

**DREAM GLOBAL REAL ESTATE INVESTMENT TRUST ANNOUNCES AGREEMENT TO BE  
ACQUIRED BY REAL ESTATE FUNDS MANAGED BY BLACKSTONE IN A \$6.2 BILLION  
TRANSACTION**

**Transaction Highlights**

- Real estate funds managed by Blackstone to acquire Dream Global in an all-cash transaction
- Dream Global unitholders to receive cash consideration of \$16.79 per unit which represents a significant premium of 18.5% to the closing price of Dream Global units on the TSX on September 13, 2019, the last trading day prior to announcement of the transaction, and will represent a total return for 2019 of 47%
- The transaction reflects an attractive value for Dream Global's real estate portfolio and represents a 9.1% premium to Dream Global's June 30, 2019 EPRA NAV<sup>1</sup>
- Since inception, Dream Global will have generated a total return of 214% and investors will realize a total annualized return of 15%, upon closing of the transaction<sup>2</sup>
- The independent trustees of Dream Global's board of trustees have unanimously approved the transaction and recommend that unitholders vote in favour of the transaction

**TORONTO, SEPTEMBER 15, 2019** Dream Global REIT (TSX:DRG.UN, FRA:DRG) ("Dream Global" or the "REIT") and Dream Unlimited Corp. (TSX:DRM and DRM.PR.A) ("Dream") announced today that Dream Global has entered into a master acquisition agreement (the "Acquisition Agreement") with affiliates of real estate funds managed by Blackstone (collectively, "Blackstone"), pursuant to which Blackstone will acquire all of Dream Global's subsidiaries and assets in an all-cash transaction valued at \$6.2 billion (the "Transaction"). On closing of the Transaction, Dream Global unitholders ("Unitholders") will receive cash consideration of \$16.79 per Dream Global unit ("Unit").

"This Transaction is the culmination of the tremendous growth that Dream Global has achieved since its 2011 IPO. At a time when the Western European real estate market is becoming increasingly competitive, this transaction provides premium value to unitholders. Upon completion of the Transaction, Dream Global will have increased its equity market capitalization by nearly eight times and will have delivered total annualized returns of 15% to our unitholders, since inception, which exceed both the Canadian and European REIT benchmarks by approximately 60% and are competitive against the best managed real

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<sup>1</sup> Based on total Transaction value of \$6.2 billion and EPRA NAV as at Q2 2019 calculated on a fully diluted basis

<sup>2</sup> Assumes Transaction closing date of December 31, 2019

estate private equity funds and pension funds globally, over the same time period<sup>3</sup>," said Detlef Bierbaum, Chairman of Dream Global's board of trustees.

"Today's announcement can be attributed to Dream Global's high-quality portfolio of properties located in key markets in Western Europe and the strength of our property management platform, as evidenced by our strong relationships with tenants, partners and lenders," said Jane Gavan, President and Chief Executive Officer of Dream Global. "By combining a disciplined approach to capital allocation with active asset management, we have established Dream as one of the most respected brands for investing in Western European office properties."

James Seppala, Head of Blackstone Real Estate Europe, added, "We are delighted to be acquiring Dream Global, a high-quality and diversified portfolio of office and logistics assets in Western Europe, which has been created by Dream over the last eight years. This Transaction is an exciting opportunity for Blackstone to expand its existing office and logistics portfolios in some of the largest and most important markets in the region."

### **Transaction Metrics**

The cash consideration of \$16.79 per Unit represents a significant premium of 18.5% to the closing price of Dream Global Units on the TSX on September 13, 2019 and will represent a total return for 2019 of 47%.

Dream Global's real estate portfolio was created at an average acquisition cap rate of approximately 6.8%, which includes the significant Netherlands portfolio, valued at an 8.0% transaction cap rate in 2017, and currently consists of over 200 properties located in over 100 Western European cities. The Transaction represents a 9.1% premium<sup>4</sup> to Dream Global's June 30, 2019 EPRA NAV, in which 98% of Dream Global's assets were appraised in 2019, by independent third parties and reflects the tremendous value created by the management team.

### **Transaction Rationale**

In 2011, Dream created a public business to invest in European real estate, during a time when the outlook for European real estate was viewed with concern by European real estate investors. Dream identified an opportunity to acquire a \$1.0 billion portfolio of 292 properties, consisting mostly of German post offices, to establish a European platform. The portfolio was funded in part through the \$470 million IPO of Dream Global, in which Dream invested \$120 million. Since the IPO, Dream Global has sold over 200 of the original assets and transformed itself into a high quality portfolio of Core+ office assets in Germany, Austria, Belgium and the Netherlands, as well as light industrial and development.

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<sup>3</sup> Dream Global total return based on assumed Transaction closing date of December 31, 2019. TSX Capped REIT Index used for Canadian REIT benchmark and FTSE EPRA NAREIT Developed Europe Index used for European REIT benchmark. Benchmark total returns calculated as of September 13, 2019

<sup>4</sup> Based on total Transaction value of \$6.2 billion and EPRA NAV as at Q2 2019 calculated on a fully diluted basis

The current real estate environment in Western Europe is extremely competitive, with exceptionally low interest rates and property valuations at record setting levels. While Dream Global has made great progress building a European unitholder base over the last two years, the public REIT structure has resulted in a cost of capital for Dream Global that remains higher than some of its peers and impacts the REIT's ability to continue on its growth trajectory. The Transaction offers an opportunity to deliver a premium value to the REIT's Unitholders, closing the value gap and crystallizing returns to Unitholders with certainty.

### **Asset Management Agreement Separation**

Dream Asset Management ("DAM"), a subsidiary of Dream, established the REIT in 2011 and has served, under an asset management agreement (the "AMA"), as the external asset manager since inception. The Transaction requires a separation of the AMA from DAM. Accordingly, the Dream Global board of trustees (the "Board") formed a special committee of independent trustees (the "Special Committee") to oversee the separation process and to supervise the negotiations of the Transaction. The Special Committee retained National Bank Financial Inc. ("National Bank Financial") and Goodmans LLP to provide independent financial and legal advice, respectively. Based on the financial and legal advice received and the attractiveness of the Transaction, the Special Committee negotiated a separation payment with DAM. As part of the Transaction, DAM will receive an aggregate of \$395.2 million with respect to the REIT's obligations under the AMA. One of the considerations in arriving at the negotiated separation payment was the incentive fee, which has a calculated value of \$379 million under the AMA.

### **Transaction Details**

The consummation of the Transaction will be subject to the approval of at least 66 2/3% of the votes cast by Unitholders at a special meeting of Unitholders and a majority of the votes cast by Unitholders other than DAM and other related parties. The Transaction is subject to other customary conditions, including regulatory approvals, and is expected to close in December 2019. The Transaction is not subject to a financing condition.

The Acquisition Agreement provides for, among other things, customary representations, warranties and covenants, including customary non-solicitation covenants from Dream Global and a "fiduciary out" that allows the Board to accept a superior proposal in certain circumstances. The Acquisition Agreement also provides for the payment of a termination fee to Blackstone and a reverse termination fee to Dream Global, if the Transaction is terminated in certain specified circumstances.

Dream Global has suspended its normal monthly distributions, effective following the payment on September 16, 2019 of its August distribution.

Dream Global intends to announce its intentions relating to its existing €375 million 1.375% Senior Notes due 2021 and €300 million 1.750% Senior Notes due 2026 (collectively, the "Notes") in due course, including (but not limited to) potentially repurchasing the Notes, pursuant to the change of control provisions included in the Notes, or otherwise.

The foregoing summary is qualified in its entirety by the provisions of the Acquisition Agreement, a copy of which will be filed on SEDAR at [www.sedar.com](http://www.sedar.com). Further information regarding the transaction will be included in the management proxy circular expected to be mailed to Dream Global unitholders in October 2019. Copies of the master acquisition agreement, separation agreement, management proxy circular and information statement will be available on SEDAR at [www.sedar.com](http://www.sedar.com). All references to "\$" in this press release are to Canadian dollars.

### **Board Recommendation and Fairness Opinions**

The Dream Global Board, after receiving the unanimous recommendation of the Special Committee and in consultation with its financial and legal advisors, has determined that the Transaction is in the best interests of Dream Global and fair and is recommending that Unitholders vote in favour of the Transaction.

TD Securities Inc. ("TD Securities") and National Bank Financial have provided fairness opinions to the Board that, based upon and subject to the assumptions and limitations described in their respective opinions, the consideration to be received by Unitholders, pursuant to the Transaction is fair, from a financial point of view, to such Unitholders (other than DAM and its affiliates).

The Special Committee also received the opinion of National Bank Financial to the effect that, as of the date of such opinion and based upon and subject to the various matters, limitations, qualifications and assumptions set forth therein, the aggregate amount to be paid in respect of the internalization of the REIT's management is fair, from a financial point of view, to the REIT.

### **Advisors**

TD Securities is acting as financial advisor to Dream Global in connection with the Transaction. Osler, Hoskin & Harcourt LLP and Greenberg Traurig Germany LLP are acting as legal counsel to Dream Global in connection with the Transaction. National Bank Financial is acting as financial advisor to the Special Committee. Goodmans LLP is acting as legal counsel to the Special Committee in connection with the Transaction.

RBC Capital Markets, BNP Paribas, and Deutsche Bank Securities Inc. are acting as financial advisors to Blackstone. Davies Ward Phillips & Vineberg LLP and Simpson Thacher & Bartlett LLP are acting as legal counsel to Blackstone.

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

Dream Global is an owner and operator of a diversified high-quality portfolio of office and industrial properties located in key markets in Western Europe with a focus on Germany and the Netherlands. The REIT's in-house platform comprises over 140 local leasing, property management, asset management and development professionals operating out of 13 offices in Europe and North America. For more information, please visit <http://www.dream.ca/global>.

## **About Blackstone**

Blackstone is one of the world's leading investment firms. Blackstone seeks to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which Blackstone operates. Blackstone's businesses, with \$545 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis.

## **Non-GAAP Measures**

Included in this press release are references to EPRA net asset value which is a non-GAAP measure that is not defined by International Financial Reporting Standards ("IFRS"), does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The REIT has presented such non-GAAP measures as management of the REIT believes they are relevant measures of the REIT's underlying operating performance.

## **EPRA Net Asset Value**

The European Public Real Estate Association ("EPRA") is a not-for-profit association based in Brussels that represents the interests of both listed real estate companies in Europe as well as investors. EPRA is committed to the transparency, comparability, consistency and relevance of published results for European listed companies. The REIT presents its metrics in accordance with the Best Practices Recommendations provided by EPRA.

The EPRA NAV calculation is used to present net asset value on a consistent, comparable basis and to present the fair value of net assets on an ongoing, long-term basis. EPRA NAV makes certain adjustments to equity to exclude certain items not expected to crystallize in a long-term investment property business model such as deferred tax assets (liabilities) and mark-to-market adjustments on financial instruments. It is a non-GAAP measurement and is an important measure used by Dream Global in evaluating the REIT's performance; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts. EPRA net asset value per unit is calculated as EPRA net asset value divided by the total number of units outstanding.

## **Forward-Looking Statements**

Certain statements in this news release may constitute "forward-looking information" within the meaning of applicable securities laws (also known as forward-looking statements). Forward-looking information involves known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information. Forward-looking information generally can be identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "feel", "intend", "may", "plan", "predict", "project", "subject to", "will", "would", and similar terms and phrases, including references to assumptions. Some of

the specific forward-looking statements in this news release include, but are not limited to, statements with respect to: the Transaction and the terms thereof and the expected date of completion of the Transaction. There can be no assurance that the proposed Transaction will be completed or that it will be completed on the terms and conditions contemplated in this news release. The proposed Transaction could be modified or terminated in accordance with its terms.

Forward-looking information is based on a number of key expectations and assumptions made by Dream Global including, without limitation: the Transaction will be completed on the terms currently contemplated; the Transaction will be completed in accordance with the timing currently expected; all conditions to the completion to the Transaction will be satisfied or waived and the Acquisition Agreement will not be terminated prior to the completion of the Transaction; and assumptions and expectations related to premiums to the trading price of Units and returns to Unitholders. Although the forward-looking information contained in this news release is based on what Dream Global's management believes to be reasonable assumptions, Dream Global cannot assure investors that actual results will be consistent with such information.

Forward-looking information is provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward looking information involves significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking information. Those risks and uncertainties include, among other things: the Transaction may not be completed on the terms, or in accordance with the timing, currently contemplated, or at all; Dream Global has incurred expenses in connection with the Transaction and will be required to pay for those expenses regardless of whether or not the Transaction is completed; and Dream Global and Blackstone may not be successful in satisfying the conditions to the Transaction. Additional information about risks and uncertainties related to Dream Global is contained in Dream Global's Annual Information Form for the year ended December 31, 2018 and in Dream Global's Management's Discussion and Analysis dated August 8, 2019, both of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking information contained herein represents Dream Global's expectations as of the date of this news release, and is subject to change after this date. Dream Global assumes no obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

## **For Further Information**

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### **Dream Global Unitholders**

Kingsdale Advisors is acting as the Company's strategic unitholder and proxy solicitation advisor.

Unitholders who have questions or need assistance, can contact Kingsdale toll-free at [1.888.370.3955](tel:1.888.370.3955),

collect at [1.416.867.2272](tel:1.416.867.2272) or via email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

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