



**CANDEREL-LED CONSORTIUM AGREES TO ACQUIRE COMINAR
FOR \$5.7B, \$11.75 PER UNIT, IN AN ALL-CASH TRANSACTION; MACH TO ACQUIRE
\$1.5B OF PROPERTIES AS PART OF THE TRANSACTION**

- *Transaction provides compelling value and immediate liquidity to unitholders following an extensive and rigorous Strategic Review Process*
- *Offer represents 16.3% premium to Cominar's 20-day volume-weighted average price per unit on the TSX and 63.2% premium to the closing unit price on September 15, 2020, the last trading day prior to the announcement of the Strategic Review Process*
- *Acquisition led by Montreal-based Canderel will significantly benefit key stakeholders of Cominar, unlocking new opportunities for growth and development in communities where the REIT operates*
- *Montreal-based Mach to acquire approximately \$1.5 billion of retail and office properties as part of the Transaction*
- *Transaction has unanimous support of both the Board of Trustees of Cominar and the Special Committee of the Board, comprised of independent Trustees*
- *Management Information Circular – including full details regarding the background to transaction and voting recommendations for unitholders – to be issued in due course, ahead of special meeting of Cominar unitholders scheduled for December 21, 2021*
- *Transaction expected to be completed in the first quarter of 2022*

QUÉBEC CITY, October 24, 2021 – Cominar Real Estate Investment Trust (“**Cominar**” or the “**REIT**”) (TSX: CUF.UN) today announced that it has entered into an arrangement agreement (the “**Arrangement Agreement**”) to be acquired by Iris Acquisition II LP (the “**Purchaser**”), an entity created by a consortium led by Canderel Real Estate Property Inc. (“**Canderel**”), a leading Québec real estate owner and operator, and including FrontFour Capital Group LLC (“**FrontFour**”), Artis Real Estate Investment Trust (“**Artis**”), and partnerships managed by the Sandpiper Group (“**Sandpiper**”) (the “**Transaction**”). In addition, Koch Real Estate Investments, LLC (“**KREI**”), and Artis are providing preferred equity for the Transaction. The Transaction is to be carried out by way of a court-approved plan of arrangement under the *Canada Business Corporations Act* (the “**Plan of Arrangement**”). In connection with the Transaction, Group Mach Acquisition Inc. (“**Mach**”) will acquire approximately \$1.5 billion of retail and office properties as part of the Plan of Arrangement.

Under the terms of the Arrangement Agreement, the Purchaser will acquire Cominar for consideration of \$11.75 in cash per unit (the “**Consideration**”). For Cominar’s unitholders, this represents a 16.3% premium to the 20-day volume-weighted average price per unit of Cominar (“**Unit**”) for the period ending on October 22, 2021 and a 63.2% premium to the \$7.20 closing price of Units on the Toronto Stock Exchange (the “**TSX**”) on September 15, 2020, the last trading day prior to the announcement of the Strategic Review Process. The Consideration implies an equity value and enterprise value for Cominar of approximately \$2.2 billion and \$5.7 billion, respectively.

As part of the Plan of Arrangement, Mach will acquire, through its affiliate, Mach Capital Inc. (“**Mach Capital**”) as guarantor of its obligations, certain of Cominar’s retail and office properties for approximately \$1.5 billion, and Blackstone will acquire Cominar’s industrial portfolio (together with Mach, collectively, the “**Asset Purchasers**”). The proceeds of the acquisition of these assets from Cominar, to be carried out by way of separate agreements of purchase and sale between the Purchaser and each of the Asset Purchasers (the “**Asset Purchase Agreements**”), will fund a portion of the Consideration. Canderel and the consortium intend to retain portions of Cominar’s retail portfolio, as well as components of Cominar’s office portfolio.

The Transaction provides Cominar unitholders with compelling value and immediate liquidity, following an extensive Strategic Review Process overseen by a Special Committee made up of independent Trustees, with the input of financial and legal advisors. Furthermore, the Transaction will provide significant benefits to key stakeholders, including tenants, by leveraging the resources of new ownership groups, such as Canderel and Mach, with deep Québec ties, significant real estate expertise and access to ample capital to accelerate and unlock opportunities for growth and development in the communities where Cominar operates.

“Following the extensive Strategic Review Process, and based on the recommendation of the independent Trustees of the Board, we are pleased to have reached an outcome that provides immediate value to our unitholders,” said Sylvain Cossette, President and Chief Executive Officer of Cominar. “Following this rigorous review process, we are confident that Canderel, Mach and their partners are well positioned to continue investing in key assets over the long-term, while also serving our valued tenants and communities.”

“This Transaction is the result of our extensive and thorough Strategic Review Process under which a broad set of alternatives aimed at enhancing unitholder value were evaluated by the Special Committee of the Board of Trustees,” said René Tremblay, Chairman of the Board of Trustees of Cominar. “We believe that this transaction provides significant value, certainty, and liquidity to our unitholders and we are confident that it is in the best interests of Cominar.”

“This transaction will provide significant benefits to key stakeholders, including tenants of Cominar, by leveraging the resources of the Canderel platform and a Québec-led group of investors with a long-term perspective to unlock opportunities for growth and development in the communities where Cominar operates,” said Brett Miller, CEO of Canderel.

“We look forward to expanding our leading position in Québec in all real estate asset classes by incorporating the Cominar properties we will purchase into Group Mach’s vertically integrated operations with a view to preserving the long-term interests of the various stakeholders which we have proudly worked with in Québec for more than 20 years,” said Vincent Chiara, President and founder of Group Mach.

The Transaction is expected to close in the first quarter of 2022, subject to receipt of Cominar unitholder, court and required regulatory approvals as well as satisfaction of customary closing conditions.

Mach Capital, which holds approximately 5.2% of the Units, has entered into a voting and support agreement with the Purchaser (the “**Voting and Support Agreement**”) pursuant to which it has agreed to vote its Units in favour of the Transaction. In addition, members of the consortium hold or control an aggregate of approximately 10.2% of the Units.

TRANSACTION HIGHLIGHTS AND BOARD RECOMMENDATION

The Transaction is the culmination of a comprehensive Strategic Review Process publicly announced by Cominar on September 15, 2020. As part of this process, the REIT evaluated a broad set of strategic alternatives aimed at enhancing unitholder value given Cominar's operational and business prospects within its various asset classes together with its prevailing financial situation and structure as a REIT. Through the Strategic Review Process, it was concluded that the Transaction represents the best outcome for Cominar, its unitholders and its stakeholders. As such, both the Board of Trustees of Cominar (the "**Board**") and the independent committee of the Board (the "**Special Committee**") unanimously determined that the Transaction is in the best interests of Cominar and recommend that the Transaction be approved by unitholders of Cominar (in the case of the Board, with two Trustees recusing themselves from the deliberations due to interest, and a potential interest, in the Transaction). The Special Committee and the Board based their conclusions and recommendations on a number of factors, including, amongst others:

- **Compelling Value to Cominar Unitholders:** 16.3% premium to Cominar's 20-day volume-weighted average price per Unit on the TSX for the period ending on October 22, 2021, and a 63.2% premium to the closing Unit price on September 15, 2020, the last trading day prior to the announcement of the Strategic Review Process.
- **Certainty of Value and Immediate Liquidity:** The Transaction allows unitholders to realize an attractive price for their Units through an all-cash offer, thereby providing certainty of value and immediate liquidity.
- **Highest Proposal and Arm's-Length Negotiations:** As part of the Strategic Review Process, numerous potential financial and strategic purchasers were contacted. The Arrangement Agreement is the result of extensive arm's-length negotiations between Cominar and the Purchaser with oversight and participation of the Special Committee and Cominar's external financial and legal advisors and represents the best and highest proposal received as part of the Strategic Review Process.
- **Independent Valuation and Fairness Opinion:** Desjardins Capital Markets provided an independent valuation to the Special Committee and Board verbally, to be confirmed in writing, which determined that, as at October 24, 2021, based upon and subject to the assumptions, limitations and qualifications to be contained in Desjardins Capital Markets' written valuation report, the fair market value of the Units ranged from \$11.00 to \$12.50 per Unit. Desjardins Capital Markets has also provided the Special Committee and the Board with a verbal opinion, to be confirmed in writing, to the effect that, as at October 24, 2021, the Consideration to be received by unitholders under the Transaction is fair, from a financial point of view, to such holders other than Mach Capital and holders of Rollover Units (as defined below), subject to the limitations, qualifications, assumptions, and other matters to be set forth in such written opinion.
- **Two Additional Fairness Opinions:** Both National Bank Financial Inc. and BMO Capital Markets, acting as financial advisors to the REIT, have separately provided the Special Committee and the Board with a verbal opinion, to be confirmed in writing, to the effect that, as at October 24, 2021, the Consideration to be received by unitholders under the Transaction is fair, from a financial point of view, to such holders other than Mach Capital

and holders of Rollover Units, in each case subject to the respective limitations, qualifications, assumptions, and other matters to be set forth in such written opinions.

- **Benefits to Stakeholders:** The Special Committee and the Board believe that the terms of the Arrangement Agreement treat the stakeholders of Cominar fairly and the Transaction will provide significant benefits to key stakeholders, including tenants, by leveraging the resources of new ownership groups with deep Québec ties. Further, the Cominar asset portfolios being sold in the Transaction are being purchased by the Asset Purchasers who possess the required capabilities, as well as the necessary financial and other resources, to successfully manage such asset portfolios.
- **Reasonable Likelihood of Completion:** Canderel and FrontFour, as well as their consortium partners, have demonstrated commitment, credit worthiness and a consistent track record of completing large-scale real estate transactions which is indicative of the ability of Canderel and FrontFour and equity partners Artis, Sandpiper and KREI to complete the transactions contemplated by the arrangement. The Asset Purchasers are credible and reputable and have equally demonstrated their successful execution of significant real estate transactions. In addition, the Transaction is not subject to any due diligence condition or financing condition and the Special Committee and the Board believe that there are limited closing conditions that are outside of the control of Cominar and, as such, there is a reasonable likelihood of completion. The obligations of the Purchaser and the Asset Purchasers to complete the Transaction are subject to a limited number of customary conditions that the Special Committee and the Board believe are reasonable in the circumstances.
- **Required Unitholder and Court Approvals:** The Transaction will become effective only if it is approved by at least 66 2/3% of the votes cast by unitholders at a special meeting of unitholders called to consider the Transaction and the Superior Court of Québec, after considering the procedural and substantive fairness of the Transaction.

ADDITIONAL TRANSACTION DETAILS

Under the Transaction, an affiliate of Canderel, Iris Fund III L.P. (a fund managed by FrontFour), Artis and partnerships managed by Sandpiper have agreed to roll over an aggregate of 7,846,849 Units (the “**Rollover Units**”) for units of the Purchaser. The Rollover Units represent approximately 4.3% of the Units outstanding.

The Arrangement Agreement includes customary provisions relating to non-solicitation, including customary “fiduciary out” provisions that entitle the Board to consider and, subject to certain conditions, accept a superior proposal if the Purchaser does not match the superior proposal. A termination fee of \$55 million (representing approximately 2.6% of undiluted equity value of the REIT) will be payable by Cominar to the Purchaser in certain circumstances, including if the Purchaser fails to exercise its right to match in the context of a superior proposal supported by Cominar. A reverse-termination fee of \$110 million (representing approximately 5.1% of undiluted equity value of the REIT) will be payable by the Purchaser to Cominar in the event the Purchaser fails to pay the Consideration in accordance with the Arrangement Agreement.

A special meeting of Cominar unitholders to consider the proposed Transaction is expected to be held on or about December 21, 2021. In light of ongoing public health concerns related to the

COVID-19 pandemic and in order to comply with government decrees, the special meeting of Cominar unitholders will be held in virtual-only format, conducted via live webcast. Unitholders will be able to participate and vote at the meeting online regardless of their geographic location.

As part of the Transaction, Cominar has agreed that distributions for October, November and December, 2021 (payable respectively in November and December, 2021 and January, 2022) will be suspended. If the Transaction has not closed by January 15, 2022, Cominar intends to reinstate the distribution in respect of the second half of January, 2022 payable in February, 2022 to unitholders of record on January 31, 2022 and for each month thereafter.

Additional details regarding the terms and conditions of the Transaction, the rationale for the recommendations made by the Special Committee and the Board, the independent valuation and the fairness opinions, and how unitholders can participate in and vote at the virtual meeting, will be set out in Cominar's management information circular. Copies of the Arrangement Agreement, the Asset Purchase Agreements, the Voting and Support Agreement and the management information circular will be filed by the REIT under its profile at www.sedar.com.

ADVISORS

National Bank Financial Inc. and BMO Capital Markets are acting as financial advisors to the REIT. Desjardins Capital Markets provided an independent valuation to the Special Committee and the Board. Davies Ward Phillips & Vineberg LLP is acting as legal advisor to the REIT and Fasken Martineau DuMoulin LLP is acting as independent legal advisor to the Special Committee. TACT and Longview Communications & Public Affairs are acting as strategic communications advisors to Cominar.

Moelis & Company LLC is acting as financial advisor to the Purchaser. Stikeman Elliott LLP and McCarthy Tetrault LLP are acting as legal advisors to the Purchaser, Norton Rose Fulbright Canada LLP is acting as legal advisor to Artis and Sandpiper, and Osler, Hoskin & Harcourt LLP is acting as legal advisor to KREI. NATIONAL Public Relations is acting as strategic communications advisor to the Purchaser.

Scotiabank, CIBC and RBC Capital Markets are acting as financial advisors to Mach and Scotiabank and CIBC are providing debt financing to Mach in connection with the Transaction and Borden Ladner Gervais LLP and KPMG are respectively acting as legal and accounting advisors to Mach.

ABOUT COMINAR

Cominar is one of the largest diversified real estate investment trusts in Canada and is the largest commercial property owner in the Province of Québec. Our portfolio consists of 310 high-quality office, retail and industrial properties, totalling 35.7 million square feet located in the Montreal, Québec City and Ottawa areas. Cominar's primary objective is to maximize total return to unitholders by way of tax-efficient distributions and maximizing the Cominar value through the proactive management of our portfolio. For additional information, please visit <https://www.cominar.com>

ABOUT CANDEREL

Canderel is one of Canada's largest privately held real estate companies. It was founded over 46 years ago by Jonathan Wener and has since grown from its base in Montreal to seven offices across Canada. Canderel owns and manages a real estate portfolio of more than 27 million square feet in Canada's seven major markets – Québec City, Montreal, Ottawa, Toronto, Calgary, Edmonton and Vancouver. Its 650 real estate professionals have executed more than \$15 billion in acquisitions, developments and management projects.

For more information about Canderel, please visit www.canderel.com.

ABOUT FRONTFOUR

FrontFour is a multi-strategy investment company based in Greenwich, Connecticut. FrontFour has a focus on value-oriented investments across both public and private markets with significant experience within the broader real estate sectors, including an accomplished track record in the Canadian market.

ABOUT ARTIS

Artis is a diversified Canadian real estate investment trust with a portfolio of industrial, office and retail properties in Canada and the United States. Artis' vision is to build a best-in-class asset management and investment platform focused on growing net asset value per unit and distributions for investors through value investing in real estate. For more information about Artis, please visit www.artisreit.com.

ABOUT SANDPIPER

Sandpiper is a Vancouver-based private equity firm focused on investing in real estate through direct property investments and securities. For more information about Sandpiper, visit www.sandpipergroup.ca.

ABOUT KREI

KREI is part of Koch Industries, one of the largest privately held businesses in the United States. KREI focuses its efforts on attractive risk-adjusted capital deployment into real estate assets and operating companies. KREI has an acute focus on best-in-class management teams and flexible capital solutions which align interests to drive mutual benefit with its partners. Since 2003, Koch companies have invested nearly US\$133 billion in growth and improvements. With a presence in more than 70 countries, Koch companies employ 122,000 people worldwide. From January 2009 to present, Koch companies have earned more than 1,300 awards for safety, environmental excellence, community stewardship, innovation, and customer service.

ABOUT MACH

For more than twenty years, Group Mach (www.groupemach.com) has been recognized for its expertise in commercial, industrial, institutional and residential projects and in the harmonization of mixed-use built environments. Group Mach is positioned as a leader in all aspects of development, including acquisition, construction and property management. With a total portfolio

of over 30 million square feet of properties and 10 million square feet of land, including over 20 properties in development (including Quartier des Lumières) in Montreal, Québec City and also in Ontario and Florida, Group Mach is the leading independent real estate owner and developer in Québec. Group Mach's portfolio of real estate assets consists of office, retail, hotel, industrial, land and multi-residential.

Mach Capital (www.machcapital.ca) is a closely held private equity firm which does not have any limited partners nor are there any exit strategies which condition its investment decisions. Mach Capital's investment thesis is driven by working with founders and their management teams to achieve sustainable profitability in the best long-term interests of the company and its stakeholders.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this news release are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements with respect to the rationale of the Special Committee and the Board for entering into the Arrangement Agreement, the expected benefits of the Transaction, the timing of various steps to be completed in connection with the Transaction, and other statements that are not material facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology.

Although the REIT believes that the forward-looking statements in this news release are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond the REIT's control and the effects of which can be difficult to predict: (a) the possibility that the proposed Transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required unitholder, court and regulatory approvals and other conditions of closing necessary to complete the Transaction or for other reasons; (b) risks related to tax matters; (c) the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transaction; (d) risks relating to the REIT's ability to retain and attract key personnel during the interim period; (e) the possibility of litigation relating to the Transaction; (f) credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Transaction, including changes in economic conditions, interest rates or tax rates; (g) business, operational and financial risks and uncertainties relating to the COVID-19 pandemic; and (h) other risks inherent to the REIT's business and/or factors beyond its control which could have a material adverse effect on the REIT or the ability to consummate the Transaction.

Readers are cautioned not to place undue reliance on the forward-looking statements and information contained in this news release. Cominar disclaims any obligation to update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise, except as required by law.

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