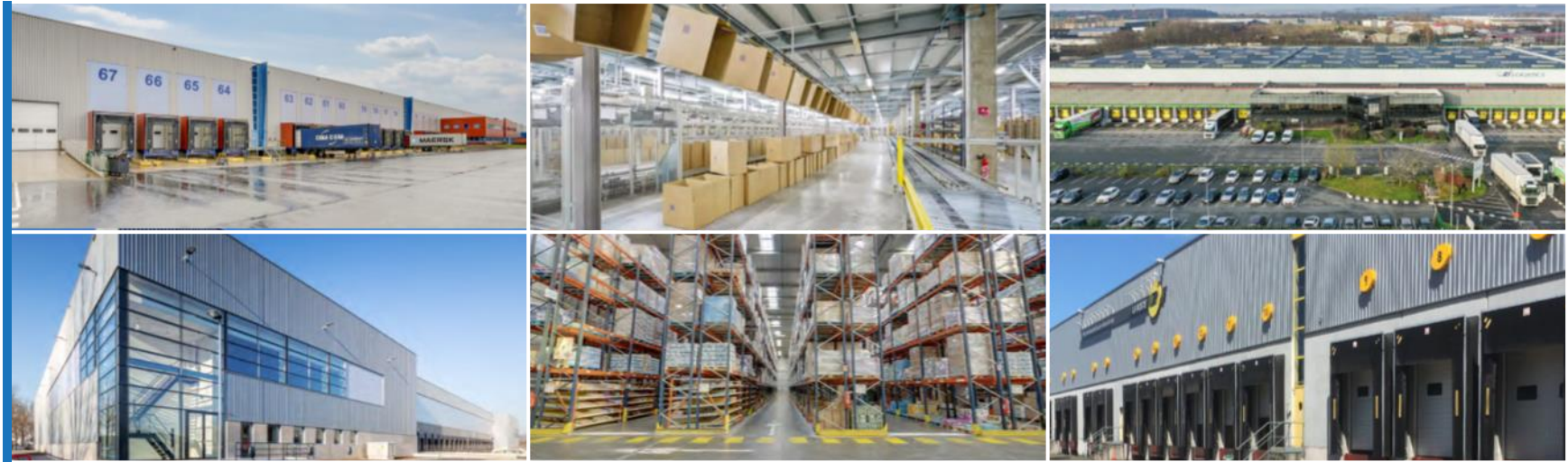


# Dream Industrial REIT

## Pan-European Portfolio Summary



## Disclaimer

*This document 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”, “would”, “could”, “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 document may include, among other things, the fact that the portfolio would transform DIR into a \$5 billion global logistics REIT with an institutional quality portfolio and significantly enhanced scaled in key European markets; the development and expansion opportunity on the portfolio and potential yield on incremental development cost of over 7%; the expected purchase price for the acquisition; the expected blended yield including the development and rent growth potential in the high 4% range; the opportunity to refinance select mortgages; the strong income growth potential with in-place rents at more than 10% below market on average; the intensification potential for over 1.1 million square feet, of which approximately 90% is in the near term; the fact that the acquisition would enhance scale, portfolio quality, diversification and growth opportunity in key markets with strong fundamentals; the fact that the transaction provides DIR an opportunity to effectively deploy its balance sheet capacity; the fact that the transaction would expand and enhance DIR’s European asset management and leasing platform and enhance financial returns, competitiveness and ability to capitalize on future growth opportunities; the fact that the transaction would add >50% to DIR’s existing development pipeline, representing significant value creation; the opportunities to expand the existing development program; the fact that the acquisition would expedite DIR’s goal of becoming the premier investment vehicle for TSX investors to access a European logistics portfolio of quality and deliver on its expansion strategy and become a \$5 billion industrial REIT; and the statements expressed by the CEO of DIR. 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 DIR’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; fulfillment or waiver of all outstanding conditions precedent to closing of the acquisition; completion of the acquisition; 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 DIR’s actual capital structure, overall cost of debt and results of operations to differ from what DIR 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 DIR’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 document. DIR 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 DIR’s filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at DIR’s website at [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca).*

*This document also contains certain third-party information, including industry information in the applicable real estate markets. While we are not aware of any misstatements regarding any third-party information presented in this document, this information is subject to risks and uncertainties and is subject to change based on various factors. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information.*

**8.9M SF**

Total GLA

**1.1M SF**

Intensification potential on  
excess land

**287,000 SF**

Average building size

**5.3 years**

WALT

**100%**

Occupancy

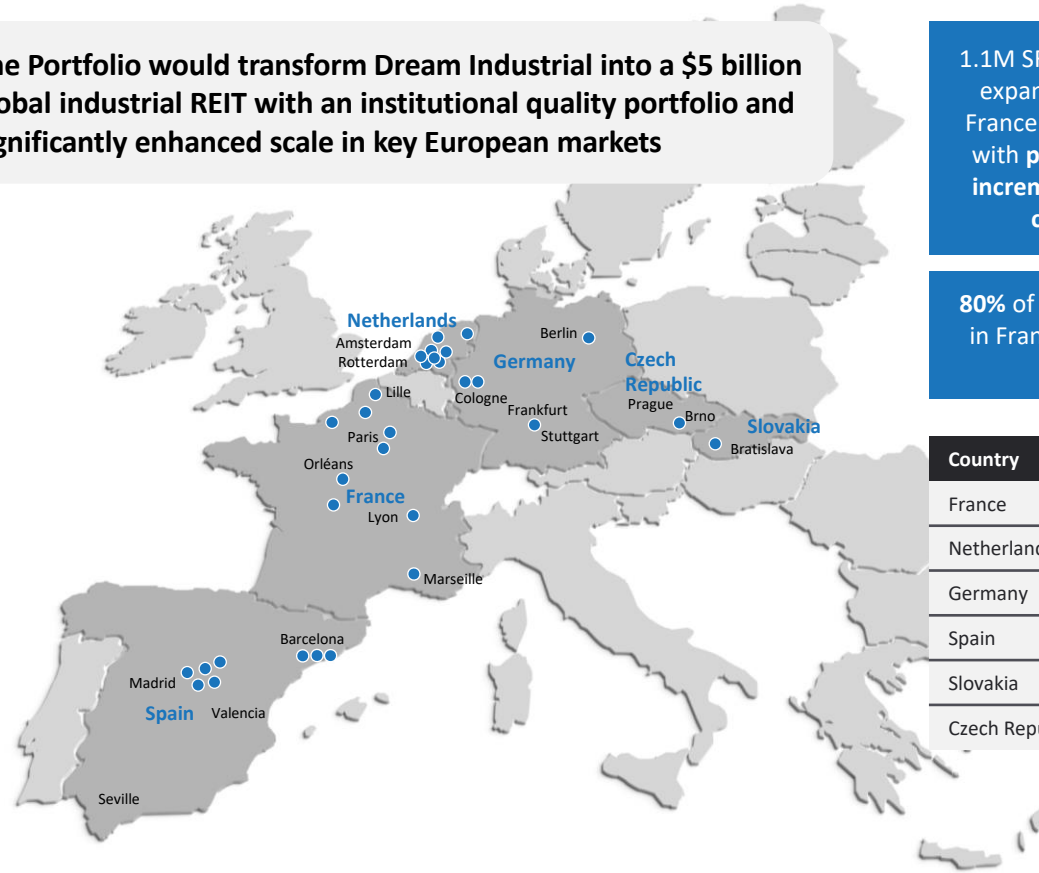
**34.5 ft**

Average clear height

The Portfolio would transform Dream Industrial into a \$5 billion global industrial REIT with an institutional quality portfolio and significantly enhanced scale in key European markets

1.1M SF of development and expansion opportunity in France and the Netherlands with **potential for yield on incremental development cost of over 7%**

**80%** of income concentrated in France, Netherlands and Germany



Country	Assets	GLA
France	9	3.5M
Netherlands	8	2.0M
Germany	4	1.0M
Spain	8	1.4M
Slovakia	1	0.5M
Czech Republic	1	0.5M

**Unique Portfolio of Scale in Europe**

- Rare opportunity to acquire an ~€880M (\$1.3B) **institutional, pan-European logistics portfolio**
  - Expected purchase price implies a going in cap rate in the low 4% range, inclusive of excess land
  - **Expected blended yield including the development and rent growth potential in the high 4% range**

**Favourable Financing**

- Existing property debt of ~\$500M with a weighted average cost of 1.3%
  - **Opportunity to refinance select mortgages with longer term, unsecured debt, which after swapping to euros and based on current all-in rates is expected to be approximately 70 bps**

**Outstanding Logistics Facilities**

- 31 modern, flexible logistics facilities, **well suited to capitalize on strong forecast demand growth**
- The buildings are well suited to adapt to the rapid growth in demand for flexible logistics space fit for e-commerce, retail, third-party logistics and other logistics uses

**Core Market Exposure**

- **80% of income from 3 of top 4 industrial markets in Europe (Germany, France, Netherlands)**
- Excellent exposure to major logistics hubs including Berlin, Paris, Lyon, Amsterdam and Madrid

**Strong & Diversified Tenant Base**

- Diverse, institutional occupier base with 50% exposure to food distribution and third-party logistics
- Staggered lease maturities with a WALT of 5.3 years
- Strong income growth potential with **in-place rents estimated to be on average 10% below market**

**Development Opportunities**

- **Significant excess land component on five properties offers intensification potential for over 1.1 million square feet, of which approximately 90% is in the near term**
- The development opportunity represents approximately 13% of the Portfolio GLA

**Secure Cash Flow**

- Attractive cash flow, underpinned by long-term institutional leases to strong credit tenants
- The Portfolio has an **excellent track record of high tenant retention and robust income growth**
- 100% rent collection achieved in 2020

**Transformational Transaction**

- A transformational deal for DIR that would **enhance scale, portfolio quality, diversification and growth opportunity in key markets with strong fundamentals**
- Transaction would provide DIR an opportunity to effectively deploy its balance sheet capacity

**Expand European Platform**

- Would expand and enhance European **asset management and leasing platform**
- Would enhance financial returns, competitiveness and ability to capitalize on future growth opportunities

**Development Program**

- **Would add > 50% to existing development pipeline**, representing significant value creation potential
- Greater balance sheet scale would provide opportunities to **expand existing development program**

**Optimize Capital Structure**

- Low interest rates throughout Europe **transform debt composition and reduce overall cost of debt**
- Maintain leverage within previously communicated target range of mid to high 30%

**Execute on Growth Strategy**

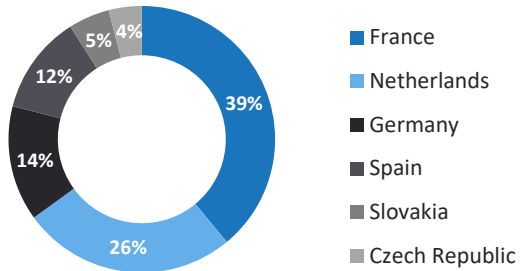
- Acquisition would expedite DIR's goal of becoming the **premier investment vehicle for TSX investors to access a European logistics portfolio of quality** in addition to its primarily Canadian portfolio
- Would deliver on communicated expansion strategy and become **a \$5 billion industrial REIT**

*“We believe this portfolio would enhance Dream Industrial REIT’s European industrial platform by adding excellent assets in our existing markets and entering new target markets. With increased scale, we would expand our capabilities into new markets and add more development opportunities. With the larger asset base and enhanced platform, we can pursue investment and asset management opportunities that are of higher quality and can deliver higher returns. We believe the exceptional quality and location of these properties, paired with an attractive going-in cap rate, embedded strong organic growth and development pipeline provide a compelling risk-adjusted return relative to comparable income producing acquisition opportunities in North America. When paired with our debt strategy and ability to obtain leverage at approximately 70 bps on a swapped basis, this acquisition provides an exceptional opportunity for Dream Industrial REIT to deliver strong growth in FFO and net asset value per unit for our unitholders.”*

— Brian Pauls, CEO of Dream Industrial REIT

# of Assets: <b>31</b>	# of Tenants: <b>33</b>	WALT: <b>5.3 years</b>
In-place Rent: <b>&lt;€4 / m<sup>2</sup> / month</b>	Market Rent Spread: <b>10%+</b>	Average Year Built: <b>2006</b>

Income Breakdown by Country



	Avg Building Size	Avg Tenant Size	Clear Height	Occupancy	Dev. Pipeline
Acquisition Portfolio	287,000 SF	270,000 SF	34.5 ft	100%	1.1M SF
Current Portfolio <sup>1</sup>	103,000 SF	26,000 SF	25.4 ft	97.2%	~2.0M SF

<sup>1</sup> – Includes acquisitions closed since Q1-2021

The Acquisition Portfolio compares favorably to the current portfolio across all key metrics

**Q1 2021: Dream Industrial**

GLA: 29M SF

WALT: 4.2 years

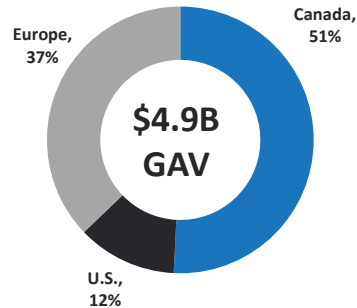
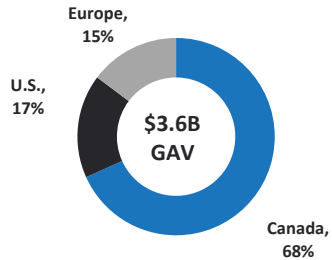
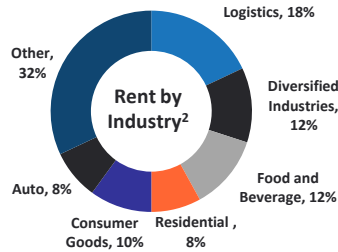
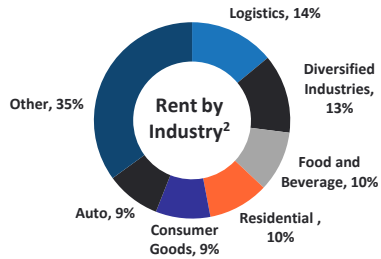
Occupancy: 97.2%

**Pro Forma<sup>1</sup>**

GLA: 38M SF

WALT: 4.5 years

Occupancy: 97.9%



The Acquisition Portfolio would increase European scale and exposure to high-quality markets

1 – Pro forma Portfolio acquisition and other acquisitions closed since Q1-2021

2 – Other includes 16 other industries

3 – DIR locations are illustrative for location and does not encompass all assets the Trust owns



**Brebières – France**

GLA **809,000 SF**

Constructed **2010**

Clear Height **39.4 ft**

Tenant Type **Food Distribution**



**Bretigny sur Orge – France**

GLA **334,000 SF**

Constructed **1992**

Clear Height **37.7 ft**

Tenant Type **Food Distribution**



**Lyon – France**

GLA **244,000 SF**

Constructed **2012**

Clear Height **32.8 ft**

Tenant Type **Third Party Logistics**



**Poitiers – France**

GLA **402,000 SF**

Constructed **2008**

Clear Height **32.8 ft**

Tenant Type **Automotive**



**Alkmaar – Netherlands**

GLA **138,000 SF**

Constructed **2017**

Clear Height **37.7 ft**

Tenant Type **Third Party Logistics**



**Berkel en Rodenrijs – Netherlands**

GLA **283,000 SF**

Constructed **2004/2018**

Clear Height **28.5 ft**

Tenant Type **Food Distribution**



**Bleiswijk – Netherlands**

GLA **225,000 SF**

Constructed **2018**

Clear Height **34.5 ft**

Tenant Type **Food Distribution**



**Utrecht – Netherlands**

GLA **183,000 SF**

Constructed **2019**

Clear Height **40.0 ft**

Tenant Type **Food Distribution**





**Offenau – Germany**

GLA	<b>182,000 SF</b>
Constructed	<b>1999/2000</b>
Clear Height	<b>26.2</b>
Tenant Type	<b>Third Party Logistics</b>



**Wermelskirchen – Germany**

GLA	<b>435,000 SF</b>
Constructed	<b>1998/2005</b>
Clear Height	<b>31.8 ft</b>
Tenant Type	<b>DIY Retail</b>



**Berlin – Germany**

GLA	<b>211,000 SF</b>
Constructed	<b>2010/2012</b>
Clear Height	<b>39.0 ft</b>
Tenant Type	<b>Food Distribution</b>



**Azuqueca de Henares – Spain**

GLA	<b>61,000 SF</b>
Constructed	<b>1999/Refurbished 2018</b>
Clear Height	<b>32.8 ft</b>
Tenant Type	<b>Third Party Logistics</b>



**Camino Alovera, Cabanillas del Campo – Spain**

GLA	<b>78,000 SF</b>
Constructed	<b>2005</b>
Clear Height	<b>39.4 ft</b>
Tenant Type	<b>Consumer Products</b>



**Torija – Spain**

GLA	<b>273,000 SF</b>
Constructed	<b>2006/Refurbished 2017</b>
Clear Height	<b>37.7 ft</b>
Tenant Type	<b>DIY Retail</b>



**Pohořelice – Czech Republic**

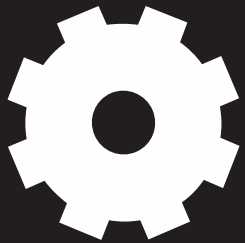
GLA	<b>478,000 SF</b>
Constructed	<b>1970/1996/2006</b>
Clear Height	<b>32.8 ft– 45.9 ft</b>
Tenant Type	<b>Third Party Logistics</b>



**Dunjaska Streda – Slovakia**

GLA	<b>597,000 SF</b>
Constructed	<b>2016 (Phase I) / 2018 (Phase II)</b>
Clear Height	<b>39.4 ft</b>
Tenant Type	<b>Other Retail</b>

# Market Overviews



France

- ✓ France is the third largest and one of the most mature logistics occupier markets in Europe
- ✓ A bridge between northern and southern Europe and a gateway to the United Kingdom, France is a strategic location for pan-European distribution
- ✓ Market has recently seen increased demand from e-commerce, particularly in the Paris region
- ✓ Vacant logistics space in France was just 26.9M SF (5.75%) in Q4 2020, with ready-to-occupy supply covering approximately eight months of 2020's take-up

**3.75%**

Prime  
yield

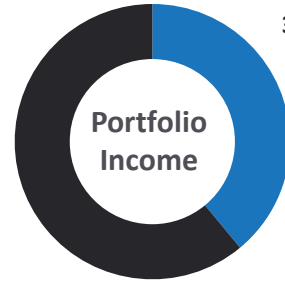
**€4.4b**

Investment  
volume

**5.8%**

Vacancy  
Rate

Portfolio Statistics



39%

**9** assets  
**10** tenancies  
**100%** occupancy  
**5.1** WALT  
**3.5M** SF GLA



## The Netherlands

- ✓ Fourth largest occupier market in Europe which has a strong and mature logistics sector
- ✓ The low vacancy rate of 4.7% and downward pressure on prime yields is a result of ongoing strong demand for quality logistics
- ✓ Average prime rents in the Netherlands have increased 27% since 2016 to reach €70 per m<sup>2</sup> in Q4 2020
- ✓ Total industrial and logistics investment volumes in the Netherlands has increased from just €0.3bn in 2010 to a new record of €4.0bn in 2020

**3.60%**

Prime  
yield

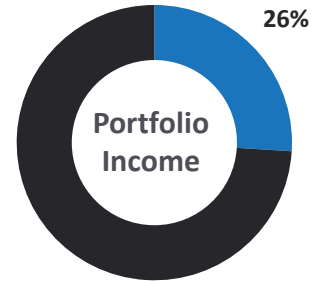
**€4.0b**

Investment  
volume

**4.7%**

Vacancy  
Rate

## Portfolio Statistics



**8** assets  
**8** tenancies  
**100%** occupancy  
**6.7** WALT  
**2.0M** SF GLA



## Germany

- ✓ Supported by the world's fourth largest economy, Germany is Europe's leading logistics market
- ✓ On top of the strength of both domestic and export industry, domestic demand for logistics space has grown significantly with the shift to e-commerce
- ✓ Urban logistics markets characterized by significant excess demand and a lack of space
- ✓ Significant rental growth in recent years is expected to continue in near term due to lack of supply
- ✓ Investment volumes in the German Logistics increased 12% from 2019 to 2020

**3.40%**

Prime  
yield

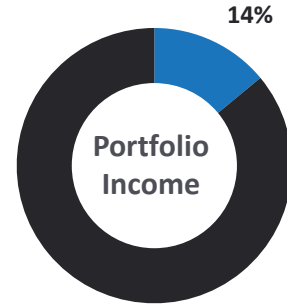
**€7.8b**

Investment  
volume

**2.6%**

Vacancy  
Rate

## Portfolio Statistics



14%

**4 assets**  
**5 tenancies**  
**100% occupancy**  
**4.6 WALT**  
**1.0M SF GLA**

