

## **DREAM INDUSTRIAL REIT ANNOUNCES CONTINUED PORTFOLIO TRANSFORMATION, DEVELOPMENT UPDATE AND \$175 MILLION EQUITY OFFERING**

*This press release constitutes a “designated news release” for the purposes of Dream Industrial REIT’s prospectus supplement dated February 26, 2021 to its short form base shelf prospectus dated October 11, 2019*

*This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.*

### **NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES**

**Toronto, April 15, 2021, Dream Industrial REIT (TSX: DIR.UN) (“Dream Industrial”, “DIR”, the “REIT” or the “Trust”)** today announced an update on its robust pace of capital deployment, progress on its development pipeline, and the launch of a \$175 million equity offering.

*“Over the past four years, we have identified several priorities to transform Dream Industrial into a high quality, geographically diverse entity. We have acquired \$1.3 billion of assets in Europe, Ontario, Quebec and the U.S., divested assets in Atlantic Canada and have initiated a large-scale development program. NAV growth over this time period has been 34% and the REIT has significantly reduced its leverage and balance sheet risk. Our portfolio is now more modern and logistics oriented, with buildings that are on average 25% larger and leased to tenants that are 75% larger, with over 40% of our base rent coming from tenants occupying spaces larger than 100,000 square feet,”* said Brian Pauls, Chief Executive Officer of Dream Industrial REIT. *“With our seasoned platform in North America and Europe and our strong balance sheet, the REIT is very well positioned to capitalize on the momentum and strong industrial fundamentals in a post pandemic environment. Our current acquisition and development pipeline is exceptionally strong and presents a unique opportunity to drive further improvements in quality and value for the REIT and our investors over the long term.”*

### **ACQUISITION UPDATE**

In 2021, the Trust has completed or waived conditions on 13 acquisitions valued at \$329 million in Canada, the U.S. and Europe. These include \$138 million of acquisitions announced with our Q4 2020 results and \$191 million of new acquisitions, which include:

- A 366,000 square foot Class A distribution and warehousing asset in the Greater Montreal Area (“GMA”) for \$62 million. Built in 2003, the building was expanded by 138,000 square feet of 32 feet clear warehouse space in 2020. The property is fully occupied by tenants primarily in the Logistics and Healthcare industries. With the average in-place rent 10% below the current market rent and with a weighted average remaining lease term of 3.5 years, the Trust expects to generate significant rental rate growth as leases roll;

- A brand-new mid-bay logistics facility in Arnhem, Netherlands for €21 million (\$31 million). The property spans 159,000 square feet with a clear ceiling height of 48 feet. The asset is well-located, having access to major Dutch and German markets and is fully occupied by a logistics tenant with 10 years remaining on the fully-indexed lease; and
- Five assets closed for \$51 million and three assets where all conditions have been waived for \$47 million in Ontario, Quebec and Europe, which added 671,000 square feet to the portfolio, and enabled the Trust to execute on its clustering strategy within its existing markets.

These 2021 acquisitions add 1.9 million square feet of high quality, well-located and functional logistics space to the Trust's portfolio. Built on average in the mid-2000s, these assets are above the average quality of the Trust's portfolio, with an average clear ceiling height of 30 feet.

The Trust is also currently under contract or in exclusive negotiations on approximately \$160 million of assets in the Trust's target markets of Ontario in Canada, Midwestern U.S., as well as Germany and Netherlands in Europe. These acquisitions are expected to close in the next 45-60 days, subject to completion of due diligence.

The Trust's acquisition pipeline remains strong with over \$300 million of acquisitions being currently underwritten across North America and Europe.

## **DEVELOPMENT UPDATE**

The Trust continues to focus on building and executing on a development pipeline across its three operating regions. The Trust is in the final pre-development stages on projects totaling approximately one million square feet in 2021. The Trust has provided some highlights on its near-term development activities below:

- The Trust expects to commence construction of a 460,000 square foot Class A distribution facility on its 24.5 acre site in North Las Vegas in Q2 2021. The Trust estimates that the yield on cost on this development will exceed 6%;
- At the Trust's recently acquired 527,000 square foot property in the GMA, the Trust intends to expand the property by 220,000 square feet. The intensification is expected to occur over two phases, and the Trust expects to commence construction of Phase 1 in April 2021. The Trust continues to advance Phase 2 of the project with construction anticipated to start in Q3 2021. The Trust expects to achieve a yield on construction costs of over 6.5% on this project;
- The Trust has entered into construction agreements to expand its current 110,000 square foot asset located in the Greater Toronto Area by an additional 43,000 square feet. The Trust intends to commence construction in Q3 2021 and expects to achieve a yield on construction costs of approximately 8%; and
- In Germany, the Trust intends to add over 200,000 square feet of gross leasable area to its recently acquired property in Dresden. The Trust expects to be in a position to commence construction in Q4 2021, with an estimated yield on construction costs of over 6%.

Overall, the construction costs on the aforementioned projects are expected to amount to approximately \$90 million. The Trust has access to an extensive development and redevelopment pipeline beyond these projects which it expects to access over time.

*“We look forward to commencing a structured development program and adding brand-new, high quality properties to the portfolio as a complement to our acquisition strategy,”* said Alexander Sannikov, Chief Operating Officer of Dream Industrial. *“A significant component of our development program is expected to focus on leveraging the REIT’s predominantly urban portfolio in North America and Europe, where we have a unique opportunity to add highly sought after industrial product in infill locations with steep barriers to entry and rising land costs. Paired with opportunistic greenfield development, we expect this strategy to result in meaningful NAV and FFO per unit accretion over time.”*

#### **FINANCING UPDATE**

The Trust continues to focus on increasing financial flexibility. On April 1, 2021, the Trust repaid upon maturity, a US\$22 million loan secured by a U.S. property. On a pro forma basis, taking into consideration the repayment of this mortgage and closing of assets that are currently firm, under contract, or in exclusive negotiations, the Trust’s unencumbered asset pool is expected to total \$2.3 billion, representing over 60% of the Trust’s total investment properties value. In just over 90 days, the Trust has deployed nearly \$450 million of capital towards acquisitions and repayment of secured debt, with an additional \$300 million of capital earmarked for acquisitions that are firm, under contract, or in exclusive negotiations, as well as planned development costs. In addition, the pipeline of investment opportunities continues to be active and the pace of capital deployment is expected to remain robust.

The Trust today announced that it has entered into an agreement to sell, on a bought deal basis, 12,920,000 units of the Trust (“Units”) at a price of \$13.55 per Unit to a syndicate of underwriters led by TD Securities Inc. (the “Underwriters”) for total gross proceeds of approximately \$175 million (the “Offering”). In addition, the Trust has granted the Underwriters an over-allotment option to purchase up to an additional 1,938,000 Units, exercisable in whole or in part, for a period of 30 days following closing of the Offering. If the over-allotment option is exercised in full, the gross proceeds of the Offering will total approximately \$201 million. Closing of the Offering is subject to certain customary conditions, including the approval of the Toronto Stock Exchange. The Offering is expected to close on or about April 26, 2021.

The Trust intends to use the net proceeds from the Offering, together with cash on hand: (i) to fund acquisition and development opportunities, (ii) to repay indebtedness, and (iii) for general trust purposes.

*“This equity offering allows us to continue to execute on our strategy to grow and upgrade portfolio quality,”* said Lenis Quan, Chief Financial Officer of Dream Industrial. *“Net proceeds from the offering are expected to be utilized towards \$160 million of acquisitions that are under contract or in exclusivity as well as to fund development costs, and we will gain balance sheet capacity to deploy an additional \$300 million, while keeping leverage in our targeted mid-to-high 30% range.”*



The Units will be offered by way of a shelf prospectus supplement to the Trust's base shelf prospectus dated October 11, 2019, to be filed on or about April 19, 2021 with the securities commissions and other similar regulatory authorities in each of the provinces of Canada.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction in which such offer or solicitation is unlawful. This news release is not an offer of securities for sale in the United States ("U.S."). The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and accordingly are not being offered for sale and may not be offered, sold or delivered, directly or indirectly within the U.S., its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to an exemption from the registration requirements of that Act.

### **About Dream Industrial Real Estate Investment Trust**

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. As at March 31, 2021, the Trust owns and operates a portfolio of 186 assets (280 industrial buildings) comprising approximately 28.9 million square feet of gross leasable area in key markets across North America and a growing presence in strong European industrial markets. The Trust's objective is to continue to grow and upgrade the quality of its portfolio and to provide attractive overall returns to its unitholders. For more information, please visit [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca).

### **Non-GAAP Measures**

*NAV and FFO per unit amounts are non-GAAP measures. See "Non-GAAP Measures and Other Disclosures" in the management's discussion and analysis of the financial condition and results of operations of the Trust for the year ended December 31, 2020 for more information about these measures.*

### **Forward Looking Information**

*This news release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", or "continue", or similar expressions suggesting future outcomes or events. Some of the specific forward-looking information in this news release may include, among other things, the details, status and anticipated timing of closing of the acquisitions and potential acquisitions referred to in this press release; the development and expansion potential of our properties and the acquisition properties; the growth of our portfolio; statements regarding our development and acquisition pipelines, including estimated timing for closing future acquisitions; the amount of development and redevelopment activity we anticipate undertaking in 2021 and future years; estimated development expenditures; our expected yield on construction cost for developments and redevelopments; the Trust's expected acquisition capacity and leverage levels; our expectation to generate rental rate growth; our expectation that our unencumbered asset pool will total approximately \$2.3 billion, representing over 60% of our total investment properties' value; the expectation that our strategy will result in meaningful NAV and FFO per unit accretion over time; the Trust's growth outlook for 2021 and future years; the intended use of proceeds of the Offering and the anticipated timing for the closing of the Offering. Forward looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream Industrial REIT's control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, global and local economic and business conditions; uncertainties surrounding the COVID-19 pandemic; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; interest and currency rate fluctuations; competition; and the risk that there may be unforeseen events*



*that cause the Trust's actual capital structure, overall cost of debt and results of operations to differ from what the Trust currently anticipates. Our objectives and forward-looking statements are based on certain assumptions with respect to each of our markets, including that the general economy remains stable, the gradual recovery and growth of the general economy continues over the remainder of 2021, interest rates remain stable, conditions within the real estate market remain consistent, competition for and availability of acquisitions remains consistent with the current climate, the capital markets continue to provide ready access to equity and/or debt, the timing and ability to sell certain properties remains in line with the Trust's expectations, valuations to be realized on property sales will be in line with current IFRS values, occupancy levels remain stable, and the replacement of expiring tenancies will remain consistent. All forward-looking information in this news release speaks as of the date of this news release. Dream Industrial REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in Dream Industrial REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Industrial REIT's website at [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca).*

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