand and agree that our confidence in our ability to arrange and/or place the Senior Acquisition Financing is subject to, among other things, (i) there not having occurred any material adverse change in the condition (financial or otherwise), results of operations, business, assets, property, liabilities or prospects of the Acquired Business since the date of the most recent audited financial statements available on the date hereof for the Acquired Business, (ii) the terms and structure of the Senior Acquisition Financing and the Equity Financing being acceptable to [REDACTED], (iii) the negotiation, execution and delivery of documentation for each component of the Transaction and related transactions in form and substance satisfactory to [REDACTED], (iv) [REDACTED]’s and its representatives’ completion of and satisfaction with the results of their business and legal due diligence with respect to the Acquired Business and the Transaction, including, but not limited to, proposed business plans and projections and financial, accounting, environmental, tax, litigation, labor and pension matters, (v) the availability of audited and unaudited historical financial statements of the Acquired Business and pro forma financial statements of Newco and its subsidiaries after giving effect to the Transaction, in each case reasonably acceptable to [REDACTED] and in form and presentation as required by the Securities Act of 1933, as amended, and the rules and regulations thereunder applicable to registration statements filed thereunder, (vi) there not having been any disruption or material

adverse change in the syndication market for credit facilities or the financial or capital markets in general, in the judgment of [REDACTED], (vii) [REDACTED] having been engaged to and having a reasonable time to arrange and market the Senior Acquisition Financing based on [REDACTED]'s experience in comparable transactions, (viii) satisfaction of all other conditions [REDACTED] would require to be fulfilled with respect to the Senior Acquisition Financing, and (ix) there is sufficient real estate collateral value that is free and clear of existing encumbrances and / or liens that would prevent the perfection of a mortgage security interest by the Senior Acquisition Financing.

You understand and agree that (i) we assume no responsibility for independently verifying any information provided to us in connection with our evaluation of the Transaction and that we have relied upon such information being complete and accurate in all material respects, (ii) this letter does not constitute a commitment on the part of, or engagement of, [REDACTED] or any of its affiliates to provide, arrange, place, underwrite and/or participate in any or all of the Senior Acquisition Financing or any other financing, on the terms described herein or otherwise, and that neither [REDACTED] nor any of its affiliates are under any obligation, as a result of this letter or otherwise, to provide or offer to provide any such commitment or engagement and (iii) [REDACTED] cannot make any commitments on behalf of any of its affiliates. Any commitment or engagement by [REDACTED] or any of its affiliates, if forthcoming, in respect of the Senior Acquisition Financing or any other financing would be evidenced by a separate written agreement executed by [REDACTED] (or a designated affiliate thereof) and would be subject to, among other things, (x) [REDACTED]'s and its representatives' completion of and satisfaction with the results of their business and legal due diligence as outlined above, (y) [REDACTED]'s receipt of all credit, business selection, conflicts and other internal approvals of [REDACTED] and its relevant affiliates and our verification of all assumptions we have made and (z) the satisfaction of all conditions we would require to be fulfilled with respect thereto.

None of [REDACTED], any of its affiliates or any of their respective directors, officers, employees, representatives and agents shall be responsible or liable to you or any other person or entity for any damages or amounts of any kind or character which may be alleged as a result of this letter or the proposed Transaction, or any other transactions contemplated hereby. This letter is not intended to confer any benefits upon, or create any rights in favor of, any person or entity and may not be relied upon by any person or entity.

You acknowledge that (i) [REDACTED] may share with any of its affiliates, and such affiliates may share with [REDACTED], any information (including as relating to creditworthiness) related to the Transaction, the Sponsor, Newco or the Acquired Business (and each of their respective subsidiaries and affiliates), or any of the matters contemplated hereby and (ii) [REDACTED] and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you or the Acquired Business may have conflicting interests regarding the transactions described herein and otherwise. [REDACTED] agrees to treat, and cause any such affiliate to treat, all non-public information provided to it by you and the Acquired Business as confidential information in accordance with customary banking industry practices.

You agree that this letter is for your confidential use only and that, unless [REDACTED] has otherwise consented in writing, neither its existence nor the terms hereof will be disclosed by you to any person or entity other than (x) your officers, directors, employees, accountants, attorneys and other advisors and (y) the Acquired Business and its officers, directors, shareholders, employees, accountants, attorneys and other advisors, and then (in either case) only on a "need to know" basis in connection with the transactions contemplated hereby and on a confidential basis. Notwithstanding the foregoing, (i) you

may file a copy of this letter in any public record in which it is required by law, in the opinion of your counsel, to be filed, and (ii) you may make such other public disclosure of the terms and conditions hereof as, and to the extent, you are required by law, in the opinion of your counsel, to make; provided that, in any such case, you shall provide written notification to [REDACTED] in advance of such disclosure.

We look forward to working with you to complete the proposed Transaction successfully.

Very truly yours,
[REDACTED]

About Blackwells Capital

Blackwells Capital was founded in 2016 by Jason Aintabi, its Chief Investment Officer. Since that time, it has made investments in public securities, engaging with management and boards, both publicly and privately, to help unlock value for stakeholders, including shareholders, employees and communities. Throughout their careers, Blackwells' principals have invested globally on behalf of leading public and private equity firms and have held operating roles and served on the boards of media, energy, technology, insurance and real estate enterprises. For more information, please visit www.blackwellscap.com

Contact:

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¹ Market data as of 12/1/2020.

² Balance sheet data as of 9/30/2020. Pro forma for issuance of 1.4 million units of Series C Preferred Stock.