



DREAM INDUSTRIAL REIT ANNOUNCES \$200 MILLION PUBLIC EQUITY OFFERING

This news 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.

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TORONTO, February 3, 2020, DREAM INDUSTRIAL REIT (DIR.UN-TSX) (“Dream Industrial REIT” or the “Trust”) today announced that it has entered into an agreement to sell, on a bought deal basis, 14,660,000 units of the Trust (“Units”) at a price of \$13.65 per Unit (the “Issue Price”) to a syndicate of underwriters led by TD Securities Inc. (the “Underwriters”) for total gross proceeds of approximately \$200 million (the “Offering”). In addition, the Trust has granted the Underwriters an over-allotment option to purchase up to an additional 2,199,000 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 \$230 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 February 12, 2020.

The Trust intends to use the net proceeds from the Offering, together with cash on hand: (i) to fund a portion of the purchase price for the Trust’s previously announced acquisition of €224 million (\$327 million) of light industrial and logistics assets in Germany and the Netherlands, (ii) to fund a portion of the Trust’s previously announced \$170 million of Canadian acquisitions, primarily in the Greater Toronto Area, (iii) to repay indebtedness, including approximately \$200 million of Canadian mortgage debt as part of the previously announced strategy to reduce the Trust’s overall cost of debt, and (iv) for general trust purposes.

The Trust has identified approximately \$200 million of its existing Canadian mortgage debt, currently bearing interest at an average rate of 3.6%, with an average remaining term of 2.6 years and yield maintenance costs of approximately \$3 million, which it intends to prepay to realize immediate interest cost savings. This will immediately improve the Trust’s capital structure by increasing its pool of unencumbered assets by approximately \$440 million and help support the Trust’s pursuit of an investment grade credit rating in 2020. Further, the Trust intends to obtain new Euro-denominated financing up to 100% of the value of its European asset base at attractive rates, currently estimated by the Trust to be in the range of 1.30% to 1.50% over a five-year term. The previously announced acquisitions in Germany and the Netherlands are expected to be immediately accretive to our funds from operations (FFO), and the implementation of our debt strategy outlined above on these acquisitions is expected to be accretive to our FFO by approximately \$0.02-\$0.03 per unit on an annualized basis, without increasing overall leverage¹. This strategy will enable the Trust to optimize its capital structure and reduce its overall cost of debt over time.

In addition to the previously announced \$170 million of acquisitions in Canada, the Trust is in negotiations on another \$100 million of acquisitions, predominantly in the Greater Toronto Area.

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 February 5, 2020 with the securities commissions and other similar regulatory authorities in each of the provinces of Canada.

¹ FFO (funds from operations) is a non-GAAP measure. The Trust reconciles FFO to net income (loss), as net income (loss) is the most comparable GAAP measure to FFO. The expected accretion to net income (loss) on a per unit basis is the same as the expected accretion to FFO on a per unit basis. For a general discussion of FFO, including a reconciliation to net income (loss) for the applicable period, see the Trust’s management’s discussion and analyses available on SEDAR.

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 REIT

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. As at September 30, 2019, excluding assets held for sale, Dream Industrial REIT owned and operated a portfolio of 209 geographically diversified light industrial properties comprising approximately 21.8 million square feet of gross leasable area in key markets across North America. Its objective is to grow and upgrade the quality of its portfolio and to provide stable and sustainable cash distributions to its unitholders. For more information, please visit www.dreamindustrialreit.ca.

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 Trust’s intention to repay approximately \$200 million of its Canadian mortgage debt; the expectation that such prepayment will realize immediate interest cost savings and improve the Trust’s capital structure by increasing its pool of unencumbered assets by approximately \$440 million and help support the Trust’s pursuit of an investment grade credit rating in 2020; the Trust’s intention to obtain new Euro-denominated financing of up to 100% of the value of its European asset base at attractive rates and the estimated interest rates relating to such financing over a five-year term; expectations regarding accretion to FFO and net income (loss); the statement that the Trust’s debt strategy will enable the Trust to optimize its capital structure and reduce its overall cost of debt over time; 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; 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; the risk that the Trust may not be able to obtain some or all of the Euro-denominated financing it intends to obtain, or that it may take longer than anticipated to obtain such financing, or that the interest rates for such financing may be higher than the estimated range or that the terms of such financing may be less favourable than anticipated; the risk that the actual accretion to FFO and net income (loss) as described in this press release may differ from what the Trust has estimated; 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 the European markets that we are entering, including that the general economy remains stable, interest rates remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. 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.

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