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Letko Brosseau Intends to Vote AGAINST \$11.75 / Unit Offer to Sell Cominar Real Estate Investment Trust

Montreal, Quebec, November 10, 2021 – Letko, Brosseau & Associates Inc., ("Letko Brosseau") exercises investment control or direction over approximately 3.3% of the outstanding shares of Cominar Real Estate Investment Trust ("Cominar" or the "Company") and is among the Company's largest shareholders.

Cominar is a leading Canadian real estate investment trust. It is the owner of prime real estate assets such as Gare Centrale, Alexis Nihon and Rockland in Montreal and Place de la Cité in Quebec City, the Company's portfolio comprises approximately 36 million square feet of leasable area, with significant development potential. Cominar is also the largest industrial property owner in the Province of Quebec. The Company has benefitted from exceptional market fundamentals in the industrial sector with peak levels of occupancy, unprecedented rental growth and record asset values.

On October 24, 2021, Cominar announced an agreement to be acquired for \$11.75 per unit in cash by Iris Acquisition II LP (the "Purchaser" or the "Consortium"), an entity created by a consortium led by Canderel Real Estate Property Inc. ("Canderel") and including FrontFour Capital Group LLC ("FrontFour"), Artis Real Estate Investment Trust ("Artis"), and partnerships managed by the Sandpiper Group ("Sandpiper").

In connection with the transaction, Group Mach ("Mach") will acquire approximately \$1.5 billion of retail and office properties and Blackstone will acquire Cominar's industrial portfolio from the Purchaser.

After evaluating the offer and engaging with representatives of Cominar, Letko Brosseau has concluded that the proposed transaction is unattractive and falls short of reflecting the full value of Cominar's real-estate portfolio.

The offer price of \$11.75 is significantly below Cominar's own reported Net Asset Value of \$14.72 per unit as of September 30, 2021 as well as Letko Brosseau's calculated Net Asset Value and the consensus of real-estate analysts. The sale of Cominar at a discount to Net Asset Value makes the company a rare exception in the Canadian real estate investment trust universe, where historically most acquisitions command a premium.

Letko Brosseau rejects the assertion that it is in the best interest of Cominar shareholders to have the Consortium sell the assets to Mach and Blackstone rather than Cominar selling them directly before being acquired. Adding to our concerns is the fact that the price that Blackstone is paying for Cominar's industrial assets and the price that the Consortium is paying for their share of the assets has not been disclosed to Cominar shareholders.

Sylvain Cossette, Cominar's President and CEO has stated that "Through the review process, it became clear that Cominar's operations would be better-suited within a private company framework."¹ This assertion is not backed by any specific arguments and should not support a case for the sale of Cominar and certainly not at a discounted price.

Regarding Cominar's industrial assets, Mr. Cossette has stated that "the transaction price is above IFRS value between the Consortium and Blackstone."² This raises the question as to why should Cominar shareholders sell at a discount, while the Consortium profits from selling at a premium.

Furthermore, a member of the Consortium is also a major shareholder and insider of Cominar, serving on its Board of Trustees. Letko Brosseau views this as a conflict, reflecting poor governance practices. Shareholders are entitled to the highest level of transparency and this is clearly not the case in this instance. Letko Brosseau calls on the Company and its Trustees to provide greater disclosure regarding the proposed transaction.





Ultimately, Cominar's assets are being sold to different parties at an undisclosed price with the purchasing Consortium retaining the full benefit.

For all these reasons, Letko Brosseau intends to vote against the proposal and urges all other shareholders to consider carefully the terms and conditions of what is being proposed.

Letko Brosseau is an independent Canadian investment manager founded in 1987. The firm manages assets for institutional investors and private clients.

¹ Cominar Real Estate Investment Trust (CUF.UN) Q3 2021 Results Press Release.

² Cominar Real Estate Investment Trust (CUF.UN) Q3 2021 Earnings Call. Source: *Factset financial data and analytics*

FORWARD-LOOKING STATEMENTS

Certain information contained in this press release may constitute forward-looking statements. Forward-looking statements may include estimates, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Letko Brosseau believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Letko Brosseau's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained in this press release are made as of the date hereof and Letko Brosseau does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless expressly required by applicable securities laws.

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