

# DURUM

## INDUSTRIAL REIT

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## Q3 NEWSLETTER

AS AT SEPTEMBER 30, 2018

### ABOUT

Durum Industrial REIT (the "REIT") was formed on January 30, 2017 with the objective of maximizing value for unit holders through the acquisition, and operation, of a diverse portfolio of industrial properties.

All reference should be made to the Durum industrial REIT Offering Memorandum dated April 30, 2018.

### FUND HIGHLIGHTS

**\$10.2** Million Capital Raised in the Trust

**\$12.2** Million Invested by Management & Directors

**>450** Registered Investors

**\$204** Thousand Q3 Distributions paid to Trust investors on September 30, 2018

This is not a formal offering document. Prospective purchasers of this investment opportunity will be provided with a formal Offering Memorandum and will need to be qualified for investment prior to making any investment. No person has been authorized to give any information or to make any representation not contained in the formal Offering Memorandum. No securities regulatory authority or regulator has assessed the merits of the proposed offering or reviewed the formal Offering Memorandum. This investment opportunity is speculative and involves a high degree of risk. There is a risk that any investment made will be lost entirely or in part. Only prospective investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider this investment. This document also contains reference to certain non-GAAP measures which are not defined under IFRS nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance of the REIT calculated in accordance with IFRS. Please refer to the Offering Memorandum of the REIT, and the marketing materials incorporated by reference (including this newsletter), for further information.

For more information, please contact your Authorized Dealing Representative.

### PROPERTY PORTFOLIO HIGHLIGHTS

APRIL 30, 2018

**7** Properties Acquired

**82.04** Total Acres of Land

**173,638** SF Leasable Building Space

**\$49.5** Million Total Asset Value<sup>1</sup>

**\$3.68** Million Net Operating Income

SEPTEMBER 30, 2018

**8** Properties Acquired

**82.3** Total Acres of Land

**179,918** SF Leasable Building Space

**\$50.2** Million Total Asset Value<sup>1</sup>

**\$3.56** Million Net Operating Income<sup>2</sup>

1. The acquisition of the properties has been financed through a combination of debt and equity. Please refer to the Offering Memorandum of the REIT, and the marketing materials incorporated by reference, for further information.  
2. Net Operating Income has been reduced to reflect the updated lease on the Blackfalds property which came into effect September 1, 2018.



### PROPERTY SPOTLIGHT: CLAIRMONT PROPERTY (2)

**INCREASED PROPERTY VALUE** Located within Westmount North Industrial Park, Clairmont Property (2) is comprised of both warehouse and office space. The current lease on the property was negotiated in 2017 and extends to June of 2022. Upon acquisition in May of 2017, the appraised value of the property was \$5,835,000. In March of 2018, an appraisal was obtained from Colliers International Realty Advisors which valued the property at \$6,400,000, representing a 9.7% increase in fair value when compared to one year prior.

### PROSPECTIVE ACQUISITIONS

With portfolio growth remaining a top priority of the REIT, Management has continued to maintain a strong pipeline of prospective acquisitions focused on geographic and tenant diversification. Our approach has been to send more offers than we intend to close on to ensure deal flow remains strong. Offers are generally sent in the form of non-binding letters of intent ("LOIs"). Once accepted by both parties, those LOIs are moved to negotiation on a Purchase & Sales Agreement ("PSA"). Due diligence on the property occurs at the PSA stage, and the prospective acquisition must pass the due diligence process and receive board approval before moving to close.

**SIGNED PSAS<sup>1</sup>**

**4** SINGLE TENANT PROPERTIES

**OFFER PRICE** **\$14.6** MILLION  
**TOTALLING**

**\$1.22** ANNUAL RENTAL INCOME  
**MILLION**

1. It can not be guaranteed that all signed PSAs will lead to acquisition. The annual rental income and purchase price are subject to further review and may change.