dream
industrial REIT

Dream Industrial REIT

Q3 Report 2022

Table of Contents

Management’s discussion and analysis

All dollar amounts in our tables are presented in thousands of Canadian dollars, except for per square foot amounts, per Unit amounts, or unless otherwise stated.

SECTION I

KEY PERFORMANCE INDICATORS

Performance is measured by these and other key indicators:

	As at		
	September 30, 2022	December 31, 2021	September 30, 2021
Total portfolio			
Number of assets(1)(2)	**258**	239	221
Investment properties fair value	**$ 6,509,557**	$ 5,696,607	$ 5,048,986
Gross leasable area (“GLA”) (in millions of sq. ft.)(2)	**46.5**	43.0	39.8
Occupancy rate – in-place and committed (period-end)(3)	**99.0%**	98.2%	98.0%
Occupancy rate – in-place (period-end)(3)	**97.3%**	97.7%	97.6%
Average in-place and committed base rent per sq. ft. (period-end)(4)			
Canadian portfolio	**$ 8.24**	$ 7.87	$ 7.78
European portfolio (€)	**€ 5.10**	€ 4.72	€ 4.55
Estimated market rent to in-place and committed base rent spread (%) (period-end)(4)			
Canadian portfolio	**42.1%**	24.4%	22.4%
European portfolio	**6.9%**	6.8%	7.5%
Weighted average lease term (“WALT”) (years)(4)	**4.7**	4.6	4.4

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	**September 30, 2022**	September 30, 2021
Operating results				
Net rental income	**$ 71,997**	$ 59,710	**$ 206,039**	$ 157,467
Comparative properties net operating income (“NOI”) (constant currency basis)(3)(5)	**60,333**	55,755	**128,430**	116,712
Net income	**125,663**	162,815	**740,032**	418,374
Funds from operations (“FFO”)(5)	**60,897**	50,517	**176,460**	124,583
Per Unit amounts				
FFO – diluted(6)(7)	**$ 0.22**	$ 0.22	**$ 0.66**	$ 0.60
Distribution rate	**$ 0.17**	$ 0.17	**$ 0.52**	$ 0.52

			As at
	September 30, 2022	December 31, 2021	September 30, 2021
Financing			
Credit rating – DBRS	**BBB (mid)**	BBB (mid)	BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio(6)	**29.2%**	31.6%	32.9%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(6)	**7.8**	8.0	8.0
Interest coverage ratio (times)(6)	**13.4**	8.0	6.2
Weighted average face interest rate on debt(8)	**1.14%**	0.83%	0.86%
Weighted average term to maturity on debt (years)	**3.0**	3.8	3.9
Secured debt as a percentage of total assets(9)	**7.0%**	9.3%	10.8%
Unencumbered investment properties as a percentage of investment properties(9)	**78.2%**	72.9%	67.4%
Cash and cash equivalents	**$ 60,091**	$ 164,015	$ 87,281
Available liquidity(5)	**$ 346,019**	$ 511,612	$ 434,809
Capital			
Total equity (per condensed consolidated financial statements)	**$ 4,477,839**	$ 3,499,423	$ 3,015,821
Total equity (including LP B Units)(5)	**$ 4,676,900**	$ 3,818,886	$ 3,316,361
Total number of Units (in thousands)(10)	**274,335**	252,417	230,845
Net asset value ("NAV") per Unit(6)	**$ 17.05**	$ 15.13	$ 14.37
Unit price	**$ 10.73**	$ 17.22	$ 16.20

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another attracting similar tenants.

(2) Includes the Trust's owned and managed properties as at September 30, 2022, December 31, 2021 and September 30, 2021. Managed properties include U.S. assets in a private U.S. industrial fund (the "U.S. Fund") for which the Trust provides property management, construction management and leasing services at market rates.

(3) Includes the Trust's share of equity accounted investment as at September 30, 2022, December 31, 2021 and September 30, 2021.

(4) Excludes the Trust's share of equity accounted investment as at September 30, 2022, December 31, 2021 and September 30, 2021.

(5) Comparative properties NOI (constant currency basis), FFO, available liquidity, and total equity (including LP B Units) are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information about these non-GAAP financial measures.

(6) Diluted FFO per Unit, net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years), interest coverage ratio (times), and NAV per Unit are non-GAAP ratios. See the "Non-GAAP Ratios" section for additional information about these non-GAAP ratios.

(7) See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for additional information about diluted amounts per Unit under the heading "Weighted average number of Units".

(8) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt, including the impact of cross-currency interest rate swaps as at period-end.

(9) Secured debt as a percentage of total assets and unencumbered investment properties as a percentage of investment properties are supplementary financial measures. See "Supplementary Financial Measures and Ratios and Other Disclosures" for a description of these supplementary financial measures.

(10) Total number of Units includes 18.6 million LP B Units that are classified as a liability under IFRS.

BUSINESS UPDATE

Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT" or the "Trust") continued to execute on the growth opportunities embedded within its portfolio. The Trust's low leverage and opportune capital raises in early 2022 allowed it to complete approximately $499 million of acquisitions through September 30, 2022, with an additional $66.5 million acquisition that closed in October 2022. The strong leasing momentum, organic growth and execution of its debt strategy allowed the Trust to generate 8.2% year-over-year comparative properties NOI (constant currency basis) growth and 6.9% normalized year-over-year FFO per Unit growth in Q3 2022, after excluding $1.1 million of lease termination fees and $1.7 million of one-off administrative fee revenue earned in the prior year comparative quarter, while growth in net rental income were 20.6% and 30.8%, respectively.

The Trust ended the quarter with approximately $346 million of available liquidity, a net total debt-to-total assets (net of cash and cash equivalents) ratio of 29.2% and cash and cash equivalents of $60.1 million. Subsequent to the quarter, in October 2022, the Trust upsized its unsecured credit facility to $500 million with an additional $250 million accordion, providing additional liquidity and financial flexibility and the ability to capitalize on strategic investment opportunities.

Operations update

Robust leasing momentum at attractive rental spreads – Since the end of Q2 2022, the Trust has signed approximately 2.6 million square feet of new leases and renewals at an average spread of 38.6% over prior or expiring rents.

- In Canada, the Trust signed approximately 1.5 million square feet of leases at an average spread of 60.3%; and
- In Europe, the Trust signed approximately 1.1 million square feet of leases at an average spread of (1.5)%. In Blois, France, the Trust signed a deal for a 467,000 square feet space with a global logistics company. The building was acquired as part of the acquisition of the Trust's Pan-European logistics portfolio at the end of the second quarter of 2021. The Trust identified during its underwriting that it would get the space back and that the in-place rent was above market. Although the Trust achieved a rental rate above its underwriting, this new lease resulted in overall spreads being negative at (1.5)%. Excluding this deal, the Trust's rental spread in Europe would be nearly 6% for Q3 2022.

The Trust has provided a summary of its recent leasing highlights below:

a. In Germany, the Trust finalized the lease-up of a 241,000 square feet expansion that is currently under construction in Dresden. The term of the lease-up will commence in January 2023.

b. In Ontario, the Trust signed a 180,000 square feet renewal at a property in Etobicoke where the Trust more than tripled the rental rate to $15.50 per square feet with 4.25% contractual rent growth.

c. In Québec, the Trust signed a lease for the 120,000 square feet expansion under construction in Montréal, expanding the existing tenant and extending the term on the current 206,000 square feet lease to be co-terminus with the new space. On the extended lease, the Trust achieved a 55% spread to the expiring rent. The term for the expansion will commence in May 2023. The Trust achieved a 4% contractual rent growth for both the new lease and the extension.

d. The Trust signed a lease for the 96,000 square feet phase two expansion at the Marie-Curie property in Montréal while achieving a 30% premium to the rental rate for the first expansion. The term of the lease will commence in January 2023.

e. In Western Canada, the Trust signed a 10-year renewal for a 275,000 square feet space, the Trust’s largest property in Regina, while achieving a 2% contractual rent growth.

In addition to strong rental spreads, the Trust continues to add contractual rent growth to its leases. In its Canadian portfolio, the current leases have embedded contractual rent growth of over 2.5% annually. In the Trust’s European portfolio, approximately 90% of the leases are indexed to the consumer price index (“CPI”).

The Trust expects to achieve strong rental rate growth over time as it sets rents on expiring leases to market, as market rents continue to increase across the Trust’s operating markets. During the quarter, the estimated market rent of properties in the Trust’s portfolio increased by 18.5% compared to September 30, 2021, and 2.4% compared to June 30, 2022. As at September 30, 2022, estimated market rents exceed the average in-place base rent across the Trust’s portfolio by nearly 30%.

Continued growth in net rental income for the quarter and year-to-date – Net rental income for the three and nine months ended September 30, 2022 was $72.0 million and $206.0 million, respectively, representing an increase of $12.3 million or 20.6%, and $48.6 million or 30.8%, respectively, relative to the prior year comparative periods. Year-over-year net rental income increased by 44.1% in Ontario, 17.6% in Québec, 5.6% in Western Canada and 16.0% in Europe. The increase was mainly driven by strong comparative properties NOI (constant currency basis) growth in 2022 and the impact of acquired investment properties in 2022 and 2021.

Solid pace of comparative properties NOI (“CP NOI”) (constant currency basis) growth – CP NOI (constant currency basis) for the three and nine months ended September 30, 2022 was $60.3 million and $128.4 million, respectively. For the same periods in 2021, CP NOI (constant currency basis) was $55.8 million and $116.7 million, respectively. This represents an increase of 8.2% for the three months ended September 30, 2022 and 10.0% for the nine months ended September 30, 2022 compared to the prior year comparative periods.

The growth in CP NOI (constant currency basis) was led by a 16.9% and 14.3% year-over-year increase in CP NOI in Ontario for the three and nine months ended September 30, 2022, respectively. This was driven primarily by increasing rental spreads on new and renewed leases where the average in-place base rent increased by 10.5% and 9.2%, respectively, along with a 150 and 240 basis points (“bps”) increase in average occupancy, respectively, for the three and nine months ended September 30, 2022.

In Québec, year-over-year CP NOI (constant currency basis) growth was 10.2% and 12.8% for the three and nine months ended September 30, 2022, respectively. Higher rental rates on new and renewed leases and contractual rent step-ups resulted in an overall increase in average in-place rent by 6.5% and 7.4% for the three and nine months ended September 30, 2022, respectively. Furthermore, the recently completed phase one expansion at Marie-Curie contributed approximately $0.3 million of CP NOI (constant currency basis) for the quarter, and is not included in our year-to-date comparative portfolio as the property was acquired in Q1 2021.

In Europe, strong contractual rent growth and CPI indexation resulted in a 0.2% and 4.9% increase in in-place base rent which drove year-over-year CP NOI (constant currency basis) growth of 2.6% and 8.2% for the three and nine months ended September 30, 2022, respectively. The increase was driven by higher rental rates and and the impact of CPI indexation on leases. For the quarter, CPI indexation contributed approximately 2.4% increase in comparative properties NOI and 2.7% year-to-date. Additionally, $0.5 million of solar income was recognized during the quarter from completed projects in the Netherlands. This was slightly offset by the aforementioned transitory vacancy at our 600,000 square foot single tenant property in France, where the Trust signed a 467,000 square foot new lease that commenced in October 2022.

Strong rent collections – The Trust's portfolio has remained resilient and has collected over 97% of recurring contractual gross rent for Q3 2022. In addition, the Trust has collected substantially all of the contractual gross rent for 2021 and over 98% of contractual gross rent year-to-date in 2022.

Acquisitions, development and finance update

Acquisitions – During the quarter, the Trust completed the previously announced acquisitions of two income-producing assets totalling $37 million in Europe, and in October, closed a $67 million acquisition in the GTA. These acquisitions added approximately 0.5 million square feet to the portfolio.

Year-to-date, the Trust has acquired approximately $565 million of income producing assets that have added more than 2.6 million square feet of high-quality logistics space in land-constrained markets across Canada and Europe.

Development update – The Trust's development pipeline provides a significant opportunity to add high-quality assets in core markets at attractive economics to the Trust. The Trust has approximately 3.7 million square feet of development projects that are currently underway or in planning stages.

The Trust currently has 621,000 square feet of projects underway across the Greater Toronto Area ("GTA") and Greater Montréal Area. With a total expected cost of approximately $157 million, the Trust expects unlevered yield on development cost of approximately 6.8% upon completion. The Trust expects all of these projects to be completed in the next 9–12 months.

a. The eight-acre Abbotside site is attractively located in close proximity to Highway 410 in Caledon. The Trust is currently underway on the development of a 154,000 square foot logistics facility. Construction has commenced with completion targeted for the first half of 2023 and an estimated unlevered yield on cost of 7.3%.

b. The Trust has substantially completed the construction of a 241,000 square foot logistics facility in Germany, nearly doubling the site density at the property. During the quarter, the Trust signed leases with two tenants for the entire space commencing in January 2023 and achieved an unlevered yield on cost of 6.8%.

c. The Trust is under construction on a 120,000 square foot expansion of an existing building in Montréal. Construction completion is expected in the first half of 2023. During the quarter, the Trust finalized a lease for the entire expansion with the existing tenant at a starting rental rate of $14.00 per square foot with 4% annual contractual growth over the five-year term and an estimated unlevered yield on cost of 8.4%.

The Trust has an additional 1.6 million square feet of projects at its share that are in the final stages of planning with targeted completion in the coming two to three years. With a total estimated cost of approximately $345 million, the Trust expects an average unlevered yield on cost of approximately 6.0%.

In addition to the above projects, the Trust is in the preliminary stages of planning for approximately 0.9 million square feet of near-term expansion and redevelopment opportunities in Europe.

Capital strategy – The Trust continues to maintain significant financial flexibility as it executes on its strategy to grow and upgrade portfolio quality. The Trust's proportion of secured debt is 7.0% of total assets and represents approximately 24% of total debt (a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information), compared to 31.9% one year ago. Additionally, the Trust's unencumbered asset pool totalled $5.1 billion as at September 30, 2022, representing approximately 78% of the Trust's investment properties value as at September 30, 2022.

The Trust ended Q3 2022 with total available liquidity of $346 million including cash and cash equivalents of $60.1 million. In October 2022, the Trust further enhanced its liquidity by an additional $150 million with the upsize of its unsecured credit facility and extension of the term to 2026, with an additional $250 million accordion.

Environmental, social and governance ("ESG") update

The Trust continues to execute the initiatives and forward-looking plans that were set out in its 2020–2021 Sustainability Report, including expanding its renewable energy program, formalizing its approach to data collection, refining its Net Zero strategy, pursuing sustainable developments, and aligning with international ESG standards and frameworks.

The Trust has $12 million in capital investments committed to solar panels installations that are currently underway. In Europe, the Trust has completed construction on five solar projects in the Netherlands that are now producing renewable energy and generating revenue, and an additional three projects are expected to be complete by early 2023. These eight projects will result in the installation of 16,000 solar panels on more than 1 million square feet of GLA that are projected to generate over 7 megawatts ("MW") of renewable energy. In addition, nine new projects in the Netherlands are currently undergoing a feasibility assessment with the potential for an additional 40,000 solar panels. In Canada, one project is complete in Alberta and an additional six projects are nearing completion and are expected to commence generating renewable energy and revenue by the end of 2022. The projects in Canada will add 6,000 solar panels to the Trust's inventory and are expected to generate over 2.6 MW of renewable energy. In addition to a very active inventory of projects in execution and feasibility stages, the Trust is actively evaluating opportunities to expand its solar program into other regions in Canada and across Europe.

In June 2022, the Trust participated in its first GRESB Real Estate Assessment submission. The Trust has been able to leverage the larger platform of its asset manager and achieved full marks in areas of Leadership, Policies, Reporting, Targets and Data Monitoring and Review. GRESB is an industry-driven organization that is committed to assessing the ESG performance of real estate portfolios around the globe. Participation in the GRESB assessment provides the Trust with a globally recognized benchmark to evaluate the progression of its ESG strategy and targets, and the recent results validate the Trust's accomplishments to date.

The Trust continues to improve the energy efficiency of its portfolio by upgrading lighting to light emitting diodes ("LED"). In the quarter, over 200,000 square feet of interior lighting were upgraded, which contributes to reducing building emissions and operating costs.

The Trust recently issued its Net Zero by 2035 Action Plan with the Dream Group of Companies. As part of the Net Zero by 2035 commitment, the Trust has committed to net zero Scope 1 and 2 Greenhouse Gas ("GHG") emissions (operational and development) by 2035 and net zero select Scope 3 GHG emissions (operational) by 2050. The Trust continues to develop the targets and milestones, investment and emissions boundaries, delivery strategy and oversight of its commitment to the Net Zero Asset Managers initiative.

In alignment with its net zero target, the Trust is finalizing the building design and development plans for a redevelopment that is expected to receive Canada Green Building Council's ("CaGBC") Zero Carbon Building Standard certification upon completion. The Trust's inaugural net zero redevelopment is expected to commence later in 2022 and consists of a cluster of three buildings on a 10 acre site in the GTA that will be redeveloped into a 209,000 square foot best-in-class facility. The Trust expects the new facility design to include energy efficient roof insulation, heating and ventilation equipment, as well as a reinforced roof to support solar panels on up to 70% of the roof area.

The Trust recently announced achievement of Gold Level recognition by the Green Lease Leaders Program and has adopted the green lease as its standard lease. In the quarter, the Trust continued to successfully execute its green lease program, which includes commitments to tenant energy disclosures, low-carbon construction practices, the purchase of onsite renewable energy (if available), tenant energy efficiency engagement and training, and cost recovery clauses for energy efficiency.

The Trust continues to develop its strategy for alignment with the Task Force on Climate-related Financial Disclosures ("TCFD") as well as the UN Principles for Responsible Investment ("UN PRI"), and the Sustainability Accounting Standards Board ("SASB"). The Trust's first GRESB Real Estate Assessment submission contributes to the Trust's alignment with international reporting frameworks including TCFD, UN PRI and SASB.

To date, the Trust has issued $850 million of green bonds to support its sustainable corporate strategy, of which $295.4 million was deployed in 2021 towards eligible green buildings and projects. The Trust has approximately $500 million of eligible green projects in its near-term pipeline, with over $200 million of additional projects in feasibility or preliminary stages.

BASIS OF PRESENTATION

Our discussion and analysis of the financial position and results of operations of Dream Industrial REIT should be read in conjunction with the audited consolidated financial statements of Dream Industrial REIT and the accompanying notes for the year ended December 31, 2021, and the unaudited condensed consolidated financial statements of Dream Industrial REIT and the accompanying notes for the three and nine months ended September 30, 2022. Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Canadian dollar is the functional and reporting currency for purposes of preparing the condensed consolidated financial statements.

The chief operating decision-maker, determined to be the Chief Executive Officer ("CEO") of the Trust, also considers the performance of assets held for sale (except for those where the Trust will continue to retain an interest) and disposed properties separately from the investment properties in the geographic segments, and discontinued operations, as applicable, separately from the segmented income in the geographic segments.

This management's discussion and analysis ("MD&A") is dated as at November 1, 2022.

For simplicity, throughout this discussion, we may make reference to the following:

- "REIT Units", meaning units of the Trust, excluding Special Trust Units;
- "LP B Units" and "subsidiary redeemable units", meaning the Class B limited partnership units of Dream Industrial LP; and
- "Units", meaning REIT Units and LP B Units.

When we use terms such as "we", "us" and "our", we are referring to Dream Industrial REIT and its subsidiaries.

Estimated market rents disclosed throughout the MD&A are management's estimates at a point in time and are subject to change based on future market conditions.

FORWARD-LOOKING DISCLAIMER

Certain information herein contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation, including but not limited to statements relating to the Trust's objectives and strategies to achieve those objectives; the Trust's expectations relating to the benefits to be realized from demand drivers for industrial space; the anticipated timing of closing of acquisitions, including the anticipated purchase price and value of additional acquisitions under contract or in exclusivity; the anticipated commencement of certain leases and the average spread thereof; the Trust's ability to achieve strong rental growth over time as it sets rents on expiring leases as market rents continue to increase across the Trust's operating markets, and the expected increase of comparative properties NOI as a result thereof; the expectation that short-term leases generally have lower costs than long-term leases; expectations regarding tenant prospects and other ongoing negotiations; the expected going-in cap rate of acquisitions; our development and acquisition pipelines, including timing for completion thereof; our development joint venture (the "Development JV") with a leading global sovereign wealth fund and the expected terms of and contributions into such Development JV, the details of its expected development projects and the intent of the Development JV to keep development projects unlevered within the venture; the expected timing for completion of the Trust's projects and expansion plans; expectations regarding cash flow and cash distributions, and the expected variations of income and other metrics; expectations regarding the timing of execution of the Trust's acquisition strategy and asset recycling and redevelopment of capital raised from equity offerings; the Trust's intention and ability to fund any potential distribution shortfalls with cash and cash equivalents on hand and with the amounts available on the unsecured revolving credit facility; the Trust's ability to capitalize on strategic investment opportunities in connection with the upsize of its unsecured credit facility; any potential future suspension and subsequent reinstatement of the Distribution Reinvestment Program ("DRIP") and Unit Purchase Plan; the Trust's goal of growing and upgrading the quality of its portfolio and providing attractive returns to unitholders; the Trust's portfolio strategy and commitments, and its goal to acquire mid- to large-bay properties in the Greater Toronto Area, Greater Montréal Area and major Western European markets and to increase scale in existing sub-markets in Canada, and expected benefits thereof; the Trust's long-term growth goals through its retained interest in the U.S. Fund, and expected benefits thereof; the expectation that a subsidiary of the Trust will provide certain services to the U.S. Fund and generate a growing revenue stream; the pro forma composition of our portfolio after the completion of the acquisitions and potential development opportunities, including the GLA to be added to the Trust's portfolio following the acquisitions or expansions; our debt strategy, including in respect of our leverage ratio and our unencumbered investment properties pool; our development, expansion, value-add capital improvements and refurbishments and redevelopment plans, including benefits thereof and timing of construction commencement and completion, intensification, and the expansion potential of the Trust's portfolio, including the expected increase in site density resulting from intensification projects; anticipated development yields, development costs, completion timelines, and the Trust's total assets it expects to have under active development; expected occupancy; expected development opportunities; use of the net proceeds from the Trust's recent offerings; the Trust's ability to deliver on ESG and sustainability initiatives and plans, and various sustainability policies and reporting initiatives by, and commitments with, third parties; the expansion of the Trust's renewable energy program, the Trust's goal to be net zero by 2035 for operations including Scope 1 and 2 emissions and net zero by 2050 for select Scope 3 emissions, the Trust's ability to meet its commitments, targets and milestones under its Net Zero by 2035 Action Plan and execute its initiatives and plans under the Trust's 2020–2021 Sustainability Report; the feasibility and completion of eligible green projects, including the pipeline of such green projects; the Trust's ability to obtain green building certifications for its portfolio, including the CaGBC Zero Carbon Building Standard certification for a certain redevelopment and expectations regarding the energy efficiency of such facility; the Trust's inaugural net zero redevelopment, including its starting date and other details; the feasibility, implementation, results, yield, capital commitments, and completion timelines in respect of the Trust's solar power projects, and potential expansion of the Trust's solar program into other regions in Canada and Europe; plans and expectations regarding the execution of the Trust's green lease program; the Trust's ability and plans to improve the energy efficiency of its portfolio, reduce building emissions and operating costs, including through LED lighting; the sustainability and efficiency of the Trust's developments; the Trust's conservative financial policy and expected flexibility and strength of its balance sheet; the Trust's portfolio and management strategy and expected benefits to be derived thereof, and expectations that its relationships will provide advantages in respect of acquisitions; the amount by which market rents exceed in-place rents and the outlook for rental rate growth; the Trust's beliefs, plans, estimates, projections and intentions; and similar statements concerning anticipated future events, future growth and future leasing activity, including those associated with user demand relative to supply of quality industrial product in the Trust's operating markets, increasing scale in the Trust's existing sub-markets and adding to its large urban logistics clusters, the ability to lease vacant space and rental rates on future leases, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, rent collection, future maintenance and development plans, capital investments, financing, income taxes, litigation and the real estate industry in general.

Forward-looking statements generally can be identified by words such as "outlook", "objective", "strategy", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "project", "budget", "continue" or similar expressions suggesting future outcomes or events. 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 the Trust's control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general and local economic and business conditions; real estate ownership risks including oversupply of industrial properties or a reduction in demand for real estate in the area, the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs; the relative illiquidity of real estate investments and limited ability to vary our portfolio promptly to respond to changing economic or investment conditions; significant expenditures associated with real estate ownership regardless of whether the property is producing sufficient income to pay such expenses; employment levels; the uncertainties around the timing and amount of future financings; inflation; risks related to a potential recession in certain of the jurisdictions in which we operate and the effect inflation and any such recession may have on market conditions and lease rates; uncertainties surrounding the novel coronavirus ("COVID-19") pandemic; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence; international sanctions; the financial condition of tenants and borrowers; leasing risks; risks associated with the geographically concentrated nature of our properties; interest rate and currency rate fluctuations; risks associated with cross-currency interest rate swap ("CCIRS") arrangements; regulatory risks and changes in law; environmental risks; competition from other developers, managers and owners of properties; risks associated with participating in joint arrangements; environmental and climate change risks; insurance risks including liability for risks that are uninsurable under any insurance policy; cyber security risks; our ability to sell investment properties at a price that reflects fair value; and our ability to source and complete accretive acquisitions.

Although the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, assumptions regarding general economic conditions; the impact of the COVID-19 pandemic on the Trust; government measures to contain the COVID-19 pandemic; local real estate conditions; timely leasing of vacant space and re-leasing of occupied space upon expiry; tenants' financial condition; acquisition activity; our ability to integrate acquisitions; interest rates; relatively low inflation; valuation assumptions including market rents, leasing costs, vacancy rates, discount rates and cap rates; availability of equity and debt financing; our continued compliance with the real estate investment trust ("REIT") exemption under the specified investment flow-through trust ("SIFT") legislation; changes to historically low rates and rising replacement costs in the Trust's operating markets and increases in market rents; and other assumptions and risks and factors described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of November 1, 2022. 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 applicable law. Additional information about these assumptions, risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at www.dreamindustrialreit.ca.

BACKGROUND

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. As at September 30, 2022, the Trust owns, manages and operates a global portfolio comprising 258 assets totalling approximately 46.5 million square feet of GLA in key markets across Canada, Europe and the U.S. The Trust's goal is to grow and upgrade the quality of its portfolio, which primarily consists of distribution and urban logistics properties, and to provide overall attractive returns to unitholders. Our REIT Units are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "DIR.UN".

OUR STRATEGY

Dream Industrial REIT owns and operates a diversified portfolio of distribution, urban logistics and light industrial properties across key markets in Canada, Europe and the U.S. We are committed to:

- owning and operating a high-quality portfolio of industrial assets in markets with strong operating fundamentals;
- investing in our key markets in industrial assets offering long-term cash flow and net asset value growth prospects;
- maximizing the value of our industrial assets through innovative asset management strategies;
- providing compelling total returns to our unitholders, anchored by sustainable cash distributions; and
- integrating sustainability at the corporate and property levels.

Value enhancing growth

With a global acquisition platform, we have local, on-the-ground teams who have a strong track record of sourcing attractive industrial assets across Canada, Europe and the U.S. We have strong established relationships in all our local markets, which allows us to source high-quality and accretive acquisitions with long-term cash flow and net asset value growth potential. When evaluating potential acquisitions, we consider a variety of criteria, including expected cash flow returns; replacement cost of the asset; its location, functionality and appeal to future tenants; sustainability attributes of the asset and how the asset complements our existing portfolio; and per Unit accretion.

Continuous portfolio optimization

We regularly evaluate and benchmark each individual asset in our portfolio, assessing historical and future performance as well as value growth potential. We identify opportunities to recycle assets within our portfolio and reinvest the proceeds into higher quality assets that are less management and capital intensive.

Active asset management

Through creative asset management strategies, such as initiating and executing on development projects, we are able to unlock organic net operating income and net asset value growth. We actively manage our assets to optimize performance, maintain value, and attract and retain tenants. We have local teams across our portfolio with over 80 real estate professionals highly experienced in leasing, operations and portfolio management operating out of nine regional offices in our key markets. We strive to ensure that our assets are the most attractive, efficient and cost-effective premises for our tenants.

Conservative financial policy

We operate our business in a disciplined manner with a focus on maintaining a strong balance sheet and liquidity position. We seek to maintain a conservative leverage, naturally hedge foreign currency investments and build up a high-quality unencumbered investment properties pool, while reducing borrowing costs and preserving liquidity.

Focus on ESG

We focus on promoting high standards of corporate governance, social responsibility and ethical behaviour throughout our organization. Our sustainability practices are primarily focused on: (i) energy efficiency throughout our portfolio by integrating sustainable building technology; (ii) increasing tenant engagement; and (iii) incorporating energy management initiatives into our capital expenditure planning. Our social initiatives encompass three key areas: (i) commitment to the development of employees through continuous learning and promotion of healthy workplaces and lifestyles; (ii) active commitment to the community and local charitable organizations; and (iii) commitment to tenant satisfaction and engagement. We continuously apply sound and effective corporate governance practices in the day-to-day decisions and actions of our business. Our governance highlights include: (i) a diverse and experienced board with a majority of independent trustees; and (ii) strong governance and transparency in all aspects of our business.

SECTION II

OUR ASSETS

Dream Industrial REIT owns, manages and operates a portfolio of 258 assets (374 industrial buildings) totalling approximately 46.5 million square feet of GLA in key markets across Canada, Europe and the U.S. as at September 30, 2022.

Across our regions, our portfolio consists of distribution, urban logistics and light industrial buildings:

- **Distribution buildings** – are highly functional large-bay buildings located in close proximity to major transportation corridors. Most tenants at these buildings have e-commerce operations or are in the third-party logistics industry.
- **Urban logistics buildings** – are small- to mid-bay buildings located in close proximity to major population centres and are ideally suited to meet last-mile distribution needs. They are typically multi-let with shorter lease terms and lower average tenant size.
- **Light industrial buildings** – have a large footprint and are typically single-tenant. Tenants have typically invested significant capital at these properties and have signed long-term leases or have taken occupancy for a long period of time.

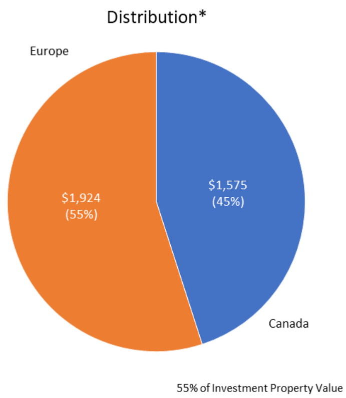
Focused portfolio strategy

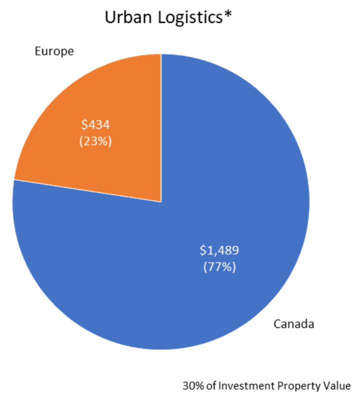
In Canada, the Trust's focus is on mid- to large-bay properties primarily in the GTA and the Greater Montréal Area where it expects to benefit from increased user demand relative to supply of quality industrial product, and where in-place rental rates are generally below market rental rates and the outlook for rental rate growth is robust. The Trust is also targeting to increase scale in its existing sub-markets and add to its large urban logistics clusters.

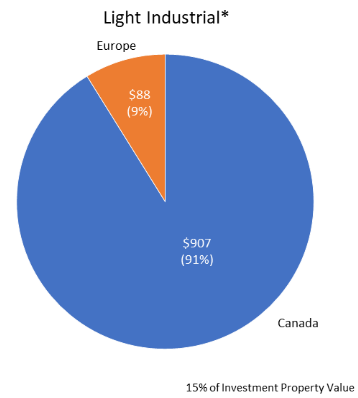
In Europe, the Trust's goal is to acquire mid- to large-bay properties in major Western European markets. Across these markets there is growing demand for urban logistics space, increased user demand relative to supply of quality industrial product, attractive going-in capitalization rates and upside potential from growth in market rents.

In the U.S., the Trust will continue to pursue long-term growth alongside strong institutional partners through its retained interest in the U.S. Fund. This structure allows the Trust to continue to grow in attractive U.S. industrial markets, improving overall portfolio quality and diversification while maintaining an enhanced geographic mix. A subsidiary of the Trust will provide property management, accounting, construction management and leasing services to the U.S. Fund at market rates. This is expected to provide a growing income stream to the Trust as the U.S. Fund scales in attractive U.S. industrial markets.

As at September 30, 2022, the Trust's investment property value (excluding the U.S. portfolio and properties under development) by building type allocated by region is as follows:







* All dollar amounts in these charts are presented in millions.

Key property statistics by building type as at September 30, 2022 are summarized in the table below:

	September 30, 2022			
	Distribution	Urban logistics	Light industrial	Total
Number of assets(1)(2)	132	91	35	258
Number of buildings(2)	149	173	52	374
Total GLA (thousands of sq. ft.)(2)	29,180	12,008	5,278	46,466
Owned GLA (thousands of sq. ft.)(3)	23,163	11,118	5,278	39,559
Site area (in acres)(2)	1,185	636	302	2,123

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another attracting similar tenants.
(2) Includes the Trust's owned and managed properties as at September 30, 2022.
(3) Includes the Trust's share of equity accounted investment as at September 30, 2022.

Development strategy

The Trust continues to build and execute on a development pipeline across its target markets. The Trust's development program consists of three key pillars:

- **Greenfield development** – Target the acquisition of developable land, industrial zoned or designated industrial, for speculative development in core markets;
- **Intensification of excess land on income-producing properties** – Opportunity to add high-quality GLA to existing properties and maximize site coverage; and
- **Redevelopment of existing properties** – Identify existing, well-located assets for redevelopment with the goal to achieve higher density and rents.

The Trust's greenfield program is a combination of projects wholly owned by the Trust and those owned through a 25% interest in a develop-to-hold Development JV that was established in Q2 2022 with a leading sovereign wealth fund (the "Partner").

The Trust's greenfield projects consist of three development sites totalling 78 acres in the GTA and Calgary. These sites should support the development of approximately 1 million square feet in the near to medium term.

The eight acre Abbotside site is attractively located in close proximity to Highway 410 in Caledon. The Trust is currently underway on the development of a 154,000 square feet logistics facility. The construction contract has been awarded and construction commenced in Q2 2022. The Trust expects construction to be completed in the first half of 2023 with a forecasted unlevered yield on cost of 7.3%.

During the first half of the year, the Trust acquired a 50 acre site in the Balzac sub-market of Calgary as well as a nearby 20 acre site. The Trust is currently in the planning stages of constructing four buildings totalling approximately 815,000 square feet at these sites. The Trust expects construction to commence on the 20 acre site during Q4 2022 and complete construction of both sites in the next 24–30 months, with a forecasted unlevered yield on cost of approximately 6%.

In Q2 2022, the Trust, along with Dream Unlimited Corp., announced the formation of the Development JV with the Partner, a leading global sovereign wealth fund. The Trust and the Partner are targeting to contribute up to a combined total of $1.5 billion into the Development JV. The Development JV will target to buy $500 million of well-located development sites in the GTA and other select markets within the Greater Golden Horseshoe Area ("GGHA") to build high-quality, best-in-class industrial assets with the intention to hold the properties following stabilization. The Partner will commit to a 75% ownership interest in the Development JV with the Trust maintaining a 25% ownership interest. The Development JV intends to keep the development projects unlevered within the venture, with each party utilizing debt on their respective balance sheets to fund its respective share of the land acquisition and construction costs. Currently, the Development JV owns three sites located in the GTA and GGHA that should support the development of over 1.3 million square feet of GLA over the next 30 months.

In addition to its greenfield program, the Trust has the unique opportunity to add high-quality GLA through the expansion and redevelopment of existing sites across its predominantly urban portfolio in North America and Europe. The Trust continuously evaluates redevelopment and intensification opportunities across its portfolio from technical and financial feasibility perspectives, and its current redevelopment pipeline consists of several sites in Ontario and Europe. The Trust continues to add to its redevelopment/intensification pipeline through its acquisition activity. The Trust's cumulative acquisition activity allowed it to add over 2.5 million square feet of excess density on its current income-producing assets that the Trust can develop over time.

The Trust currently has approximately 0.6 million square feet of projects underway and an additional 1.6 million square feet of projects at its share that are in advanced stages of planning. The Trust expects a significant portion of these projects to be completed in the next 24 months and generate an attractive unlevered yield on cost of approximately 6.4%.

The following table provides details on the Trust's projects that are currently underway or in advanced stages of planning:

(in millions of dollars) Location	Region	GLA[(1)] (in thousands of sq. ft.)	Cost incurred[(2)]	Cost to complete	Total cost	Construction completion	Unlevered yield	Current objective
Substantially complete								
401 Marie-Curie Boulevard, Montréal – Ph. 1	Québec	132	$ 14.7	$ —	$ 14.7	H1 2022	8.9%	Intensification
The Hague, Netherlands	Europe	65	13.3	—	13.3	H1 2022	6.2%	Intensification
100 East Beaver Creek, Richmond Hill	Ontario	43	5.2	0.8	6.0	H2 2022	11.3%	Intensification
401 Marie-Curie Boulevard, Montréal – Ph. 2	Québec	96	10.9	4.4	15.3	H2 2022	8.2%	Intensification
Dresden, Germany	Europe	241	24.0	3.4	27.4	H2 2022	6.8%	Intensification
Total substantially complete		577	$ 68.1	$ 8.6	$ 76.7		7.7%	
Underway								
Blaise Pascal, Montréal	Québec	120	3.7	16.3	20.0	H1 2023	8.4%	Intensification
Abbotside, Caledon	Ontario	154	22.2	16.1	38.3	H1 2023	7.3%	New development
Terrebonne, QC	Québec	29	0.1	7.2	7.3	H1 2023	5.3%	Intensification
Cambridge, ON[(3)]	Ontario	109	6.8	18.3	25.1	H2 2023	6.6%	New development
Mississauga, ON	Ontario	209	36.4	29.5	65.9	H2 2023	6.2%	Redevelopment
Total underway		621	$ 69.2	$ 87.4	$ 156.6		6.8%	
Planning								
Whitby, ON	Ontario	384				H2 2024		Redevelopment
Brampton, ON[(3)]	Ontario	208				H1 2025		New development
Balzac, AB	Alberta	475				H2 2024		New development
Balzac, AB	Alberta	340				H2 2023		New development
Montréal, QC	Québec	167				H2 2023		Intensification
Total planning		1,574	~ $ 69	~ $ 277	~ $ 345		~ 6.0%	
Total near-term development pipeline		2,772	~ $ 206	~ $ 373	~ $ 578		~ 6.4%	

(1) Represents total GLA of new development and redevelopment projects and incremental GLA for intensification projects.

(2) Includes cost of land purchased for new development projects as well as associated closing costs. For redevelopment projects, includes fair value of the respective properties.

(3) The respective GLA and estimated costs shown in the table reflect the Trust's 25% share of the Development JV.

The Trust's two-phase intensification project at 401 Marie-Curie Boulevard, a 527,000 square foot Class A distribution facility in the Greater Montréal Area, is substantially complete. The property is situated on 38.4 acres of land with site coverage of 32%, offering the opportunity to increase the property's footprint by approximately 228,000 square feet, taking coverage to 45%. The Trust signed a lease earlier in the year for the entire 132,000 square foot phase one expansion which took occupancy on April 1, 2022, resulting in an unlevered yield on construction costs of 8.9%. During the quarter, the Trust has signed a lease on the 96,000 square feet phase two expansion, resulting in an unlevered yield on construction costs of 8.2%. The Trust achieved an unlevered yield on construction costs of over 8.5% on the two-phase project.

The Trust recently completed the 65,000 square feet expansion at its recently acquired 600,000 square feet high-tech and industrial cluster in The Hague, Netherlands. The expansion was pre-leased and construction was completed over the quarter, with an unlevered yield on construction costs of approximately 6.2%.

The intensification project in Dresden, Germany commenced construction in Q4 2021 and is now substantially complete. The 30.4 acre site holds an existing 274,000 square feet asset, and site density has nearly doubled with the 241,000 square feet expansion. During the quarter, the Trust signed leases with two tenants for the entire prime logistics expansion facility, taking occupancy in January 2023, resulting in an unlevered yield on construction costs of 6.8%.

Construction is substantially complete on an expansion of an existing 110,000 square feet property in the GTA at 100 East Beaver Creek, which is located in Richmond Hill and is close to Highway 404 and Highway 407. The 43,000 square feet facility has been leased, achieving an unlevered yield on construction costs of over 11%.

The Trust advanced the greenfield development of the 154,000 square foot prime logistics facility in Caledon, Ontario, and a 120,000 square feet expansion in Montréal, Québec. For both projects, construction commenced with an anticipated completion in the first half of 2023. Over the quarter, the Trust signed a lease for the entire 120,000 square feet expansion facility in Montréal, resulting in an unlevered yield on construction costs of over 8%.

Preliminary redevelopment work has commenced on the Courtney Park cluster during the quarter. The cluster comprises three buildings in Mississauga with an existing site area of 10 acres, providing opportunity to build a high-quality logistics product totalling 209,000 square feet. The Trust expects completion by the end of 2023 and anticipates an unlevered yield on construction costs of approximately 6.2% on this project.

In addition to the above projects, the Trust is in the preliminary stages of planning for approximately 0.9 million square feet of near-term expansion and redevelopment opportunities in Europe as shown in the following table. The Trust continues to advance other intensification opportunities across its portfolio. The Trust currently estimates that its excess land portfolio provides opportunities to add approximately 1.9 million square feet of high-quality industrial space over time.

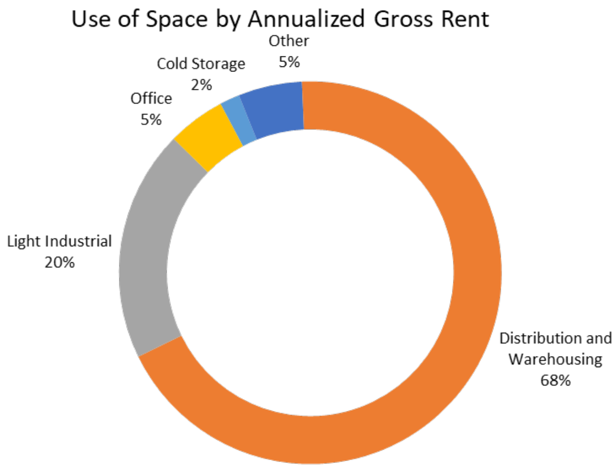
City	Country	GLA[1] (in thousands of sq. ft.)	Current objective
Brebières	France	425	Intensification
Amiens	France	136	Intensification
Breda	Netherlands	219	Redevelopment
Bodegraven	Netherlands	81	Intensification
Varsseveld	Netherlands	24	Intensification
Total pipeline		885	

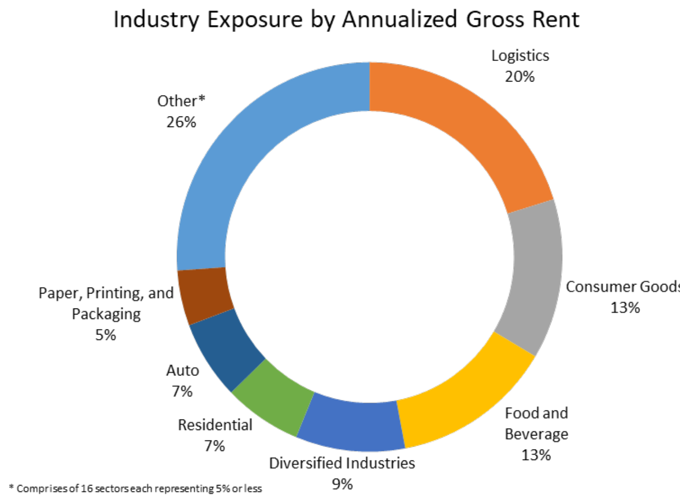
(1) Represents total GLA of the projects for new development and redevelopment and incremental GLA for intensification projects.

Tenant base profile

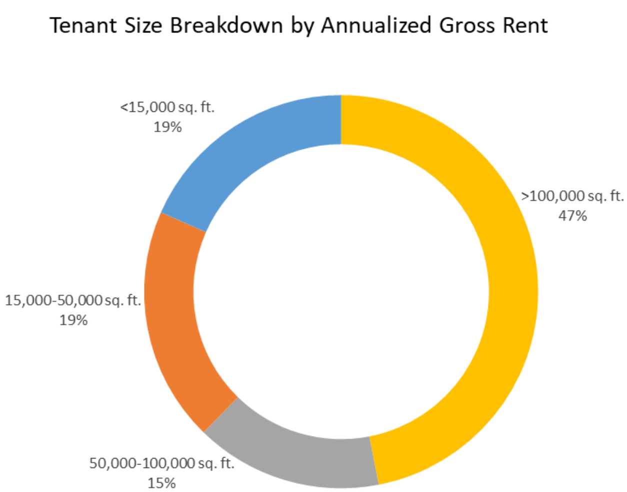
Our portfolio comprises primarily functional distribution and warehousing space occupied by tenants from various industries, with no single industry accounting for more than 20% of annualized gross rent. As at September 30, 2022, the Trust had over 1,300 tenants (including those tenants occupying investment properties that are owned, managed and classified as assets held for sale).

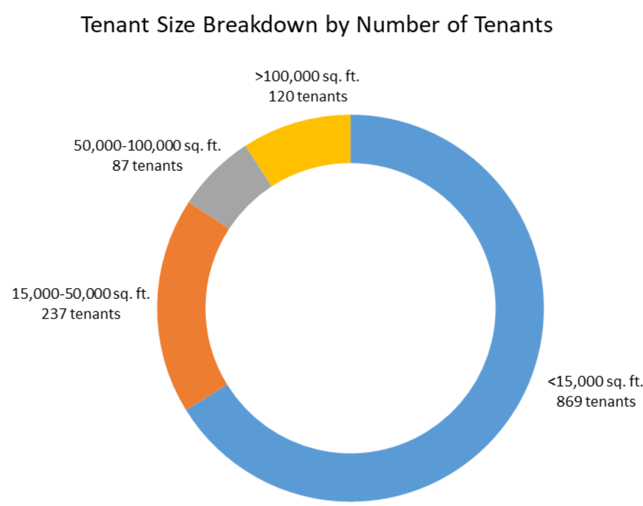
The following charts show the industries in which our tenants operate, and their use of space based on annualized gross rental revenue, as at September 30, 2022:





The following charts show the tenant size breakdown by annualized gross rental revenue and the tenant size breakdown by number of tenants as at September 30, 2022:





Approximately 81% of our annualized gross rental revenue is derived from 444 tenants each occupying over 15,000 square feet with an average size of approximately 92,000 square feet. The remaining annualized gross rental revenue is derived from 869 smaller tenants primarily located in the urban logistics assets.

The following table outlines the contributions to our annualized gross rental revenue of our top ten tenants (including equity accounted investment) as at September 30, 2022. Our top ten tenants have a weighted average lease term of 4.0 years.

Rank	Tenant	Use of space	Gross rental revenue	Thousands of sq. ft.
1.	Auchan Supermarché Plaisir	Distribution & warehousing	2.6%	1,577
2.	ESM Ertl Systemlogistik	Distribution & warehousing	1.1%	472
3.	Immeubles RB Ltd.	Distribution & warehousing	1.1%	419
4.	Gienow Windows and Doors	Distribution & warehousing, light industrial	1.0%	371
5.	Spectra Premium Industries Inc.	Distribution & warehousing, light industrial	0.9%	476
6.	TC Transcontinental	Distribution & warehousing, light industrial	0.8%	317
7.	DHL Supply Chain s.r.o.	Distribution & warehousing	0.8%	661
8.	RLS Slovakia, s.r.o.	Distribution & warehousing	0.8%	597
9.	GVT Transport & Logistics B.V.	Distribution & warehousing	0.8%	490
10.	United Agri Products Canada Inc.	Distribution & warehousing	0.8%	275
	Total		10.7%	5,655

Our portfolio is well diversified, with no single tenant representing more than 3% of gross rental revenue.

Assets (also known as investment properties) comprise a building, or a cluster of buildings in close proximity to one another attracting similar tenants. Many of our buildings form parts of larger clusters and business parks. As part of our asset management strategy, we approach these clusters as a single asset for the purposes of capital allocation, leasing and property management initiatives.

The table below summarizes the grouping of buildings into property clusters by region as at September 30, 2022 and December 31, 2021:

	September 30, 2022				December 31, 2021			
	Number of buildings(1)	**Number of assets(1)**	**Owned GLA(2) (thousands of sq. ft.)**	**Total GLA(1) (thousands of sq. ft.)**	Number of buildings(1)	Number of assets(1)	Owned GLA(2) (thousands of sq. ft.)	Total GLA(1) (thousands of sq. ft.)
Ontario	**102**	**65**	**8,903**	**8,903**	97	60	8,444	8,444
Québec	**48**	**35**	**6,010**	**6,010**	47	34	5,737	5,737
Western Canada	**80**	**42**	**5,071**	**5,071**	80	42	5,071	5,071
Canadian portfolio	**230**	**142**	**19,984**	**19,984**	224	136	19,252	19,252
European portfolio	**107**	**93**	**17,226**	**17,226**	93	82	15,367	15,367
Total before U.S. portfolio	**337**	**235**	**37,210**	**37,210**	317	218	34,619	34,619
U.S. portfolio	**37**	**23**	**2,349**	**9,256**	34	21	1,973	8,428
Total portfolio	**374**	**258**	**39,559**	**46,466**	351	239	36,592	43,047

(1) Includes the Trust's owned and managed properties as at September 30, 2022 and December 31, 2021.

(2) Includes the Trust's share of equity accounted investment as at September 30, 2022 and December 31, 2021.

OUR OPERATIONS

The following key performance indicators influence our cash generated from operating activities.

Total portfolio in-place and committed occupancy

The following table details our total portfolio in-place and committed occupancy by region:

(percentage)	**September 30, 2022**	June 30, 2022	Total portfolio September 30, 2021
Ontario	**99.3**	99.5	97.4
Québec	**98.9**	99.5	98.5
Western Canada	**97.0**	97.5	93.9
Canadian portfolio	**98.6**	99.0	96.8
European portfolio	**99.2**	99.0	99.3
Total before U.S. portfolio	**98.9**	99.0	97.9
U.S. portfolio(1)	**100.0**	100.0	99.2
Total portfolio(1)	**99.0**	99.1	98.0

(1) Includes the Trust's share of equity accounted investment as at September 30, 2022, June 30, 2022 and September 30, 2021.

Our in-place and committed occupancy, excluding the U.S. portfolio, includes lease commitments totalling approximately 677,000 square feet for space that is being readied for occupancy but for which rental revenue is not yet recognized.

Our in-place and committed occupancy remained strong at 99.0%, compared to 99.1% as at June 30, 2022, and 98.0% as at September 30, 2021. Uncommitted expiries over the balance of 2022 represent less than 3.5% of our portfolio.

In-place and committed occupancy in Ontario remained relatively consistent compared to June 30, 2022. During the quarter, 208,000 square feet of leases expired, of which 204,000 square feet has been renewed or committed for future occupancy. On a year-over-year basis, in-place and committed occupancy increased by 190 bps relative to September 30, 2021, primarily due to net positive leasing absorptions.

In-place and committed occupancy in Québec decreased by 60 bps relative to June 30, 2022. During the quarter, 211,000 square feet of new leases and renewals commenced compared to 245,000 square feet of expiries and terminations. The Trust continues to actively market the vacant spaces and concluded the quarter with 96,000 square feet of committed vacancies. On a year-over-year basis, in-place and committed occupancy increased by 40 bps relative to September 30, 2021.

In-place and committed occupancy in Western Canada decreased by 50 bps compared to the prior quarter, mainly due to lower future lease commitments signed during the quarter. The Trust continues to actively market the vacant spaces and concluded the quarter with 58,000 square feet of committed vacancies mainly located in Calgary. On a year-over-year basis, in-place and committed occupancy increased by 310 bps relative to September 30, 2021 primarily due to net positive leasing absorptions.

In-place and committed occupancy in Europe increased by 20 bps quarter-over-quarter. During the quarter, the Trust acquired two fully occupied properties totalling approximately 276,000 square feet. On a year-over-year basis, in-place and committed occupancy decreased by 10 bps. The Trust continues to actively address future expiries to capture higher rents and to a lesser extent market its vacant spaces in Europe, representing less than 1% as at September 30, 2022.

In-place and committed occupancy in the U.S. remained steady quarter-over-quarter and compared to September 30, 2021. During the quarter, 292,000 square feet of expiries were fully renewed and 153,000 square feet of new leases were signed. As at September 30, 2022, there were no uncommitted vacancies.

Canadian and European portfolios occupancy continuity

The following tables detail the changes in in-place and committed occupancy across our Canadian and European portfolios (excluding the U.S. portfolio) for the three and nine months ended September 30, 2022:

	Three months ended September 30, 2022					
	Canadian portfolio		European portfolio		Total portfolio	
	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA
Occupancy (in-place and committed) at beginning of period	19,641	99.0%	16,788	99.0%	36,429	99.0%
Vacancy committed for future occupancy	(157)	(0.8%)	—	—%	(157)	(0.4%)
Occupancy (in-place) at beginning of period	19,484	98.2%	16,788	99.0%	36,272	98.6%
Occupancy related to acquired properties and remeasurements	—		275		275	
Occupancy (in-place) at beginning of period – adjusted	19,484	98.2%	17,063	99.1%	36,547	98.2%
Natural expiries and relocations	(701)	(3.5%)	(1,196)	(6.9%)	(1,897)	(5.0%)
Early terminations	(25)	(0.1%)	—	—%	(25)	(0.1%)
New leases	198	1.0%	26	0.1%	224	0.6%
Renewals and relocations	545	2.7%	729	4.2%	1,274	3.4%
Occupancy (in-place) at period-end	19,501	98.3%	16,622	96.5%	36,123	97.1%
Impact of substantially completed expansion(2)		(0.7%)				
Occupancy (in-place) at period-end – adjusted	19,501	97.6%	16,622	96.5%	36,123	97.1%
Vacancy committed for future occupancy	210	1.0%	467	2.7%	677	1.8%
Occupancy (in-place and committed) at period-end	19,711	98.6%	17,089	99.2%	36,800	98.9%

	Nine months ended September 30, 2022					
	Canadian portfolio		European portfolio		Total portfolio	
	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA
Occupancy (in-place and committed) at beginning of period	18,784	97.6%	15,212	99.0%	33,996	98.2%
Vacancy committed for future occupancy	(172)	(0.9%)	(2)	—%	(174)	(0.5%)
Occupancy (in-place) at beginning of period	18,612	96.7%	15,210	99.0%	33,822	97.7%
Occupancy related to properties reclassified to development	(212)		—		(212)	
Occupancy related to acquired properties and remeasurements	670		1,785		2,455	
Impact of substantially completed expansions(1)	—	(0.6%)	—	(0.3%)		
Occupancy (in-place) at beginning of period – adjusted	19,070	96.1%	16,995	98.7%	36,065	96.9%
Natural expiries and relocations	(2,451)	(12.3%)	(2,473)	(14.4%)	(4,924)	(13.2%)
Early terminations	(189)	(0.9%)	—	—%	(189)	(0.5%)
New leases	1,230	6.2%	376	2.2%	1,606	4.3%
Renewals and relocations	1,841	9.2%	1,724	10.0%	3,565	9.6%
Occupancy (in-place) at period-end	19,501	98.3%	16,622	96.5%	36,123	97.1%
Impact of substantially completed expansion(2)		(0.7%)				
Occupancy (in-place) at period-end – adjusted	19,501	97.6%	16,622	96.5%	36,123	97.1%
Vacancy committed for future occupancy	210	1.0%	467	2.7%	677	1.8%
Occupancy (in-place and committed) at period-end	19,711	98.6%	17,089	99.2%	36,800	98.9%

(1) The expanded spaces relate to the completed expansions at the first phase of construction at 401 Marie-Curie Boulevard in Québec and The Hague, Netherlands.

(2) The expanded spaces relate to the second phase of construction at 401 Marie-Curie Boulevard in Québec and 100 East Beaver Creek in Ontario.

The overall tenant retention ratio across our Canadian and European portfolios for the three and nine months ended September 30, 2022 was 67.2% and 72.4%, respectively. Tenant retention ratio is calculated as the ratio of total square feet of renewed and relocated space over natural expiries and relocations.

Canadian and European portfolios new lease, renewal and relocation spreads

The following table details the new lease, renewal and relocation spreads for deals transacted from July 1, 2022 to November 1, 2022 across our Canadian and European portfolios (excluding U.S. portfolio):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread[1]
Ontario	450	136.4%
Québec	519	71.4%
Western Canada	568	4.0%
Canadian portfolio	1,537	60.3%
European portfolio	1,060	(1.5%)

(1) Rental rate spread (%) is calculated as the ratio of rental rate spread (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.). Rental rate spread (per sq. ft.) is calculated as the difference between the weighted average new, renewal and relocation rate and the weighted average prior and expiring rate. Rental rate spread excludes deals on leased space that has been vacant upon acquisition.

The following table details the new lease, renewal and relocation spreads for deals transacted from January 1, 2022 to November 1, 2022 across our Canadian and European portfolios (excluding U.S. portfolio):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread[1]
Ontario	1,040	96.0%
Québec	1,393	52.2%
Western Canada	1,230	4.4%
Canadian portfolio	3,663	44.1%
European portfolio	2,221	6.1%

(1) Rental rate spread (%) is calculated as the ratio of rental rate spread (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.). Rental rate spread (per sq. ft.) is calculated as the difference between the weighted average new, renewal and relocation rate and the weighted average prior and expiring rate. Rental rate spread excludes deals on leased space that has been vacant upon acquisition.

For the three and nine months ended September 30, 2022, our leasing team transacted approximately 2.6 million and 5.9 million square feet of leasing activity, respectively. Rental spreads were in excess of 95% and 50% in Ontario and Québec, respectively, reflecting the robust demand for industrial space in those regions.

In Europe, we transacted a 467,000 square foot lease deal with a global logistics company at one of our properties in France. The building was acquired as part of the Pan-European portfolio acquisition in 2021. We identified in our underwriting of the acquisition that the previous tenant would be vacating upon lease expiry in Q3 2022, and that its in-place rent was above-market. Although we achieved a rent above our underwriting, this new lease resulted in our overall rental spread being negative at (1.5%) for Q3 2022. Excluding this deal, our rental spread for Europe would be nearly 6% for Q3 2022, and 10.5% year-to-date.

Along with capturing significant rental rate growth, the Trust is systematically adding contractual annual rental rate escalators to its leases that allow for consistently rising comparative properties NOI over time. In Western Canada, improving market conditions allowed the Trust to embed higher contractual annual rent steps of 1–3% within transacted leases. Currently, the average contractual annual rental growth embedded in the Trust's Canadian portfolio equates to over 2.5%. In the Trust's European portfolio, approximately 90% of the leases are indexed to the CPI.

Canadian and European portfolios rental rates

Average in-place and committed base rent is contractual base rent and excludes recoveries and recoverable tenant inducements.

The following table details the average in-place and committed base rent by region for our Canadian and European portfolios (excluding U.S. portfolio):

	Average in-place and committed base rent (per sq. ft.)		
Canadian and European portfolios	**September 30, 2022**	June 30, 2022	September 30, 2021
Ontario	**$ 8.26**	$ 8.07	$ 7.59
Québec	**7.72**	7.58	7.16
Western Canada	**8.86**	8.80	8.78
Canadian portfolio	**$ 8.24**	$ 8.11	$ 7.78
European portfolio (€)	**€ 5.10**	€ 4.99	€ 4.55

As at September 30, 2022, the average in-place and committed base rent for our Canadian portfolio was $8.24 per square foot, compared to $8.11 per square foot as at June 30, 2022 and $7.78 per square foot as at September 30, 2021. The increase in the Canadian portfolio is driven by lease renewals and future lease commitments, capturing strong positive rental rate spreads in all regions.

As at September 30, 2022, the average in-place and committed base rent for our European portfolio was €5.10 per square foot, compared to €4.99 per square foot as at June 30, 2022 and €4.55 per square foot as at September 30, 2021. The increase in weighted average in-place and committed rents compared to comparative periods was attributable to positive leasing spreads and indexation of rents to CPI.

The following table compares the average in-place and committed base rent per square foot with our estimated market rent per square foot by region for our Canadian and European portfolios (excluding U.S. portfolio) as at September 30, 2022:

	September 30, 2022			
Canadian and European portfolios	Average in-place and committed base rent (per sq. ft.)	Estimated market rent (per sq. ft.)	Estimated market rent/ average in-place and committed base rent	WALT (years)
Ontario	$ 8.26	$ 13.28	60.8%	4.2
Québec	7.72	11.70	51.6%	3.7
Western Canada	8.86	8.88	0.2%	4.0
Canadian portfolio	$ 8.24	$ 11.71	42.1%	4.0
European portfolio (€)	€ 5.10	€ 5.45	6.9%	5.6
Total portfolio (excluding U.S. portfolio) WALT (years)				4.7

Estimated market rent represents management's best estimate of the base rent that would be achieved in a new arm's length lease in the event that a unit becomes vacant after a reasonable marketing period, with an inducement and lease term appropriate for the particular space. Market rent by property is reviewed regularly by our leasing and portfolio management teams. Market rents may differ by property or by unit and depend upon a number of factors. Some of the factors considered include the condition of the space, the location within the building, the amount of office build-out for the units, the lease term and a normal level of tenant inducements. Market rental rates are also compared quarterly against recent comparable lease deals in each market and quarterly independent external appraisal information, if applicable. The current estimated market rents are at a point in time, with no allowance for increases in future years, and are subject to change based on future market conditions in the respective regions.

As a result of when leases are executed, there is typically a lag between estimated market rents and average in-place and committed base rent.

Canadian and European portfolios lease maturity profile, net of lease commitments

The following table details our Canadian and European portfolios lease maturity profile by region, net of renewals and new leases completed as at September 30, 2022.

Canadian and European portfolios (in thousands of sq. ft.)	Vacancy, net of commitments	Remainder of 2022	2023	2024	2025	2026	2027+	Total
Ontario	59	170	1,410	746	1,304	1,515	3,699	8,903
Québec	64	23	885	1,169	1,071	790	2,008	6,010
Western Canada	150	59	657	827	771	705	1,902	5,071
Canadian portfolio	273	252	2,952	2,742	3,146	3,010	7,609	19,984
European portfolio	137	131	935	1,287	1,660	2,718	10,358	17,226
Canadian and European portfolios total GLA	410	383	3,887	4,029	4,806	5,728	17,967	37,210
Percentage of Canadian and European total GLA	1.1%	1.0%	10.4%	10.8%	12.9%	15.4%	48.4%	100.0%

Canadian and European portfolios lease expiry profile for the remainder of 2022

The following table details our Canadian and European portfolios lease maturity profile for the remainder of 2022 by region, net of renewals and net of committed new leases on vacant space. The lease maturity profile excludes the U.S. portfolio.

Canadian and European portfolios (in thousands of sq. ft.)	Ontario	Québec	Western Canada	Canadian portfolio	European portfolio	Total
Remainder of 2022 expiries (as at September 30, 2022)	(269)	(314)	(559)	(1,142)	(170)	(1,312)
Expiries committed for renewals	99	291	500	890	39	929
Expiries, net of committed renewals	(170)	(23)	(59)	(252)	(131)	(383)
Commitment as a % of expiries	36.8%	92.7%	89.4%	77.9%	22.9%	70.8%
Current vacancies	(115)	(160)	(208)	(483)	(604)	(1,087)
Current vacancies committed for future occupancy	56	96	58	210	467	677
Current vacancies, net of commitments for future occupancy	(59)	(64)	(150)	(273)	(137)	(410)

Net rental income

Net rental income is defined by the Trust as total investment properties revenue less investment properties operating expenses.

The chief operating decision-maker, determined to be the CEO of the Trust, continues to take into consideration the operating performance of its retained interest in the U.S. portfolio after the sale to the U.S. Fund when assessing the operating performance of the U.S. segment. Accordingly, effective July 1, 2021, the Trust's segmented income included the Trust's share of net rental income from equity accounted investment in the U.S. Fund.

For a detailed discussion about investment properties revenue and operating expenses for the three and nine months ended September 30, 2022 and September 30, 2021, refer to the section “Our Results of Operations”.

	Three months ended September 30,				Nine months ended September 30,			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Ontario	**$ 20,659**	**29%**	$ 14,332	24%	**$ 57,020**	**28%**	$ 40,453	26%
Québec	**12,374**	**17%**	10,524	17%	**35,212**	**17%**	27,268	17%
Western Canada	**11,145**	**15%**	10,549	18%	**32,835**	**16%**	31,577	20%
Canadian portfolio	**44,178**	**61%**	35,405	59%	**125,067**	**61%**	99,298	63%
European portfolio	**27,050**	**38%**	23,328	39%	**78,109**	**38%**	38,609	25%
U.S. portfolio	**3,795**	**5%**	2,970	5%	**10,074**	**5%**	21,473	14%
Net property management and other income	**769**	**1%**	317	1%	**2,865**	**1%**	317	0%
Net rental income from sold properties	**—**	**—%**	36	0%	**(2)**	**0%**	116	0%
Less: Net rental income from equity accounted investment	**(3,795)**	**(5%)**	(2,346)	(4%)	**(10,074)**	**(5%)**	(2,346)	(2%)
Net rental income	**$ 71,997**	**100%**	$ 59,710	100%	**$ 206,039**	**100%**	$ 157,467	100%

Net rental income for the three and nine months ended September 30, 2022 increased by $12.3 million, or 20.6%, to $72.0 million and $48.6 million, or 30.8%, to $206.0 million, respectively, over the prior year comparative periods. The increase was mainly driven by the impact of acquired investment properties in 2022 and 2021, as well as comparative properties NOI (constant currency basis) growth in 2022, partially offset by the impact of investment properties disposed of during 2021.

Comparative properties NOI (constant currency basis)

Comparative properties NOI (constant currency basis) is a non-GAAP financial measure used by management in evaluating the performance of properties fully owned by the Trust in the current and prior year comparative periods, using a constant currency basis. Comparative properties NOI (constant currency basis) is lower during periods of free rent to reflect that there is no cash rent received. For accounting purposes, free rent is recorded and amortized within straight-line rent. See the “Non-GAAP Financial Measures” section for additional information about this non-GAAP financial measure.

The chief operating decision-maker, determined to be the CEO of the Trust, continues to take into consideration the operating performance of its retained interest in the U.S. portfolio after the sale to the U.S. Fund when assessing the operating performance of the U.S. segment. Accordingly, effective July 1, 2021, the Trust’s segmented income included the Trust’s share of comparative properties NOI (constant currency basis) from equity accounted investment.

The tables below detail the comparative properties NOI (constant currency basis) and other items to assist in understanding the impact each component has on net rental income for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended				Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
	September 30, 2022	September 30, 2021	Change in $	Change in %			
Ontario	**$ 15,445**	$ 13,210	$ 2,235	16.9%	1.5%	10.5%	6,816
Québec	**11,152**	10,117	1,035	10.2%	0.3%	6.5%	5,599
Western Canada	**11,635**	10,887	748	6.9%	3.4%	0.0%	5,071
Canadian portfolio	**38,232**	34,214	4,018	11.7%	1.8%	6.0%	17,486
European portfolio (constant currency basis)	**19,411**	18,917	494	2.6%	(0.3%)	0.2%	13,262
U.S. portfolio (constant currency basis)	**2,690**	2,624	66	2.5%	0.1%	2.0%	1,951
Comparative properties NOI (constant currency basis)	**60,333**	55,755	4,578	8.2%	0.8%	4.5%	32,699
Impact of foreign currency translation on comparative properties NOI	**—**	2,464	(2,464)				
NOI from acquired properties – Canada	**5,060**	399	4,661				
NOI from acquired properties – Europe	**7,360**	838	6,522				
NOI from acquired properties – U.S.	**826**	—	826				
NOI from disposed share of properties	**—**	363	(363)				
Net property management and other income	**769**	317	452				
Straight-line rent	**1,836**	684	1,152				
Amortization of lease incentives	**(622)**	(327)	(295)				
Lease termination fees and other	**(15)**	1,068	(1,083)				
COVID-19 related adjustments and provisions	**46**	6	40				
NOI from properties transferred to properties held for development	**199**	489	(290)				
Less: NOI from equity accounted investment	**(3,795)**	(2,346)	(1,449)				
Net rental income	**$ 71,997**	$ 59,710	$ 12,287	20.6%			

	Nine months ended						
	September 30, 2022	September 30, 2021	Change in $	Change in %	Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
Ontario	**$ 42,674**	$ 37,346	$ 5,328	14.3%	2.4%	9.2%	6,544
Québec	**24,466**	21,683	2,783	12.8%	2.8%	7.4%	4,258
Western Canada	**34,091**	32,350	1,741	5.4%	2.0%	1.1%	5,071
Canadian portfolio	**101,231**	91,379	9,852	10.8%	2.3%	5.9%	15,873
European portfolio (constant currency basis)	**20,118**	18,585	1,533	8.2%	(0.3%)	4.9%	3,918
U.S. portfolio (constant currency basis)	**7,081**	6,748	333	4.9%	1.1%	3.1%	1,751
Comparative properties NOI (constant currency basis)	**128,430**	116,712	11,718	10.0%	1.8%	5.8%	21,542
Impact of foreign currency translation on comparative properties NOI	**—**	1,738	(1,738)				
NOI from acquired properties – Canada	**21,712**	6,550	15,162				
NOI from acquired properties – Europe	**56,915**	17,052	39,863				
NOI from acquired properties – U.S.	**2,400**	716	1,684				
NOI from disposed share of properties	**(2)**	13,911	(13,913)				
Net property management and other income	**2,865**	317	2,548				
Straight-line rent	**4,859**	1,669	3,190				
Amortization of lease incentives	**(1,752)**	(1,299)	(453)				
Lease termination fees and other	**(490)**	1,266	(1,756)				
COVID-19 related adjustments and provisions	**(81)**	(88)	7				
NOI from properties transferred to properties held for development	**1,257**	1,269	(12)				
Less: NOI from equity accounted investment	**(10,074)**	(2,346)	(7,728)				
Net rental income	**$ 206,039**	$ 157,467	$ 48,572	30.8%			

For the three months ended September 30, 2022, comparative properties NOI (constant currency basis) was $60.3 million compared to $55.8 million in the prior year comparative quarter, reflecting an increase of $4.6 million or 8.2%.

For the nine months ended September 30, 2022, comparative properties NOI (constant currency basis) was $128.4 million compared to $116.7 million in the prior year, reflecting an increase of $11.7 million or 10.0%.

For the three months ended September 30, 2022, comparative properties NOI (constant currency basis) in Ontario increased by $2.2 million or 16.9%, compared to the prior year comparative quarter, primarily driven by increasing rental spreads on new and renewed leases, along with increases in occupancy. For the nine months ended September 30, 2022, comparative properties NOI increased by $5.3 million, or 14.3%, compared to the prior year period primarily due to new leasing in the GTA, in addition to the same reasons as discussed.

For the three months ended September 30, 2022, comparative properties NOI (constant currency basis) in Québec increased by $1.0 million or 10.2%, compared to the prior year comparative quarter. This was primarily due to increases in rental rates on new and renewed leases and contractual rent step-ups. Furthermore, the recently completed phase one expansion at Marie-Curie contributed approximately $0.3 million of comparative properties NOI for the quarter, and is not included in our year-to-date comparative portfolio as the property was acquired during Q1 2021. For the nine months ended September 30, 2022, comparative properties NOI increased by $2.8 million or 12.8%, compared to the prior year period primarily due to robust increases in occupancy and new leasing in Montréal, in addition to the same reasons as discussed.

For the three months ended September 30, 2022, comparative properties NOI (constant currency basis) in Western Canada increased by $0.7 million or 6.9%, compared to the prior year comparative quarter, driven by strong increases in occupancy in all sub-markets. For the nine months ended September 30, 2022, comparative properties NOI increased by $1.7 million or 5.4% for the same reasons as discussed.

For the three months ended September 30, 2022, comparative properties NOI (constant currency basis) in Europe increased by $0.5 million or 2.6%, compared to the prior year comparative quarter, primarily attributable to higher rental rates on new and renewed leases in Netherlands and Germany and the impact of CPI indexation on leases in this overall portfolio. For the quarter, CPI indexation contributed approximately 2.4% increase in comparative properties NOI and 2.7% year-to-date. Additionally, $0.5

million of solar income was recognized during the quarter from completed projects in the Netherlands. This was slightly offset by the aforementioned transitory vacancy at our 600,000 square foot single tenant property in France, where the Trust signed a 467,000 square foot new lease that commenced in October 2022. For the nine months ended September 30, 2022, comparative properties NOI increased by $1.5 million or 8.2%, for primarily the same reasons as discussed.

For the three months ended September 30, 2022, comparative properties NOI (constant currency basis) in the U.S. increased by $0.1 million or 2.5%, compared to the prior year comparative quarter primarily attributable to increased occupancy and higher rental rates on renewals in the Midwest. For the nine months ended September 30, 2022, comparative properties NOI increased by $0.3 million or 4.9%, primarily due to increased occupancy in all sub-regions as a result of new leasing, in addition to the same reasons as discussed.

For the three and nine months ended September 30, 2022, the Trust earned net property management and other income from the U.S. Fund totalling $0.8 million and $2.9 million, respectively. This represents an increase of $0.5 million and $2.5 million compared to the prior year comparative periods, respectively, primarily attributable to higher leasing fees from increased leasing volume in the current period.

OUR RESULTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Investment properties revenue	**$ 93,313**	$ 75,832	**$ 270,700**	$ 210,530
Investment properties operating expenses	**(21,316)**	(16,122)	**(64,661)**	(53,063)
Net rental income	**71,997**	59,710	**206,039**	157,467
Other income				
Share of net income from equity accounted investments	**6,279**	13,031	**47,704**	13,031
Interest, fee income and other	**99**	1,840	**612**	2,327
	6,378	14,871	**48,316**	15,358
Other expenses				
General and administrative	**(7,419)**	(6,450)	**(21,755)**	(16,153)
Interest:				
Debt and other financing costs(1)	**(5,187)**	(5,482)	**(14,273)**	(20,978)
Subsidiary redeemable units	**(3,246)**	(3,246)	**(9,739)**	(9,739)
Debt settlement costs	**—**	(28,510)	**—**	(31,569)
	(15,852)	(43,688)	**(45,767)**	(78,439)
Fair value adjustments and net loss on transactions and other activities				
Fair value adjustments to investment properties	**43,133**	162,452	**428,528**	444,170
Fair value adjustments to financial instruments	**30,481**	(16,060)	**142,384**	(92,905)
Net loss on transactions and other activities	**(1,929)**	(3,972)	**(8,132)**	(6,619)
	71,685	142,420	**562,780**	344,646
Income before income taxes	**134,208**	173,313	**771,368**	439,032
Current and deferred income tax expenses, net	**(8,545)**	(10,498)	**(31,336)**	(20,658)
Net income	**$ 125,663**	$ 162,815	**$ 740,032**	$ 418,374
Other comprehensive gain (loss)				
Items that will be reclassified subsequently to net income:				
Unrealized gain (loss) on foreign currency translation of foreign operations	**$ (13,261)**	$ 11,719	**$ (137,578)**	$ (22,023)
Unrealized gain (loss) on hedging instruments	**54,521**	(6,285)	**144,577**	7,574
Share of other comprehensive gain from equity accounted investment	**17,749**	2,206	**22,695**	1,874
	59,009	7,640	**29,694**	(12,575)
Comprehensive income	**$ 184,672**	$ 170,455	**$ 769,726**	$ 405,799

(1) For the three and nine months ended September 30, 2022, the mark-to-market amortization netted against interest expense on debt and other financing costs was $749 and $2,274, respectively (for the three and nine months ended September 30, 2021 – $847 and $895, respectively).

Investment properties revenue

Investment properties revenue includes base rent from investment properties, recovery of operating costs, property taxes and capital expenditures from tenants, property management and other income from the U.S. Fund, the impact of straight-line rent adjustments, lease termination fees and other adjustments, as well as fees earned from property management.

Investment properties revenue for the three months ended September 30, 2022 increased by $17.5 million, or 23.1%, when compared to the prior year comparative quarter. The increase was driven by organic growth in the portfolio (+$7.5 million), the impact of acquired properties in 2022 and 2021 (+$8.8 million) and property management income (+$1.2 million).

Investment properties revenue for the nine months ended September 30, 2022 increased by $60.2 million, or 28.6%, when compared to the prior year comparative year. The increase was driven by organic growth in the portfolio (+$14.1 million), the impact of acquired properties in 2022 and 2021 (+$41.9 million) and property management income (+$4.2 million).

Investment properties operating expenses

Investment properties operating expenses comprise operating costs and property taxes as well as certain expenses that are not recoverable from tenants. Operating expenses fluctuate with changes in occupancy levels, expenses that are seasonal in nature, and the level of repairs and maintenance incurred during the period.

Investment properties operating expenses for the three months ended September 30, 2022 increased by $5.2 million, or 32.2%, over the prior year comparative quarter. The increase was driven by organic growth in the portfolio (+$1.9 million), the impact of acquired properties in 2022 and 2021 (+$2.9 million) and property management expenses (+$0.5 million).

Investment properties operating expenses for the nine months ended September 30, 2022 increased by $11.6 million, or 21.9%, over the prior year comparative year. The increase was driven by organic growth in the portfolio (+$1.2 million), the impact of acquired properties in 2022 and 2021 (+$9.0 million) and property management expenses (+$1.3 million).

General and administrative (“G&A”) expenses

The following table summarizes our G&A expenses for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Asset management fee	**$ (3,194)**	$ (2,543)	**$ (9,310)**	$ (6,205)
Professional fees and general corporate expenses[1]	**(3,522)**	(3,146)	**(9,747)**	(7,466)
Deferred compensation expenses	**(703)**	(761)	**(2,698)**	(2,482)
Total	**$ (7,419)**	$ (6,450)	**$ (21,755)**	$ (16,153)

(1) Includes professional fees, corporate management and overhead related costs, public reporting costs, and Board of Trustees’ fees and expenses.

G&A expenses for the three and nine months ended September 30, 2022 increased by $1.0 million or 15.0%, and $5.6 million or 34.7%, respectively, when compared to the prior year respective periods. Asset management fees increased due to acquired properties in 2022 and 2021. Professional fees and general corporate expenses increased year-over-year primarily due to costs associated with growth in the European portfolio.

Share of net income from equity accounted investments

Share of net income from equity accounted investments represents our share of net income pick-up from our investment in the U.S. Fund effective July 1, 2021, and in the Development JV effective April 29, 2022.

Net income from the U.S. Fund mainly comprises net rental income, interest expense on debt, G&A expenses, and fair value adjustments to investment properties and debt. Net income from our investment in the U.S. Fund may vary year-over-year or quarter-over-quarter due to fluctuations in fair value adjustments to investment properties and debt, and changes in our ownership levels. For the three and nine months ended September 30, 2022, our share of net income from the U.S. Fund was $6.3 million and $47.7 million, respectively.

The Development JV does not currently earn any income as its properties are in the development phase.

Interest expense on debt and other financing costs

Interest expense on debt and other financing costs for the three and nine months ended September 30, 2022 decreased by $0.3 million or 5.4%, and $6.7 million or 32.0%, respectively, when compared to the prior year comparative periods. Interest expense decreased primarily due to Canadian, European and U.S. mortgages discharged during 2021, partially offset by interest incurred on the unsecured debentures entered into during the past and current year.

Debt settlement costs

During the three and nine months ended September 30, 2022, the Trust did not incur debt settlement costs.

During the nine months ended September 30, 2021, the Trust early discharged 17 Canadian mortgages totalling $394.4 million. The Trust incurred debt settlement costs totalling $21.8 million in relation to the early discharge of these mortgages. In addition, the Trust incurred an additional $1.5 million of debt settlement costs in relation to the transfer of mortgages to the U.S. Fund. The balance of the debt settlement costs was relating to unamortized financing costs and loss associated with mark-to-mark of mortgages transferred to the U.S. Fund totalling $8.3 million.

Fair value adjustments to investment properties

Refer to the "Investment Properties" section under the heading "Fair value adjustments to investment properties" for a discussion of fair value changes to investment properties for the three and nine months ended September 30, 2022 and September 30, 2021.

Fair value adjustments to financial instruments

The fair value adjustments to subsidiary redeemable units and deferred trust units are dependent on the change in the Trust's unit price, and the adjustments may vary significantly year-over-year.

The fair value measurements of the interest rate swaps are calculated internally using external data provided by qualified professionals based on the present value of the estimated future cash flows determined using observable yield curves, and the adjustments may vary significantly year-over-year.

The following table summarizes our fair value adjustments to financial instruments for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Unrealized remeasurement of carrying value of subsidiary redeemable units	**$ 25,046**	$ (17,068)	**$ 120,402**	$ (56,583)
Unrealized remeasurement of carrying value of deferred trust units	**1,336**	(1,147)	**6,198**	(3,982)
Unrealized remeasurement of interest rate swaps	**4,099**	943	**15,784**	4,083
Loss on conversion of Subscription Receipts	**—**	—	**—**	(37,635)
Gain on fair value adjustment on interest rate swap	**—**	1,212	**—**	1,212
Total	**$ 30,481**	$ (16,060)	**$ 142,384**	$ (92,905)

Net loss on transactions and other activities

The following table summarizes our net loss on transactions and other activities for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Internal leasing costs	**$ (1,056)**	$ (861)	**$ (3,220)**	$ (2,661)
Foreign exchange loss(1)	**(761)**	(1,071)	**(4,175)**	(1,908)
Transaction costs on sale of investment properties	**(35)**	(2,063)	**(480)**	(2,063)
Other	**(77)**	23	**(257)**	13
Total	**$ (1,929)**	$ (3,972)	**$ (8,132)**	$ (6,619)

(1) The foreign exchange loss largely relates to capital transactions denominated in foreign currency with foreign wholly owned subsidiaries.

Current and deferred income tax expenses

Current income tax expense for the three and nine months ended September 30, 2022 was $1.5 million and $2.8 million, respectively, compared to $17.8 million in both prior comparative periods. The current income tax expense in both periods is largely attributed to our Pan-European logistics portfolio acquired at the end of the second quarter of 2021.

Deferred income tax expense for the three and nine months ended September 30, 2022 and September 30, 2021 was $7.0 million and $28.5 million, compared to $7.3 million and $2.9 million, respectively. The increase for the nine months ended period is primarily due to the increase in fair value of investment properties.

Other comprehensive income (loss)

Other comprehensive income (loss) comprises unrealized gain (loss) on foreign currency translation, unrealized gain (loss) on hedging instruments, and unrealized gain (loss) on foreign currency translation from our equity accounted investment. The unrealized gain (loss) on foreign currency translation may vary significantly year-over-year depending on the value of the Canadian dollar relative to the euro and U.S. dollar. The unrealized gain (loss) on hedging instruments may vary significantly year-over-year depending on the fair value adjustments on the CCIRS designated as hedges.

Funds from operations ("FFO") and diluted FFO per Unit

FFO is a non-GAAP financial measure and diluted FFO per Unit is a non-GAAP ratio. FFO is further defined and reconciled to net income which is its most directly comparable financial measure in the "Non-GAAP Financial Measures" section. Diluted FFO per Unit is a non-GAAP ratio and is calculated as FFO (a non-GAAP financial measure) divided by the weighted average number of Units. See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for additional information about diluted amounts per Unit, under the heading "Weighted average number of Units".

FFO and diluted FFO per Unit for the three and nine months ended September 30, 2022 and September 30, 2021 are shown in the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Net income	**$ 125,663**	$ 162,815	**$ 740,032**	$ 418,374
FFO	**$ 60,897**	$ 50,517	**$ 176,460**	$ 124,583
Weighted average number of Units (in thousands)	**274,481**	229,472	**269,229**	206,856
FFO per Unit – diluted	**$ 0.22**	$ 0.22	**$ 0.66**	$ 0.60
Net income per Unit – diluted	**$ 0.46**	$ 0.71	**$ 2.75**	$ 2.02

Diluted FFO per Unit for the three and nine months ended September 30, 2022 was $0.22 and $0.66, respectively, compared to $0.22 and $0.60, respectively, for the three and nine months ended September 30, 2021. For the three months ended September 30, 2022, diluted FFO per Unit was consistent with the prior year quarter as there were $1.1 million of lease termination fees and $1.7 million of one-off administrative fees from the U.S. Fund earned in the third quarter of 2021. Excluding the $2.8 million mentioned above, the diluted FFO per Unit would have been $0.21 in Q3 2021. The year-over-year increase of $0.002 and $0.06 for the three and nine months ended September 30, 2022, respectively, was primarily driven by comparative properties NOI (constant currency basis) growth, NOI from acquired properties in 2022 and 2021, lower interest expense on debt and other financing costs, partially offset by an increase in G&A expenses from a larger portfolio and growth in the European platform, and a stronger Canadian dollar compared to the euro.

Related party transactions

From time to time, Dream Industrial REIT and its subsidiaries enter into transactions with related parties that are generally conducted on a cost recovery basis or under normal commercial terms.

Agreements with Dream Asset Management Corporation ("DAM")

Under the asset management agreement (the "AMA") between the Trust and DAM, DAM provides certain asset management services to the Trust and its subsidiaries. The AMA provides the Trust and DAM the opportunity to agree on additional services to be provided to the Trust for which DAM is to be reimbursed on a cost recovery basis.

The following table summarizes our fees paid to DAM and its affiliates for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Incurred under the AMA[1]:				
Asset management fee (included in G&A expenses)	**$ (3,194)**	$ (2,543)	**$ (9,310)**	$ (6,205)
Asset management fee (included in properties under development)	**(53)**	—	**(78)**	—
Acquisition fee (included in investment properties)	**(185)**	(1,012)	**(3,757)**	(9,815)
Capital expenditures fee (included in investment properties)	**(761)**	(330)	**(2,193)**	(330)
Expense reimbursements related to financing arrangements	**(180)**	(194)	**(527)**	(627)
Total costs incurred under the AMA	**$ (4,373)**	$ (4,079)	**$ (15,865)**	$ (16,977)
Total costs reimbursed under the Shared Services and Cost Sharing Agreement	**$ (515)**	$ (256)	**$ (1,185)**	$ (549)

(1) The AMA references for 2022 refer to costs under both the North American and European AMAs, as described below.

Effective January 1, 2022, the Trust and DAM amended and restated the AMA, to clarify certain definitions and simplify the administration of the agreement including by creating separate contracts for North America (being the amended and restated AMA, hereafter referred to as the "North American AMA") and Europe ("European AMA"). For details regarding the North American AMA and European AMA, please see the "Agreements with DAM" section in our MD&A dated as at May 3, 2022, which is incorporated by reference into this MD&A, and available on the System for Electronic Document Analysis and Retrieval ("SEDAR") (www.sedar.com). Capitalized terms used in this section but not defined have the meaning given to them in our Q1 2022 MD&A.

Both the North American AMA and European AMA provide for an incentive fee and Incentive Distribution based on FFO per Unit, as defined in the agreements, in excess of the FFO Hurdle amount. Both the North American hurdle and European hurdle were initially set at $0.95 per Unit as of January 1, 2020 and increase annually by 50% of the increase in the CPI as defined in the North American and European AMAs ($0.98 as of January 1, 2022).

Disposition gains in the FFO per Unit calculations used for determining the incentive fee and Incentive Distribution are based on the actual disposition value, or fair value in the case of a termination of the agreement in accordance with its terms, of the Trust's North American and European investment properties, respectively, at the applicable date, relative to their historic purchase price. As at September 30, 2022, the historic purchase price for the Trust's North American and European investment properties was $2.7 billion and $2.5 billion, respectively.

As at September 30, 2022, no incentive fee under the North American AMA has been paid or is payable by the Trust to DAM.

As at September 30, 2022, the fair value of the LP Class B Units held by DAM Europe was $nil and no Incentive Distribution has been paid or is payable by the Trust to DAM Europe.

In the event that all of the Trust's investment properties were sold or both the North American AMA and the European AMA were terminated, based on the investment properties value reported as at September 30, 2022 of $6.5 billion, and based on the Trust's actual financial results for the trailing 12 months, the estimated overall incentive fee payable would have been $250.2 million. The actual incentive fee payable, if any, would be calculated as of each fiscal year end and based on the Trust's actual financial results for the year ending December 31.

The amount of the North American incentive fee payable by the Trust and the Incentive Distribution and the redemption price of the LP Class B Units on any date will be contingent upon various factors, including, but not limited to, changes in Dream Industrial REIT's FFO (as defined in the North American AMA) and changes in the European FFO, movements in the fair value of investment properties, acquisitions and dispositions, future foreign exchange rates, and changes in the total number of outstanding Units of the Trust.

Agreements with Dream Office Real Estate Investment Trust (“Dream Office REIT”)

The following table summarizes the costs reimbursed to Dream Office REIT for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Total costs reimbursed under the Services Agreement	**$ (1,962)**	$ (1,290)	**$ (5,712)**	$ (4,051)

As discussed in “Our Equity”, subsidiaries of Dream Office REIT are the holders of 100% of the outstanding LP B Units. Generally, each subsidiary redeemable unit entitles the holder to a distribution equal to distributions declared on our REIT Units. In our condensed consolidated financial statements, distributions paid and payable on LP B Units are included as interest expense.

The following table summarizes our interest paid and payable to subsidiaries of Dream Office REIT on its subsidiary redeemable units for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Interest paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (3,246)**	$ (3,246)	**$ (9,739)**	$ (9,739)

Agreements with PAULS Corp, LLC (“PAULS Corp”)

The following table summarizes our fees paid and costs reimbursed to an affiliate of PAULS Corp for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Total costs incurred under the Property Management Agreement(1)	**$ —**	$ (230)	**$ —**	$ (1,207)
Pre-development cost recovery/development fee	**—**	(202)	**—**	(388)
Total costs incurred under the Property Management Agreement	**$ —**	**$ (432)**	**$ —**	**$ (1,595)**
Total costs incurred under the Sub Property Management Agreement(2)	**$ (61)**	$ —	**$ (179)**	$ —

(1) Amounts include financing fees, leasing fees, and cost recovery for property management and portfolio management.

(2) Amounts include cost recovery for property management, leasing expenses and construction management.

Agreements with the U.S. Fund

The following table summarizes our fees earned from the U.S. Fund for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Total fees earned under the Property Management Agreement(1)	**$ 1,219**	$ 743	**$ 4,203**	$ 743

(1) Amounts include management fees, construction fees, leasing fees, and cost recovery for property management and accounting.

SECTION III

INVESTMENT PROPERTIES

Dream Industrial REIT’s investment properties comprise income-producing properties, properties under development and land held for development. Our income-producing properties make up a large majority of the investment property portfolio. Properties under development include greenfield development or redevelopment projects for which planning and permitting are complete, construction has commenced, and if applicable, the existing property has been destabilized. Land held for development includes land parcels acquired for the purpose of constructing industrial income-producing properties, where no development activities are underway except for planning and other pre-development work.

Investment properties continuity

Changes in the value of our investment properties, excluding assets held for sale, by region for the three and nine months ended September 30, 2022 are summarized in the following tables:

	Three months ended						
	July 1, 2022	Property acquisitions	Building improvements, lease incentives and initial direct leasing costs[1]	Fair value adjustments[2]	Amortization of lease incentives, foreign currency translation[3] and other adjustments	Income-producing properties transferred to/from properties held for development	September 30, 2022
Ontario	$ 2,216,367	$ —	$ 6,442	$ 25,944	$ 664	$ (41,899)	$ 2,207,518
Québec	1,066,475	—	10,427	15,546	431	—	1,092,879
Western Canada	668,470	—	5,250	(2,571)	(471)	—	670,678
Canadian portfolio	3,951,312	—	22,119	38,919	624	(41,899)	3,971,075
European portfolio	2,409,625	39,747	6,815	4,182	(13,816)	—	2,446,553
Total income-producing properties	6,360,937	39,747	28,934	43,101	(13,192)	(41,899)	6,417,628
Properties held for development	46,064	—	3,934	32	—	41,899	91,929
Total investment properties	$ 6,407,001	$ 39,747	$ 32,868	$ 43,133	$ (13,192)	$ —	$ 6,509,557

(1) Included in properties held for development is $3,934 of development costs, pre-development costs and capitalized interest.

(2) During the three months ended September 30, 2022, the Trust wrote off acquisition related costs totalling $2,813 included in fair value adjustments on investment properties.

(3) Included in the European portfolio is foreign currency translation adjustment totalling $(14,065).

	Nine months ended						
	January 1, 2022	Property acquisitions and dispositions	Building improvements, lease incentives and initial direct leasing costs[1]	Fair value adjustments[2]	Amortization of lease incentives, foreign currency translation[3] and other adjustments	Income-producing properties transferred to/from properties held for development	September 30, 2022
Ontario	$ 1,843,987	$ 171,922	$ 16,283	$ 215,702	$ 1,523	$ (41,899)	$ 2,207,518
Québec	922,168	10,366	21,297	138,318	730	—	1,092,879
Western Canada	642,098	—	17,038	12,697	(1,155)	—	670,678
Canadian portfolio	3,408,253	182,288	54,618	366,717	1,098	(41,899)	3,971,075
European portfolio	2,210,713	322,286	45,901	27,527	(159,874)	—	2,446,553
Total income-producing properties	5,618,966	504,574	100,519	394,244	(158,776)	(41,899)	6,417,628
Properties held for development[4]	77,641	(71,575)	10,288	33,676	—	41,899	91,929
Total investment properties	$ 5,696,607	$ 432,999	$ 110,807	$ 427,920	$ (158,776)	$ —	$ 6,509,557

(1) Included in properties held for development is $10,288 of development costs, pre-development costs and capitalized interest.

(2) During the nine months ended September 30, 2022, the Trust wrote off acquisition related costs totalling $31,526 included in fair value adjustments on investment properties.

(3) Included in the European portfolio is foreign currency translation adjustment totalling $(161,118).

(4) Included in properties held for development was the sale of two land parcels totalling $97,293 to the Development JV on April 29, 2022. Refer to Note 8 of our condensed consolidated financial statements for further details.

Significant assumptions used in the valuation of investment properties

The fair value of the investment properties as at September 30, 2022 and December 31, 2021 represents the Trust's best estimate based on internally and externally available information as at the end of the reporting period.

The Trust values its investment properties using both the direct cap rate method and the discounted cash flow method. The results of both methods are evaluated by considering the range of values calculated under both methods on a property-by-property basis.

The significant valuation metrics used in the cap rate method are stabilized cap rates. The following table summarizes stabilized cap rates by region as at September 30, 2022 and December 31, 2021:

	Total portfolio[1]			
	September 30, 2022		December 31, 2021	
Stabilized cap rates	**Range (%)**	**Weighted average (%)[2]**	Range (%)	Weighted average (%)[2]
Ontario	**4.25–8.00**	**5.00**	4.00–7.75	4.79
Québec	**4.50–7.00**	**5.37**	4.25–6.00	4.97
Western Canada	**5.00–7.75**	**6.30**	5.50–7.50	6.23
Canadian portfolio	**4.25–8.00**	**5.32**	4.00–7.75	5.15
European portfolio	**3.50–9.00**	**4.88**	3.25–9.00	4.81
Total portfolio	**3.50–9.00**	**5.16**	3.25–9.00	5.02

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

(2) Weighted average percentage based on investment property fair value.

The significant valuation metrics used in the discounted cash flow method as at September 30, 2022 and December 31, 2021 are set out in the table below:

	Total portfolio[1]			
	September 30, 2022		December 31, 2021	
	Range (%)	**Weighted average (%)[2]**	Range (%)	Weighted average (%)[2]
Discount rate	**4.30–9.00**	**6.06**	4.00–8.50	5.82
Terminal cap rate	**3.55–9.25**	**5.36**	3.25–8.75	5.17

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

(2) Weighted average percentage based on investment property fair value.

The Trust believes other valuation metrics, such as implied weighted average cap rates by region, will enable users to better understand how specific operating metrics, such as in-place rents versus market rents and in-place versus in-place and committed occupancy levels in the respective regions, may impact our values. The implied weighted average cap rate is determined using the annualized nine months ended September 30, 2022 net rental income by property, excluding the net rental income of properties acquired during the quarter and net rental income of sold properties. Net rental income used in calculating the implied average cap rate also excludes the impact of lease termination fees and other rental income, estimated credit loss, COVID-19 related adjustments and provisions, and amortization of lease incentives.

Investment property value per square foot by region is another valuation metric that enables users to compare the transacted value per square foot in similar markets during the period.

The following table summarizes the implied weighted average cap rate and value per square foot by region as at September 30, 2022 and December 31, 2021:

	Total portfolio[1]			
	September 30, 2022		December 31, 2021	
	Implied cap rate (%)	**Value per sq. ft.**	Implied cap rate (%)	Value per sq. ft.
Ontario	**3.78**	**$ 245**	3.80	$ 221
Québec	**4.46**	**187**	4.86	163
Western Canada	**6.87**	**132**	6.76	127
Canadian portfolio	**4.49**	**$ 199**	4.71	$ 176
European portfolio (value per sq. ft. in €)	**4.62**	**€ 105**	4.07	€ 96
Total portfolio (value per sq. ft. in $)	**4.51**	**$ 172**	4.47	$ 159

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

Acquisitions

During the three and nine months ended September 30, 2022, the Trust completed $36.9 million and $498.8 million, respectively, of acquisitions (excluding transaction costs), bringing total investment properties to just over $6.5 billion.

The following acquisitions were completed during the nine months ended September 30, 2022:

	Acquired GLA (thousands of sq. ft.)	Occupancy at acquisition (%)	WALT at acquisition (years)	Fair value of investment properties[1]	Date acquired
480 Tapscott Road, Toronto, Ontario	85	100.0	2.1	$ 22,250	January 28, 2022
Rocky View County (land), Balzac, Alberta[2]	n/a	n/a	n/a	13,750	February 8, 2022
Portugalweg 17, Bodegraven, Netherlands[3]	128	100.0	10.0	36,048	March 16, 2022
Bijsterhuizen 3171, Wijchen, Netherlands[3]	147	100.0	9.5	26,477	March 24, 2022
4211 Mainway, Burlington, Ontario	94	100.0	4.4	17,900	March 31, 2022
Cross Roads Commercial Lands (land), Rocky View County, Alberta[2]	n/a	n/a	n/a	11,400	April 8, 2022
Poortcamp 2, De Lier, Netherlands[3]	141	100.0	2.9	30,793	April 19, 2022
Obserhausener Strasse 22, Düsseldorf, Germany[3]	56	100.0	2.8	6,170	April 20, 2022
125 Maple Grove, Cambridge, Ontario	137	100.0	8.3	31,800	April 26, 2022
60 East Beaver Creek, Richmond Hill, Ontario	86	100.0	4.8	30,000	April 28, 2022
219 Shoemaker Street, Kitchener, Ontario	29	100.0	1.0	6,250	May 17, 2022
Oude Hoorn 2, Houten, Netherlands[3]	105	100.0	5.1	19,238	May 19, 2022
Im Bresselsholze 14, Triptis, Germany[3]	189	100.0	2.5	14,693	May 20, 2022
25 Mural Street, Richmond Hill, Ontario	90	100.0	5.8	25,850	May 24, 2022
200–220 Joseph Carrier, Montréal, Québec	43	100.0	1.5	9,910	June 1, 2022
Hans-Böckler-Strasse 35, Minden, Germany[3]	472	100.0	10.0	65,335	June 1, 2022
Im Grund 3, Burgbernheim, Germany[3]	119	100.0	15.0	25,267	June 2, 2022
Logistiekweg 4, Bemmel, Netherlands[3]	106	100.0	10.0	36,401	June 9, 2022
33 Raglin Place, Cambridge, Ontario	25	100.0	4.0	5,400	June 17, 2022
1549 Yorkton Court, Burlington, Ontario	81	100.0	3.3	26,900	June 21, 2022
Verler Strasse 430, Gütersloh, Germany[3]	213	100.0	8.5	23,014	July 20, 2022
Säuritzer Strasse Ost 9, Burkau, Germany[3]	63	100.0	2.3	13,920	August 13, 2022
Total	**2,409**	**100.0**	**7.0**	**$ 498,766**	

(1) Fair value of investment properties is as at the respective acquisition dates. Excludes transaction costs of $31,526.

(2) Rocky View County (land) and Cross Roads Commercial (land) are parcels of land totalling 50 and 19.5 acres, respectively.

(3) Acquisitions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction dates.

Subsequent to September 30, 2022, the Trust completed the following acquisition:

		Fair value of investment property(1)	Date acquired
400 Norris Glen Road, Etobicoke, Ontario	$	66,500	October 20, 2022
Total	$	66,500	

(1) Fair value of investment property is as at the acquisition date and excludes transaction costs.

For the year ended December 31, 2021, the Trust acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling $2.4 billion.

Dispositions

On April 29, 2022, the Trust completed the contribution of two properties held for development in Canada to a newly formed Development JV between a subsidiary of the Trust and the Partner for total cash consideration of $68.2 million and units of the Development JV representing 25% ownership, with a fair value of $30.7 million. A subsidiary of DAM is the asset manager of the Development JV, and the Trust continues paying fees on its interest in the Development JV under its current asset management agreement with DAM. A subsidiary of the Trust will provide property management, capital expenditures oversight, and leasing services to the Development JV at market rates upon completion of the properties held for development.

For the year ended December 31, 2021, the Trust disposed of investment properties located in the U.S. and Alberta totalling $641.2 million.

Building improvements

Building improvements represent investments made in our investment properties to help ensure optimal building performance, to improve the experience of our tenants, and to reduce operating costs. In order to retain desirable rentable space and to generate adequate revenue over the long term, we must maintain or, in some cases, improve each property's condition to meet market demand. Building improvements also include expenditures for the purposes of greenfield development, redevelopment, repositioning and expansion activities.

Recoverable capital expenditures are recovered from tenants in accordance with their leases over the useful life of the building improvements. Recoverable amounts include an imputed interest charge and management fee.

Non-recoverable capital expenditures are not recovered from tenants and are costs incurred to repair or maintain the property's structural condition and bring properties up to the Trust's operating standards.

Development capital expenditures are discretionary in nature and incurred to increase GLA and/or significantly improve the functionality of a property. These can include expenditures related to greenfield development, expansions, pre-development work on projects, and redevelopment projects. Development capital expenditures include pre-development costs, direct construction costs, leasing costs, tenant improvements, borrowing costs, and overhead including applicable salaries and direct costs of internal staff directly attributable to the projects. During the quarter, the Trust continued to allocate capital to its development pipeline with approximately 1 million square feet of projects currently underway.

Value-add capital expenditures are not recovered from tenants and include additions of solar panels and upgrades such as LED lighting retrofits as part of our ESG initiatives and which are completed on certain properties and are expected to increase the Trust's ability to attract tenants and obtain higher rental rates. In addition, value-add capital expenditures include capital allocated to refurbishing existing assets with the goal of achieving higher rent from current or prospective tenants:

- In Europe, the Trust has approved eight solar projects and is currently performing feasibility assessments on nine properties.
- In Western Canada, the Trust began its execution of solar upgrades across seven properties for total costs of $0.7 million in the current quarter. The majority of solar projects are expected to be completed by the end of 2022.

As part of our solar panel installation program, the Trust is currently planning to add 22,000 solar panels across Canada and Europe with total forecasted capital expenditures of approximately $12 million and an estimated unlevered yield on cost of over 10.4%.

Asset repositioning expenditures are discretionary in nature and incurred to significantly improve the functionality of an existing property that is currently owned within the portfolio or recently acquired, with the plan to reposition and increase value through future lease-up.

The following table summarizes building improvements and development expenditures incurred for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Recoverable capital expenditures	**$ 7,306**	$ 3,718	**$ 13,813**	$ 6,127
Non-recoverable capital expenditures	**1,582**	58	**4,249**	1,388
Recoverable and non-recoverable capital expenditures	**8,888**	3,776	**18,062**	7,515
Development capital expenditures (income-producing properties)	**14,009**	8,772	**55,968**	9,825
Value-add capital expenditures	**2,635**	1,283	**13,016**	2,702
Total building improvements	**$ 25,532**	$ 13,831	**$ 87,046**	$ 20,042
Properties held for development capital expenditures(1)(2)	**3,621**	217	**9,704**	217
Total building improvements and properties held for development capital expenditures	**$ 29,153**	$ 14,048	**$ 96,750**	$ 20,259

(1) For the three and nine months ended September 30, 2022, excludes capitalized interest of $294 and $602, respectively, which includes $18 of capitalized interest prior to the sale of two land parcels to the Development JV. For the three and nine months ended September 30, 2021, excludes capitalized interest of $185 and $340, respectively.

(2) Includes $19 of development capital expenditure prior to the sale of two land parcels to the Development JV.

Building improvements and properties held for development capital expenditures for the three and nine months ended September 30, 2022 increased by $15.1 million and $76.5 million, respectively, compared to the prior year comparative periods. We are executing on a roofing upgrade program in Ontario and Quebec to increase the energy efficiency and reflective properties of our roofs to align with our sustainability initiatives. These costs are included within recoverable capital expenditures and will be recovered from tenants over the useful life of the roof plus an imputed interest charge and management fee. Development capital expenditures on our income-producing properties and properties held for development in Canada and Europe have increased as we are executing on the expansion projects as described within this report. In addition, we have incurred higher value-add capital expenditures work across our Canadian and European portfolios as we execute on our LED lighting upgrades and solar panel installation projects.

Lease incentives and initial direct leasing costs

Lease incentives include costs incurred to make leasehold improvements to tenant spaces, landlord works and cash allowances. Initial direct leasing costs include leasing fees and related costs and broker commissions incurred in negotiating and arranging tenant leases. Lease incentives and initial direct leasing costs are dependent upon asset type, lease terminations and expiries, the mix of new leasing activity compared to renewals, portfolio growth and general market conditions. Short-term leases generally have lower costs than long-term leases.

The following table summarizes leasing incentives and leasing costs reported for the three and nine months ended September 30, 2022 and September 30, 2021 and include costs attributable to leases that commenced in the respective periods. Due to the timing of the signing of lease agreements, certain costs, such as lease commissions, may be incurred in advance of lease commencement.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Lease incentives and initial direct leasing costs	**$ 3,402**	$ 3,285	**$ 13,473**	$ 10,904

Lease incentives and initial direct leasing costs for the three and nine months ended September 30, 2022 increased by $0.1 million and $2.6 million, respectively, compared to the prior year comparative periods, primarily due to higher leasing volume offset by lower average costs per square foot.

Valuations of externally appraised investment properties

For the nine months ended September 30, 2022, 52 investment properties were valued by qualified external valuation professionals representing 20.2% of total investment property values, excluding acquired properties (for the year ended December 31, 2021 – 68 investment properties were externally appraised representing 27.7% of total investment property values, excluding acquired properties).

Fair value adjustments to investment properties

For the three months ended September 30, 2022, the Trust recorded a fair value gain of $43.1 million predominantly driven by value increases in Ontario and Québec as a result of higher market rents, and substantially completed expansion projects. The fair value gains recorded in Europe were predominantly driven by an expansion project in the Europe region.

For the nine months ended September 30, 2022, the Trust recorded a fair value gain of $428.5 million, mainly driven by fair value gains in the Ontario and Québec regions totalling $388.3 million. Fair value gains recorded in the Western Canada and Europe regions totalled $40.2 million. The fair value increases were primarily driven by higher market rents and completed expansion projects, partially offset by a loss due to the write-off of transaction costs. The Trust also recorded a fair value gain on its properties held for development totalling $34.3 million that were sold to the Development JV.

OUR FINANCING

Debt strategy

Our debt strategy involves maintaining a conservative leverage ratio and building up a high-quality unencumbered investment properties pool, while optimizing borrowing costs, preserving liquidity and hedging our foreign currency investments. We are focused on improving our overall cost of capital and the risk profile of our business by maintaining an investment grade credit rating and diversifying our sources of debt through a combination of secured and unsecured debt. Over the past 24 months, the Trust successfully lowered its overall cost of borrowing and effectively hedged its foreign currency investments by replacing higher interest rate Canadian debt with lower interest rate euro-equivalent debt.

Debt summary

Our discussion of debt includes the CCIRS. However, pursuant to IFRS, the CCIRS are included in "Derivatives and other non-current assets" in the condensed consolidated financial statements.

						As at
		September 30, 2022		December 31, 2021		September 30, 2021
Financing metrics						
Credit rating – DBRS		**BBB (mid)**		BBB (mid)		BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio[1]		**29.2%**		31.6%		32.9%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)[1]		**7.8**		8.0		8.0
Interest coverage ratio (times)[1]		**13.4**		8.0		6.2
Weighted average face interest rate on debt (period-end)[2]		**1.14%**		0.83%		0.86%
Weighted average remaining term to maturity on debt (years)		**3.0**		3.8		3.9
Non-current debt	**$**	**2,006,193**	$	2,006,647	$	1,785,223
Total debt[3]	**$**	**2,069,574**	$	2,012,482	$	1,812,041
Unsecured debt[4]	**$**	**1,568,441**	$	1,450,801	$	1,234,234
Secured debt as a percentage of total assets[4]		**7.0%**		9.3%		10.8%
Unencumbered investment properties (period-end)[4]	**$**	**5,088,394**	$	4,154,925	$	3,404,157
Unencumbered investment properties as a percentage of investment properties[4]		**78.2%**		72.9%		67.4%
Cash and cash equivalents	**$**	**60,091**	$	164,015	$	87,281
Available liquidity (period-end)[3]	**$**	**346,019**	$	511,612	$	434,809

(1) Net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years) and interest coverage ratio (times) are non-GAAP ratios. See the "Non-GAAP Ratios" section for additional information about these non-GAAP ratios.

(2) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt, including the impact of CCIRS as at period-end.

(3) Total debt and available liquidity are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information about these non-GAAP financial measures.

(4) Unsecured debt, secured debt as a percentage of total assets, unencumbered investment properties and unencumbered investment properties as a percentage of investment properties are supplementary financial measures. See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for additional information about these supplementary financial measures.

Liquidity and capital resources

Dream Industrial REIT's primary sources of capital are cash generated from (utilized in) operating activities, draws on the unsecured revolving credit facility, mortgage financing and refinancing, and equity and debt issuances. Our primary uses of capital include the payment of distributions, property acquisitions, costs of attracting and retaining tenants, recurring property maintenance, major property improvements, development projects, debt principal repayments and interest payments.

Scheduled principal repayments that are due for the remainder of 2022 total $2.4 million. The debt maturities are typically refinanced with mortgages or debt issuances with terms between five and ten years or repaid. With our balanced debt maturity schedule, undrawn unsecured revolving credit facility of $285.9 million, cash and cash equivalents of $60.1 million and unencumbered investment properties pool of $5.1 billion, we have sufficient liquidity and capital resources as at September 30, 2022 to fulfill the Trust's ongoing obligations. In addition, the Trust's net total debt-to-total-assets (net of cash and cash equivalents) ratio (a non-GAAP ratio) was 29.2% as at September 30, 2022, which provides over $500 million of balance sheet capacity before the Trust's net total debt-to-total-assets (net of cash and cash equivalents) ratio (a non-GAAP ratio) reaches the Trust's target in the mid-30% range.

Financing activities

Debentures

On April 13, 2022, the Trust closed a private placement offering of $200 million aggregate principal amount of 3.968% senior unsecured debentures, Series E, maturing on April 13, 2026 (the "Series E Green Bonds"). Concurrent with the closing of the Series E Green Bonds, the Trust entered into CCIRS arrangements to swap the proceeds of the Series E Green Bonds to euros to lower the effective interest rate to 2.041%. The Series E Green Bonds were rated BBB with a Stable Trend by DBRS Limited.

The $450 million Series A Debentures, $200 million Series B Debentures, $400 million Series C Green Bonds and $250 million Series D Green Bonds (collectively, with the Series E Green Bonds, the "Debentures") were all rated BBB with a Stable Trend by DBRS Limited.

The Debentures issued are direct senior unsecured obligations of the Trust and are ranked equally and rateably with all other unsecured and unsubordinated indebtedness of the Trust, except to the extent prescribed by law.

$450 million Series A Debentures

The original $250 million Series A Debentures were reopened and the Trust issued an additional $200 million on June 17, 2021 at an issuance price of $999 per $1,000 principal amount (plus accrued interest from December 22, 2020), bear interest at a rate of 1.662% per annum and mature on December 22, 2025. The Series A Debentures reopening has the same terms and conditions, and constitutes part of the same series, as the original $250 million aggregate principal amount of the Series A Debentures issued by the Trust on December 22, 2020. The $200 million Series A Debentures reopening has the same Committee on Uniform Securities Identification Procedures ("CUSIP") number as the original $250 million Series A Debentures issued on December 22, 2020. Interest is payable on the Series A Debentures on June 22 and December 22 of each year. Total financing costs related to the $450 million Series A Debentures (original and reopening) totalled $2.5 million.

$200 million Series B Debentures

The $200 million Series B Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate per annum equal to the Reference Rate Index for Canadian dollar bankers' acceptances with maturities of three months (three-month CDOR) plus 0.35% and will mature on June 17, 2024. Interest is payable on the $200 million Series B Debentures, and the Reference Rate Index will be adjusted on March 17, June 17, September 17 and December 17 of each year. The $200 million Series B Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $200 million Series B Debentures offering totalled $0.8 million.

$400 million Series C Debentures (Series C Green Bonds)

The $400 million Series C Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate of 2.057% per annum and will mature on June 17, 2027. Interest is payable on the $400 million Series C Debentures on June 17 and December 17 of each year. The $400 million Series C Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $400 million Series C Debentures offering totalled $1.7 million.

$250 million Series D Debentures (Series D Green Bonds)

The $250 million Series D Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate of 2.539% per annum and will mature on December 7, 2026. Interest is payable on the $250 million Series D Debentures on June 7 and December 7 of each year. The $250 million Series D Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $250 million Series D Debentures offering totalled $1.5 million.

$200 million Series E Debentures (Series E Green Bonds)

The $200 million Series E Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate of 3.968% per annum and will mature on April 13, 2026. Interest is payable on the $200 million Series E Debentures on April 13 and October 13 of each year. The $200 million Series E Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $200 million Series E Debentures offering totalled $1.2 million.

U.S. term loan (US$150 million)

On October 30, 2020, the Trust obtained a US$150 million unsecured credit facility (the "U.S. Unsecured Facility"). The U.S. Unsecured Facility allowed for a single drawdown prior to November 30, 2020. On November 17, 2020, the Trust drew down on the U.S. Unsecured Facility by entering into a US$150 million, three-year unsecured term loan (the "U.S. term loan") bearing interest at the U.S. London Interbank Offered Rate ("LIBOR") plus 1.40% per annum with a maturity date of January 31, 2024. Concurrently on the same day, the Trust entered into a CCIRS agreement with the same lender to exchange the US$150 million gross proceeds from the U.S. term loan into euros.

Unsecured revolving credit facility

The $350 million unsecured revolving credit facility with an accordion option limit of $150 million in additional borrowing capacity bears interest at Canadian bankers' acceptance rates ("BA rates") plus 1.45% or Canadian prime rate plus 0.45% on Canadian dollar draws, the U.S. LIBOR plus 1.45% or U.S. base rate plus 0.45% on U.S. dollar draws, or euro LIBOR plus 1.45% on euro draws. The unsecured revolving credit facility expires on May 14, 2024.

The amounts available and drawn under the revolving credit facility as at September 30, 2022 are as follows:

	September 30, 2022				
	Maturity date	**Borrowing capacity**	**Letter of credit amount**	**Principal outstanding**	**Amounts available to be drawn**
Unsecured revolving credit facility[1]	**May 14, 2024**	**$ 350,000**	**$ 2,235**	**$ 61,837**	**$ 285,928**

(1) The unsecured revolving credit facility has the ability to be drawn in Canadian dollars, U.S. dollars and euros. At September 30, 2022, principal outstanding amounts include $7,836 and €40,350 which have been converted in accordance with the Trust's accounting policies.

As at December 31, 2021, there were no amounts drawn on the unsecured revolving credit facility other than a letter of credit totalling $2.4 million, bringing the availability to $347.6 million.

Cross-currency interest rate swap arrangements

The Trust lowers its overall cost of borrowings and hedges its euro currency exposure through entering CCIRS arrangements by replacing higher interest rate Canadian debt with lower interest rate euro-equivalent debt.

The following table summarizes the Trust's CCIRS arrangements outstanding as at September 30, 2022 and December 31, 2021:

	Euro notional amount	U.S./Canadian dollar notional amount	Maturity date	Financial instrument measurement	**September 30, 2022** Fair value assets (liabilities)	December 31, 2021 Fair value assets (liabilities)
Canadian dollar to euro cross-currency interest rate swap – Series A Debentures[1]	€ 161,499	$ 250,000	December 22, 2025	Fair value through other comprehensive income	**$ 31,711**	$ 12,070
Canadian dollar to euro cross-currency interest rate swap – Reopening Series A Debentures[2]	135,474	200,000	December 22, 2025	Fair value through other comprehensive income	**18,597**	1,931
Canadian dollar to euro cross-currency interest rate swap – Series B Debentures[3]	135,750	200,000	June 17, 2024	Fair value through other comprehensive income	**17,177**	4,573
Canadian dollar to euro cross-currency interest rate swap – Series C Debentures[4]	271,499	400,000	June 17, 2027	Fair value through other comprehensive income	**44,311**	4,711
Canadian dollar to euro cross-currency interest rate swap – Series D Debentures[5]	174,544	250,000	December 7, 2026	Fair value through other comprehensive income	**25,546**	1,672
Canadian dollar to euro cross-currency interest rate swap – Series E Debentures[6]	143,926	200,000	April 13, 2026	Fair value through other comprehensive income	**13,344**	—
U.S. dollar to euro cross-currency interest rate swap – U.S. term loan[7][8]	127,108	150,000	January 31, 2024	Fair value through other comprehensive income	**41,840**	7,557
Total	€ 1,149,800				**$ 192,526**	$ 32,514

(1) The interest rate associated with the euro notional amount is 0.489%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(2) The interest rate associated with the euro notional amount is 0.294%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(3) The interest rate associated with the euro notional amount is three-month EURIBOR plus 0.5608%. The interest rate associated with the Canadian dollar notional amount is the three-month CDOR plus 0.35%.

(4) The interest rate associated with the euro notional amount is 0.547%. The interest rate associated with the Canadian dollar notional amount is 2.057%.

(5) The interest rate associated with the euro notional amount is 0.541%. The interest rate associated with the Canadian dollar notional amount is 2.539%.

(6) The interest rate associated with the euro notional amount is 2.041%. The interest rate associated with the Canadian dollar notional amount is 3.968%.

(7) The interest rate associated with the euro notional amount is 0.857%. The interest rate associated with the U.S. dollar notional amount is a variable rate using LIBOR plus spread.

(8) This swap arrangement is bifurcated into a cash flow and net investment hedge for the purpose of hedge accounting. As at September 30, 2022, the fair value asset of the net investment hedge portion is $26,794 and the fair value asset of the cash flow hedge portion is $15,046. As at December 31, 2021, the fair value asset of the net investment hedge portion was $13,982 and the fair value liability of the cash flow hedge portion was $(6,425).

Interest rates and cross-currency interest rate swaps

The table below summarizes the effects of the weighted average face interest rate (including and excluding CCIRS) by type of debt as at September 30, 2022 and December 31, 2021.

				As at
		September 30, 2022		December 31, 2021
	Weighted average face interest rate (including CCIRS)	**Weighted average face interest rate (excluding CCIRS)**	Weighted average face interest rate (including CCIRS)	Weighted average face interest rate (excluding CCIRS)
Mortgages	**1.87%**	**1.87%**	1.75%	1.75%
Unsecured term loan	**0.86%**	**3.92%**	0.86%	1.49%
Unsecured debentures	**0.86%**	**2.59%**	0.41%	1.83%
Unsecured revolving credit facility	**2.37%**	**2.37%**	—%	—%
Total	**1.14%**	**2.55%**	0.83%	1.78%

Debt maturity profile

Our current total debt profile is balanced with maturities that are well distributed over the next seven years. The Trust manages its maturity schedule by limiting maturity exposure in any given year and mitigating interest rate risk. When rates are favourable, the Trust fixes interest rates and extends loan terms.

The following is our total debt maturity profile as at September 30, 2022:

	Debt balance due at maturity	Scheduled principal repayments on debt maturing in future periods	Amount	Weighted average face interest rate
Remainder of 2022	$ —	$ 2,441	$ 2,441	1.20%
2023	251,043	5,963	257,006	1.36%
2024[1]	508,019	3,242	511,261	1.42%
2025[2]	453,258	2,700	455,958	0.53%
2026[3]	411,110	2,798	413,908	1.21%
2027–2030[4]	424,807	7,654	432,461	1.09%
Total	$ 2,048,237	$ 24,798	$ 2,073,035	1.14%
Unamortized financing costs			(5,934)	
Unamortized fair value adjustments			2,473	
Total debt[5]			$ 2,069,574	
Fair value of CCIRS[6]			192,526	
Less: Current debt			(255,907)	
Non-current debt (per consolidated financial statements)			$ 2,006,193	

(1) The debt balance due 2024 includes an unsecured revolving credit facility of $61,373, a term loan of $205,141, less a $41,840 CCIRS asset, and debentures of $200,000, less a $17,177 CCIRS asset.

(2) The debt balance due 2025 includes debentures of $450,000, less a $50,308 CCIRS asset.

(3) The debt balance due 2026 includes debentures of $450,000, less a $38,890 CCIRS asset.

(4) The debt balance due 2027–2030 includes debentures of $400,000, less a $44,311 CCIRS asset.

(5) Total debt is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure.

(6) As at September 30, 2022, the CCIRS were in an asset position and $192,526 was included in "Derivatives and other non-current assets" in the condensed consolidated financial statements.

Commitments and contingencies

Dream Industrial REIT and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on our condensed consolidated financial statements.

As at September 30, 2022, the Trust's remaining contractual commitments related to construction and development projects amounted to $37.8 million (December 31, 2021 – $17.5 million).

On January 6, 2022 and April 1, 2022, the Trust funded capital contributions to the U.S. Fund totalling US$21.9 million and US$48.4 million, respectively, reducing the contractual commitment of capital contributions to US$9.7 million as at September 30, 2022.

OUR EQUITY

Total equity

The Trust's total equity[1] includes LP B Units, which are economically equivalent to REIT Units. However, pursuant to IFRS, the LP B Units are classified as a liability in the Trust's condensed consolidated financial statements.

								As at
	September 30, 2022			December 31, 2021			September 30, 2021	
	Number of Units		**Amount**	Number of Units		Amount	Number of Units		Amount
REIT Units and unitholders' equity	**255,782,998**	**$**	**3,097,477**	233,864,845	$	2,756,156	212,293,502	$	2,412,985
Retained earnings	**—**		**1,354,249**	—		746,848	—		597,790
Accumulated other comprehensive income (loss)	**—**		**26,113**	—		(3,581)	—		5,046
Total equity per condensed consolidated financial statements	**255,782,998**		**4,477,839**	233,864,845		3,499,423	212,293,502		3,015,821
Add: LP B Units	**18,551,855**		**199,061**	18,551,855		319,463	18,551,855		300,540
Total equity (including LP B Units)[1]	**274,334,853**	**$**	**4,676,900**	252,416,700	$	3,818,886	230,845,357	$	3,316,361
NAV per Unit[2]		**$**	**17.05**		$	15.13		$	14.37

(1) Total equity (including LP B Units) is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure.

(2) NAV per Unit is a non-GAAP ratio. See the "Non-GAAP Ratios" section for additional information about this non-GAAP ratio.

Total equity as per the condensed consolidated financial statements as at September 30, 2022 was $4.5 billion, a 28.0% increase when compared to $3.5 billion as at December 31, 2021. The increase was primarily due to the public offering of REIT Units (+$320.1 million) and net income earned during the nine months ended September 30, 2022 (+$740.0 million).

NAV per Unit as at September 30, 2022 increased to $17.05 from $15.13 at December 31, 2021, largely reflecting an increase in investment property values due to higher markets rents in the Ontario and Québec regions, and completed expansion projects.

Our Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: REIT Units and Special Trust Units.

The Special Trust Units may only be issued to holders of LP B Units, are not transferable separately from the LP B Units and are used to provide voting rights with respect to Dream Industrial REIT to persons holding LP B Units. The LP B Units are held by wholly owned subsidiaries of Dream Office REIT. Both the REIT Units and the Special Trust Units entitle the holder to one vote for each Unit at all meetings of the unitholders. The LP B Units are exchangeable on a one-for-one basis for REIT Units at the option of the holder. The LP B Units and corresponding Special Trust Units together have economic and voting rights equivalent in all material respects to REIT Units.

The table below summarizes Dream Office REIT's ownership of the Trust as at September 30, 2022 and December 31, 2021:

	As at	
	September 30, 2022	December 31, 2021
Number of REIT Units held by Dream Office REIT	**8,052,451**	8,052,451
Number of LP B Units held by Dream Office REIT	**18,551,855**	18,551,855
Total number of Units held by Dream Office REIT	**26,604,306**	26,604,306
Dream Office REIT's percentage ownership of the Trust	**9.7%**	10.5%

Continuity of equity

The following table summarizes the changes in our outstanding equity:

	REIT Units	LP B Units	Total Units
Total Units outstanding as at January 1, 2022	233,864,845	18,551,855	252,416,700
REIT Units issued pursuant to public offerings	19,588,300	—	19,588,300
REIT Units issued pursuant to Distribution Reinvestment and Unit Purchase Plan ("DRIP")	2,204,756	—	2,204,756
REIT Units issued pursuant to Deferred Unit Incentive Plan ("DUIP") and Unit Purchase Plan	125,097	—	125,097
Total Units outstanding as at September 30, 2022	255,782,998	18,551,855	274,334,853
Percentage of all Units	93.2%	6.8%	100.0%
REIT Units issued pursuant to DRIP	264,525	—	264,525
Total Units outstanding as at November 1, 2022	256,047,523	18,551,855	274,599,378
Percentage of all Units	93.2%	6.8%	100.0%

Public offerings of REIT Units

The following table summarizes the public offering of REIT Units issued during the nine months ended September 30, 2022. Total costs related to the offering were charged directly to unitholders' equity:

Date of public offering	Number of REIT Units	Unit price	Gross proceeds	Issue costs
March 9, 2022[1]	14,110,500	$ 16.30	$ 230,001	$ 9,850

(1) Includes 1,840,500 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

At-the-market equity program ("ATM Program")

On November 30, 2021, the Trust filed a prospectus supplement which qualified the Trust to issue REIT Units up to an aggregate sale price of $250 million to the public from time to time at prevailing market prices, directly on the TSX or on other permitted marketplaces to the extent permitted.

During the nine months ended September 30, 2022, the Trust issued 5,477,800 REIT Units under this ATM Program at a weighted average price of $16.46 per REIT Unit for gross proceeds of $90.1 million. Total costs related to the issuance of these REIT Units amounted to $1.8 million and were charged directly to unitholders' equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $88.3 million.

Since the beginning of this ATM Program, the Trust has issued 7,300,000 REIT Units under the ATM Program at a weighted average price of $16.49 per REIT Unit for gross proceeds of $120.4 million. Total costs related to the issuance of these REIT Units amounted to $2.4 million. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $118.0 million.

Short form base shelf prospectus

On November 26, 2021, the Trust filed and obtained a receipt for a final short form base shelf prospectus dated November 26, 2021 that is valid for a 25-month period, during which time the Trust may, from time to time, offer and issue REIT Units, Subscription Receipts and debt securities, or any combination thereof, having an aggregate offering price of up to $2.5 billion.

Since the filing of this base shelf prospectus dated November 26, 2021, the Trust has issued REIT Units under this base shelf prospectus totalling $350.4 million.

Distribution Reinvestment and Unit Purchase Plan

The DRIP allows holders of REIT Units or subsidiary redeemable units, other than unitholders who are resident of or present in the U.S., to elect to have all cash distributions from the Trust reinvested in additional units. Unitholders under the DRIP are eligible to receive a bonus distribution of units equal to 3% of the cash distribution reinvested.

Distribution policy

Dream Industrial REIT's Declaration of Trust provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust.

We currently pay monthly distributions of $0.05833 per REIT Unit, or $0.70 per REIT Unit on an annual basis. Similar to other non-GAAP measures such as total equity (including LP B Units), our discussion of distributions includes LP B Units, which are economically equivalent to REIT Units. However, pursuant to IFRS, the LP B Units are classified as a liability in our condensed consolidated financial statements.

The following tables summarize the total distributions paid and payable on REIT Units for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,	
	2022	2021
Distributions paid in cash on REIT Units	**$ (35,490)**	$ (27,523)
Paid by way of reinvestment in REIT Units	**(9,451)**	(9,523)
Less: Payable at June 30, 2022/June 30, 2021	**14,874**	12,239
Add: Payable at September 30, 2022/September 30, 2021	**(14,920)**	(12,383)
Total distributions paid and payable on REIT Units (per condensed consolidated financial statements)	**$ (44,987)**	$ (37,190)

	Nine months ended September 30,	
	2022	2021
Distributions paid in cash on REIT Units	**$ (100,405)**	$ (75,911)
Paid by way of reinvestment in REIT Units	**(30,947)**	(22,726)
Less: Payable at December 31, 2021/December 31, 2020	**13,641**	8,905
Add: Payable at September 30, 2022/September 30, 2021	**(14,920)**	(12,383)
Total distributions paid and payable on REIT Units (per condensed consolidated financial statements)	**$ (132,631)**	$ (102,115)

The following tables summarize the total distributions (a non-GAAP financial measure) and DRIP participation rate (a non-GAAP ratio) for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30, 2022		Three months ended September 30, 2021	
	Amount	**% of total**	Amount	% of total
Distributions reinvested less 3% bonus distribution[(1)] (DRIP participation rate in %)[(2)]	**$ 9,181**	**19.1%**	$ 9,378	23.4%
Distributions paid in cash[(1)]	**38,777**	**80.9%**	30,782	76.6%
Total distributions excluding 3% bonus distribution	**47,958**	**100.0%**	40,160	100.0%
3% bonus distribution	**275**		276	
Total distributions[(1)]	**$ 48,233**		$ 40,436	

(1) Distributions reinvested less 3% bonus distribution, distributions paid in cash, and total distributions are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information.

(2) DRIP participation rate in % is a non-GAAP ratio. See the "Non-GAAP Ratios" section for additional information.

	Nine months ended September 30, 2022			Nine months ended September 30, 2021	
		Amount	% of total		Amount	% of total
Distributions reinvested less 3% bonus distribution[1] (DRIP participation rate in %)[2]	**$**	**29,615**	**20.9%**	$	24,476	22.0%
Distributions paid in cash[1]		**111,854**	**79.1%**		86,717	78.0%
Total distributions excluding 3% bonus distribution		**141,469**	**100.0%**		111,193	100.0%
3% bonus distribution		**901**			661	
Total distributions[1]	**$**	**142,370**		$	111,854	

(1) Distributions reinvested less 3% bonus distribution, distributions paid in cash, and total distributions are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information.

(2) DRIP participation rate in % is a non-GAAP ratio. See the "Non-GAAP Ratios" section for additional information.

Cash flows from operating activities less interest and other financing costs paid on debt and total distributions (a non-GAAP financial measure)

In any given period, actual cash flows generated from (utilized in) operating activities less interest and other financing costs paid on debt may differ from total distributions (a non-GAAP financial measure), primarily due to fluctuations in non-cash working capital and the impact of leasing costs, which fluctuate with lease maturities, renewal terms, the type of asset being leased and when tenants fulfill the terms of their respective lease agreements. These seasonal fluctuations or the unpredictability of when leasing costs are incurred are funded with our cash and cash equivalents on hand and, if necessary, with our existing demand revolving credit facility. As a result of these factors, the Trust anticipates that future cash flows generated from (utilized in) operating activities less interest and other financing costs paid on debt may be less than total distributions (a non-GAAP financial measure). With a conservative balance sheet, significant liquidity, and a plan to improve and grow our portfolio, the Trust does not anticipate suspending the cash distributions in the foreseeable future.

To the extent that cash generated from (utilized in) operating activities less interest and other financing costs paid on debt may be less than the total distributions (a non-GAAP financial measure), the Trust will fund the shortfalls with cash and cash equivalents on hand and with the amounts available on the unsecured revolving credit facility. The use of the unsecured revolving credit facility may involve risks compared with using cash and cash equivalents on hand as a source of funding, such as the risk that interest rates may rise in the future, which may make it more expensive for the Trust to borrow under the unsecured revolving credit facility, and the risk associated with increasing the overall indebtedness of the Trust. See the "Unsecured revolving credit facility" section in Note 9 of the condensed consolidated financial statements for a description of the terms and interest payable under the revolving credit facility. In the event that shortfalls exist, the Trust does not anticipate that cash distributions will be suspended in the foreseeable future but does expect that there could be timing differences between the execution of our acquisition strategy and asset recycling opportunities and the redeployment of capital raised from equity offerings. Accordingly, to the extent there are shortfalls, distributions may be considered an economic return of capital. The Trust determines the distribution rate by, among other considerations, its assessment of cash flows generated from (utilized in) operating activities less interest and other financing costs paid on debt. Dream Industrial REIT's Declaration of Trust provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust.

In any given period, the Trust anticipates that net income will continue to vary from total distributions (a non-GAAP financial measure), as net income includes non-cash items such as fair value adjustments to investment properties and financial instruments. Accordingly, the Trust does not use net income as a proxy for determining distributions.

The following table summarizes cash flows generated from operating activities, interest and other financing costs paid on debt, net income, total REIT Units distributions paid and payable, and total distributions (a non-GAAP financial measure) for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash generated from operating activities	$ **54,556**	$ 41,217	$ **151,566**	$ 123,225
Interest and other financing costs paid on debt	**(3,334)**	(6,553)	**(11,967)**	(20,616)
Net income	**125,663**	162,815	**740,032**	418,374
Total REIT Unit distributions paid and payable	**(44,987)**	(37,190)	**(132,631)**	(102,115)
Total distributions[1]	**(48,233)**	(40,436)	**(142,370)**	(111,854)

(1) Total distributions is a non-GAAP financial measure. See "Non-GAAP Financial Measures" under the heading "Total distributions" for additional information.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between net income and total distributions (a non-GAAP financial measure), as well as the differences between cash generated from (utilized in) operating activities less interest and other financing costs paid on debt, and total distributions (a non-GAAP financial measure), in accordance with the guidelines:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Excess of net income over total distributions[1][2]	$ **77,430**	$ 122,379	$ **597,662**	$ 306,520
Excess (shortfall) of cash generated from operating activities less interest and other financing costs paid on debt over total distributions[2][3]	**2,989**	(5,772)	**(2,771)**	(9,245)

(1) Excess of net income over total distributions is calculated as net income less total distributions (a non-GAAP financial measure).

(2) Total distributions is a non-GAAP financial measure. See "Non-GAAP Financial Measures" under the heading "Total distributions" for additional information.

(3) Excess (shortfall) of cash generated from operating activities less interest and other financing costs paid on debt over total distributions is calculated as cash generated from operating activities less interest and other financing costs paid on debt less total distributions (a non-GAAP financial measure).

For the three and nine months ended September 30, 2022, net income exceeded total distributions (a non-GAAP financial measure) by $77.4 million and $597.7 million, respectively, primarily as a result of non-cash items such as share of net income from equity accounted investments, fair value adjustments to investment properties and fair value adjustments to financial instruments, which are included in net income. For the three and nine months ended September 30, 2021, total distributions (a non-GAAP financial measure) exceeded net income by $122.4 million and $306.5 million, respectively, primarily due to the same reasons discussed above for the periods ended September 30, 2022.

For the three months ended September 30, 2022, cash flows generated from operating activities less interest and other financing costs paid on debt exceeded total distributions (a non-GAAP financial measure) by $3.0 million. For the nine months ended September 30, 2022, total distributions (a non-GAAP financial measure) exceeded cash flows generated from operating activities less interest and other financing costs paid on debt by $2.8 million due to timing differences between the realization of working capital and investment in lease incentives and initial direct leasing costs. For the three and nine months ended September 30, 2021, total distributions (a non-GAAP financial measure) exceeded cash flows generated from operating activities less interest and other financing costs paid on debt by $5.8 million and $9.2 million, respectively, due to timing differences between the realization of working capital, investment in lease incentives and initial direct leasing costs, and the redeployment of capital raised from equity offerings.

Of the total distributions (a non-GAAP financial measure) declared for the three and nine months ended September 30, 2022, $9.5 million and $30.5 million, respectively, were reinvested through the DRIP (including 3% bonus distributions). Of the total distributions (a non-GAAP financial measure) declared for the three and nine months ended September 30, 2021, $9.7 million and $25.1 million, respectively, were reinvested through the DRIP (including 3% bonus distributions). Over time, reinvestments pursuant to the DRIP will increase the number of Units outstanding, which may result in upward pressure on the total amount of cash distributions. Our Declaration of Trust provides our Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust, which allows for any unforeseen expenditures and the variability in cash distributions as a result of additional Units issued pursuant to the Trust's DRIP. Furthermore, the Board of Trustees has discretion to suspend the DRIP and Unit Purchase Plan at any time to preserve capital if it is determined to be in the best interest of the Trust to do so.

SECTION IV

FOREIGN CURRENCY INFORMATION

Foreign currency translation rates

In accordance with the Trust's accounting policies, the foreign exchange rates used by the Trust to convert foreign denominated currencies for the three months ended September 30, 2022, June 30, 2022, December 31, 2021 and September 30, 2021 are summarized in the table below:

				Three months ended
	September 30, 2022	June 30, 2022	December 31, 2021	September 30, 2021
CAD per US$1.00 (average during period)(1)	**$ 1.3056**	$ 1.2768	$ 1.2603	$ 1.2600
CAD per US$1.00 (period-end)(1)	**1.3707**	1.2886	1.2678	1.2741
CAD per €1.00 (average during period)(1)	**1.3138**	1.3588	1.4408	1.4851
CAD per €1.00 (period-end)(1)	**1.3383**	1.3467	1.4391	1.4801

(1) Average exchange rates impact comprehensive income and cash flows. Period-end exchange rates impact monetary items and items recorded at fair value.

QUARTERLY INFORMATION

The following tables show quarterly information since October 1, 2020:

Key portfolio, leasing, financing and capital information

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Portfolio								
Number of assets[1][2]	**258**	257	244	239	221	215	186	177
GLA (in millions of sq. ft.)[3]	**46.5**	46.0	44.4	43.0	39.8	38.5	28.8	27.3
Leasing								
Occupancy rate – in-place and committed (period-end)[3]	**99.0%**	99.1%	98.7%	98.2%	98.0%	98.0%	97.2%	95.6%
Occupancy rate – in-place (period-end)[3]	**97.3%**	98.6%	97.6%	97.7%	97.6%	97.4%	95.7%	94.7%
Tenant retention ratio	**67.2%**	59.2%	85.6%	87.8%	66.8%	78.3%	58.0%	86.8%
Average in-place and committed base rent per sq. ft. (period-end)[4]								
Canadian portfolio	**$ 8.24**	$ 8.11	$ 7.95	$ 7.87	$ 7.78	$ 7.67	$ 7.60	$ 7.48
European portfolio (€)	**€ 5.10**	€ 4.99	€ 4.80	€ 4.72	€ 4.55	€ 4.51	€ 5.20	€ 5.11
Financing[5]								
Net total debt-to-total assets (net of cash and cash equivalents) ratio[6]	**29.2%**	29.7%	26.2%	31.6%	32.9%	37.9%	28.7%	31.3%
Net total debt-to-normalized adjusted EBITDAFV (years)[6]	**7.8**	7.8	6.9	8.0	8.0	8.6	6.0	6.2
Interest coverage ratio (times)[6]	**13.4**	12.7	10.4	8.0	6.2	5.2	4.8	4.4
Weighted average face interest rate on debt (period-end)[7]	**1.14%**	1.01%	0.85%	0.83%	0.86%	1.49%	2.44%	2.57%
Weighted average remaining term to maturity on debt (years)	**3.0**	3.3	3.5	3.8	3.9	4.4	5.1	4.8
Unencumbered investment properties (in millions)[8]	**$ 5,088.4**	$ 4,916.7	$ 4,494.4	$ 4,154.9	$ 3,404.2	$ 2,322.7	$ 2,051.0	$ 1,441.6
Cash and cash equivalents	**$ 60.1**	$ 81.3	$ 290.1	$ 164.0	$ 87.3	$ 313.2	$ 80.8	$ 254.9
Available liquidity[9]	**$ 346.0**	$ 429.1	$ 637.8	$ 511.6	$ 434.8	$ 663.2	$ 395.2	$ 573.2
Capital								
Total number of Units (in millions)[10]	**274.3**	273.6	272.7	252.4	230.8	228.4	192.0	171.2
NAV per Unit[6]	**$ 17.05**	$ 16.64	$ 16.48	$ 15.13	$ 14.37	$ 13.69	$ 12.82	$ 12.55
Unit price	**$ 10.73**	$ 12.08	$ 16.14	$ 17.22	$ 16.20	$ 15.28	$ 13.42	$ 13.15

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another attracting similar tenants.
(2) Includes the Trust's owned and managed properties as at the end of each period as applicable.
(3) Includes our share of equity accounted investment as at the end of each period as applicable.
(4) Excludes the Trust's share of equity accounted investment as at the end of each period as applicable.
(5) Financing metrics include CCIRS, assets and liabilities classified as held for sale at the end of each period as applicable.
(6) Net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years), interest coverage ratio (times) and NAV per Unit are non-GAAP ratios. See the "Non-GAAP Ratios" section for additional information about these non-GAAP ratios.
(7) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt, including the impact of CCIRS at the end of each period as applicable.
(8) Unencumbered investment properties is a supplementary financial measure. See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for a description of this supplementary financial measure.
(9) Available liquidity is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure.
(10) Total number of Units includes 18.6 million LP B Units that are classified as a liability under IFRS.

Results of operations

	2022			2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Investment properties revenue	**$ 93,313**	$ 89,959	$ 87,428	$ 79,285	$ 75,832	$ 69,267	$ 65,431	$ 61,323
Investment properties operating expenses	**(21,316)**	(21,230)	(22,115)	(18,853)	(16,122)	(18,172)	(18,769)	(16,811)
Net rental income	**71,997**	68,729	65,313	60,432	59,710	51,095	46,662	44,512
Other income (loss)	**6,378**	23,357	18,581	26,499	14,871	225	262	(22)
Other expenses	**(15,852)**	(15,636)	(14,279)	(13,743)	(43,688)	(15,923)	(18,828)	(16,256)
Fair value adjustments and net gain on transactions and other activities	**71,685**	103,914	387,181	126,382	142,420	131,109	71,117	55,058
Income before income taxes	**134,208**	180,364	456,796	199,570	173,313	166,506	99,213	83,292
Current income tax recovery (expense)	**(1,534)**	(811)	(477)	(367)	(17,757)	—	—	2
Deferred income tax recovery (expense)	**(7,011)**	(8,073)	(13,430)	(9,232)	7,259	(6,211)	(3,949)	(1,781)
Net income	**$ 125,663**	$ 171,480	$ 442,889	$ 189,971	$ 162,815	$ 160,295	$ 95,264	$ 81,513
Other comprehensive income (loss)								
Unrealized gain (loss) on foreign currency translation of foreign operations	**(13,261)**	(53,493)	(70,824)	(43,374)	11,719	(3,807)	(29,935)	(6,753)
Unrealized gain (loss) on hedging instruments	**54,521**	41,683	48,373	35,234	(6,285)	(4,732)	18,591	(4,054)
Share of other comprehensive income (loss) from equity accounted investment	**17,749**	7,714	(2,768)	(487)	2,206	(223)	(109)	(427)
	59,009	(4,096)	(25,219)	(8,627)	7,640	(8,762)	(11,453)	(11,234)
Comprehensive income	**$ 184,672**	$ 167,384	$ 417,670	$ 181,344	$ 170,455	$ 151,533	$ 83,811	$ 70,279

Our results of operations may vary significantly from period to period as a result of fair value adjustments to investment properties, fair value adjustments to financial instruments, and net gains or losses on transactions and other activities. Operating activities from our European portfolios, income from our equity accounted investment and fair value adjustments to investment properties may impact the deferred income tax in any given period. Furthermore, the growth in our net rental income from period to period reflects our strategy to grow and upgrade the quality of our portfolio by investing in the Trust's target markets.

Funds from operations ("FFO")

			2022				2021	2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income	**$ 125,663**	$ 171,480	$ 442,889	$ 189,971	$ 162,815	$ 160,295	$ 95,264	$ 81,513
Add (deduct):								
Fair value adjustments to investment properties	**(43,133)**	(24,699)	(360,696)	(141,841)	(162,452)	(207,117)	(74,601)	(91,855)
Fair value adjustments to financial instruments	**(30,481)**	(84,242)	(27,661)	18,818	16,060	74,971	1,874	36,489
Share of net income from equity accounted investments	**(6,279)**	(23,031)	(18,394)	(26,239)	(13,031)	—	—	—
Interest expense on subsidiary redeemable units	**3,246**	3,247	3,246	3,247	3,246	3,247	3,246	3,247
Amortization and write-off of lease incentives	**627**	488	628	498	337	469	503	436
Internal leasing costs	**1,056**	1,073	1,091	1,022	861	902	898	772
Fair value adjustments to deferred trust units included in G&A	**(133)**	(18)	101	155	143	49	10	21
Foreign exchange (gain) loss	**568**	3,404	10	(4,001)	1,071	131	706	(469)
Share of FFO from equity accounted investments	**2,717**	2,579	1,994	1,502	1,564	—	—	—
Deferred income tax expense (recovery)	**7,011**	8,073	13,430	9,232	(7,259)	6,211	3,949	1,781
Current income tax expense related to dispositions	**—**	126	—	273	16,589	—	—	—
Transaction costs on sale of investment properties	**35**	445	—	303	2,063	—	—	—
Derecognition of equity accounted investment	**—**	—	—	(907)	—	—	—	—
FFO[1] before the undernoted adjustment	**$ 60,897**	$ 58,925	$ 56,638	$ 52,033	$ 22,007	$ 39,158	$ 31,849	$ 31,935
Debt settlement costs	**—**	—	—	—	28,510	—	3,059	—
FFO[1]	**$ 60,897**	$ 58,925	$ 56,638	$ 52,033	$ 50,517	$ 39,158	$ 34,908	$ 31,935
Weighted average number of diluted Units (in thousands)[2]	**274,481**	273,668	259,320	246,456	229,472	204,866	185,808	171,670
FFO per Unit – diluted[1][3]	**$ 0.22**	$ 0.22	$ 0.22	$ 0.21	$ 0.22	$ 0.19	$ 0.19	$ 0.19

(1) FFO is a non-GAAP financial measure and diluted FFO per Unit is a non-GAAP ratio. See the "Non-GAAP Financial Measures" and "Non-GAAP Ratios" sections for additional information about these respective metrics.

(2) A description of the determination of weighted average number of diluted units can be found in the "Supplementary Financial Measures and Ratios and Other Disclosures" section under the heading "Weighted average number of Units".

(3) The LP B Units are included in the calculation of FFO per Unit – diluted (a non-GAAP ratio).

NON-GAAP FINANCIAL MEASURES

The following non-GAAP financial measures are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-GAAP financial measures are not defined by IFRS and do not have standard meanings. The Trust's method of calculating non-GAAP financial measures may differ from other issuers' methods and, accordingly, may not be comparable with similar measures presented by other issuers.

Funds from operations ("FFO")

Management believes FFO, a non-GAAP financial measure, provides our investors additional relevant information on our operating performance. Fair value adjustments to investment properties and financial instruments, gains or losses on disposal of investment properties, debt settlement costs arising from capital management activities and disposals of investment properties, and other non-cash items do not necessarily provide an accurate picture of the Trust's past or recurring operating performance. FFO is used by management in evaluating the Trust's operating performance. FFO is a commonly used measure of performance of real estate operations; however, it does not represent net income or cash flows generated from (utilized in) operating activities, as defined by IFRS, is not necessarily indicative of cash available to fund the Trust's needs and may not be comparable with similar measures presented by other issuers.

In January 2022, the Real Property Association of Canada ("REALPAC") issued an updated guidance on "Funds from Operations" and "Adjusted Funds from Operations" for IFRS. The Trust has reviewed the REALPAC FFO guidelines and our determination of FFO substantially aligns with the REALPAC FFO guidelines, with the exception of the add-back of debt settlement costs arising from capital management activities and disposals of investment properties. These debt settlement costs are primarily funded from either net proceeds from equity offerings or net proceeds from dispositions, and not from cash flows from operating activities. As a result, the Trust is of the view that debt settlement costs incurred as a result of capital management or investing activities should be excluded from the determination of FFO. Debt settlement costs incurred as a result of operating activities are included in the determination of FFO.

FFO is reconciled to net income (the most directly comparable IFRS financial measure) in the table below for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Net income for the period	**$ 125,663**	$ 162,815	**$ 740,032**	$ 418,374
Add (deduct):				
Fair value adjustments to investment properties	**(43,133)**	(162,452)	**(428,528)**	(444,170)
Fair value adjustments to financial instruments	**(30,481)**	16,060	**(142,384)**	92,905
Share of net income from equity accounted investments	**(6,279)**	(13,031)	**(47,704)**	(13,031)
Interest expense on subsidiary redeemable units	**3,246**	3,246	**9,739**	9,739
Amortization and write-off of lease incentives	**627**	337	**1,743**	1,309
Internal leasing costs	**1,056**	861	**3,220**	2,661
Fair value adjustments to deferred trust units included in G&A	**(133)**	143	**(50)**	202
Foreign exchange loss	**568**	1,071	**3,982**	1,908
Share of FFO from equity accounted investments	**2,717**	1,564	**7,290**	1,564
Deferred income tax expense (recovery)	**7,011**	(7,259)	**28,514**	2,901
Current income tax expense related to dispositions	**—**	16,589	**126**	16,589
Transaction costs on sale of investment properties	**35**	2,063	**480**	2,063
FFO for the period before the undernoted adjustment	**$ 60,897**	$ 22,007	**$ 176,460**	$ 93,014
Debt settlement costs	**—**	28,510	**—**	31,569
FFO for the period	**$ 60,897**	$ 50,517	**$ 176,460**	$ 124,583

Comparative properties net operating income ("CP NOI") (constant currency basis)

CP NOI (constant currency basis) is a non-GAAP financial measure used by management in evaluating the operating performance of properties owned by the Trust in the current and comparative periods on a constant currency basis. CP NOI (constant currency basis) enables investors to evaluate our operating performance, especially to assess the effectiveness of our management of properties generating NOI growth from existing properties in the respective regions. It is calculated by taking CP NOI as defined below and excluding the impact of foreign currency translation by converting the CP NOI denominated in foreign currency in the respective periods at the respective current period average exchange rates. This non-GAAP financial measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

When the Trust compares CP NOI on a year-over-year basis for the three months ended September 30, 2022 and September 30, 2021, the Trust excludes investment properties acquired on or after July 1, 2021. For the nine months ended September 30, 2022 and September 30, 2021, the Trust excludes investment properties acquired on or after January 1, 2021. CP NOI (constant currency basis) also excludes NOI from sold properties and properties held for sale, as applicable, NOI from properties held for development during the current or comparative period, net property management and other income, straight-line rent, amortization of lease incentives, expected credit loss, lease termination fees and other rental income, and COVID-19 related adjustments and provisions. CP NOI (constant currency basis) includes NOI from equity accounted investment and solar revenues.

CP NOI (constant currency basis) is lower during periods of free rent to reflect that there is no cash rent received. For accounting purposes, free rent is recorded and amortized within straight-line rent.

CP NOI (constant currency basis) is reconciled to net rental income (the most directly comparable IFRS financial measure) under the heading "Section II – Our Operations – Comparative properties NOI (constant currency basis)".

Total equity (including LP B Units or subsidiary redeemable units)

One of the components used to determine the Trust's NAV per Unit (a non-GAAP ratio) is total equity (including LP B Units) – a non-GAAP financial measure. Total equity (including LP B Units) is calculated as the sum of equity per the condensed consolidated financial statements and the subsidiary redeemable units. Management believes it is important to include the subsidiary redeemable units for the purpose of determining the Trust's capital management. Management does not consider the subsidiary redeemable units to be debt or borrowings of the Trust, but rather a component of the Trust's equity. However, total equity (including LP B Units) is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table within the "Our Equity" section under the heading "Total equity" reconciles total equity (including LP B Units) to total equity (the most directly comparable IFRS financial measure).

Total distributions

Total distributions is a non-GAAP financial measure calculated as the sum of the distributions on REIT Units and interest on subsidiary redeemable units. Management believes it is important to include interest on subsidiary redeemable units for the purpose of determining the Trust's total distributions to all of its unitholders. Management does not consider the interest on subsidiary redeemable units to be an interest expense of the Trust, but rather a component of the Trust's total distributions. However, total distributions is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles total distributions to distributions on REIT Units (the most directly comparable IFRS financial measure) for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
Amounts included in condensed consolidated financial statements	**2022**	2021	**2022**	2021
Distributions on REIT Units	**$ 44,987**	$ 37,190	**$ 132,631**	$ 102,115
Interest on subsidiary redeemable units	**3,246**	3,246	**9,739**	9,739
Total distributions	**$ 48,233**	$ 40,436	**$ 142,370**	$ 111,854

Distributions reinvested less 3% bonus distribution and distributions paid in cash

Distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure) are components used in the calculation of DRIP participation rate (a non-GAAP ratio). See the "Non-GAAP Ratios" section for a description of DRIP participation rate. Management believes distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) is a useful measure to investors in evaluating the impact that the distributions reinvested will have on the Trust's ability to preserve liquidity by issuing additional REIT Units, in contrast with paying a cash distribution. This non-GAAP financial measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Distributions reinvested less 3% bonus distributions is reconciled to distributions reinvested (the most directly comparable IFRS financial measure) for the three and nine months ended September 30, 2022 and September 30, 2021.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Distributions reinvested as included in condensed consolidated financial statements	**$ 9,451**	$ 9,523	**$ 30,947**	$ 22,726
Less: Distributions reinvested pertaining to prior period	**(2,698)**	(3,076)	**(3,134)**	(796)
Add: Distributions reinvested on October 14, 2022 and October 15, 2021, respectively	**2,703**	3,207	**2,703**	3,207
Less: 3% bonus distribution	**(275)**	(276)	**(901)**	(661)
Distributions reinvested less 3% bonus distribution	**$ 9,181**	$ 9,378	**$ 29,615**	$ 24,476

Distributions paid in cash (a non-GAAP financial measure) is a useful measure to investors in evaluating the cash flow requirements of the Trust to fund the cash distributions. Distributions paid in cash is reconciled to distributions paid on REIT Units (the most directly comparable financial measure) for the three and nine months ended September 30, 2022 and September 30, 2021.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Distributions paid on REIT Units	**$ 35,490**	$ 27,523	**$ 100,405**	$ 75,911
Interest paid on LP B Units	**3,246**	3,246	**9,739**	9,739
Less: Distributions paid on REIT Units pertaining to prior period	**(12,176)**	(9,163)	**(10,507)**	(8,110)
Less: Interest paid on LP B Units pertaining to prior period	**(1,082)**	(1,083)	**(1,082)**	(1,082)
Add: Distributions paid on REIT Units on October 14, 2022 and October 15, 2021, respectively	**12,217**	9,176	**12,217**	9,176
Add: Interest paid on LP B Units on October 14, 2022 and October 15, 2021, respectively	**1,082**	1,083	**1,082**	1,083
Distributions paid in cash	**$ 38,777**	$ 30,782	**$ 111,854**	$ 86,717

Available liquidity

Available liquidity is a non-GAAP financial measure defined as the sum of cash and cash equivalents and undrawn unsecured revolving credit facility at period-end. Management believes that available liquidity is a useful measure to investors in determining our resources available as at period-end to meet all of our ongoing obligations and future commitments. This non-GAAP financial measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles available liquidity to cash and cash equivalents (the most directly comparable IFRS financial measure) as at September 30, 2022, December 31, 2021 and September 30, 2021:

	September 30, 2022	December 31, 2021	September 30, 2021
Cash and cash equivalents per condensed consolidated financial statements	**$ 60,091**	$ 164,015	$ 87,281
Undrawn unsecured revolving credit facility(1)	**285,928**	347,597	347,528
Available liquidity	**$ 346,019**	$ 511,612	$ 434,809

(1) Net of letters of credit totalling $2,235, $2,403, and $2,472 as at September 30, 2022, December 31, 2021, and September 30, 2021, respectively.

Total debt

Total debt is a non-GAAP financial measure calculated as the sum of current and non-current debt and the CCIRS per the condensed consolidated financial statements. Management believes it is useful to include any CCIRS for the purposes of monitoring the Trust's debt levels. This non-GAAP financial measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles total debt to non-current debt (the most directly comparable IFRS financial measure) as at September 30, 2022, December 31, 2021 and September 30, 2021:

Amounts per condensed consolidated financial statements	**September 30, 2022**	December 31, 2021	September 30, 2021
Non-current debt	**$ 2,006,193**	$ 2,006,647	$ 1,785,223
Current debt	**255,907**	38,349	27,758
Fair value of CCIRS(1)(2)	**(192,526)**	(32,514)	(940)
Total debt	**$ 2,069,574**	$ 2,012,482	$ 1,812,041

(1) As at September 30, 2022, the CCIRS were in an asset position and $192,526 was included in "Derivatives and other non-current assets" in the condensed consolidated financial statements (December 31, 2021 – the CCIRS were in an asset position and $38,939 was included in "Derivatives and other non-current assets" and ($6,425) in "Derivatives and other non-current liabilities" in the consolidated financial statements).

(2) As at September 30, 2021, the CCIRS were in a net asset position and $10,547 was included in "Derivatives and other non-current assets" and ($9,607) in "Derivatives and other non-current liabilities" in the condensed consolidated financial statements.

Net total debt and total assets (net of cash and cash equivalents)

Net total debt is a non-GAAP financial measure calculated as the sum of current and non-current debt, the fair value of CCIRS, unamortized financing costs and fair value adjustments, less cash and cash equivalents and the fair value asset of CCIRS. Management believes this is a useful financial measure to investors used to monitor the principal amount of debt outstanding after factoring in liquid assets such as cash and cash equivalents and used as a component to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels (see under the heading "Net total debt-to-total assets (net of cash and cash equivalents) ratio" below for details).

Total assets (net of cash and cash equivalents) is a non-GAAP financial measure calculated as the sum of total assets less cash and cash equivalents. Management believes this is a useful financial measure to investors as a component to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels (see under the "Net total debt-to-total assets (net of cash and cash equivalents) ratio" heading below for details).

These non-GAAP financial measures are not defined by IFRS, do not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The following table reconciles net total debt to non-current debt (the most directly comparable IFRS financial measure) and total assets (net of cash and cash equivalents) to total assets (the most directly comparable IFRS financial measure) as at September 30, 2022, December 31, 2021, and September 30, 2021:

	September 30, 2022	December 31, 2021	September 30, 2021
Non-current debt	**$ 2,006,193**	$ 2,006,647	$ 1,785,223
Add (deduct):			
Current debt	**255,907**	38,349	27,758
Fair value of CCIRS	**(192,526)**	(32,514)	(940)
Unamortized financing costs	**5,934**	4,937	4,039
Unamortized fair value adjustments	**(2,473)**	(5,287)	(6,350)
Cash and cash equivalents	**(60,091)**	(164,015)	(87,281)
Net total debt	**$ 2,012,944**	$ 1,848,117	$ 1,722,449
Total assets	**7,139,283**	6,053,566	5,327,353
Less: Fair value of CCIRS	**(192,526)**	(32,514)	(940)
Less: Cash and cash equivalents	**(60,091)**	(164,015)	(87,281)
Total assets (net of cash and cash equivalents)	**$ 6,886,666**	$ 5,857,037	$ 5,239,132

Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV") and Normalized adjusted EBITDAFV – Annualized

Adjusted EBITDAFV is defined by the Trust as net income for the period adjusted for share of net income from equity accounted investment, distributions from equity accounted investment, fair value adjustments to investment properties and financial instruments, net loss (gain) on transactions and other activities (including depreciation), interest expense, debt settlement costs, other items included in investment properties revenue (including amortization), and net deferred and current income tax expense. The adjustments include activity from continuing and discontinued operations. The aforementioned adjustments included in net income do not necessarily provide an accurate picture of the Trust's past or recurring operating performance. Management believes adjusted EBITDAFV, a non-GAAP financial measure, provides our investors with additional relevant information on our operating performance, excluding any non-cash items and extraneous factors. Adjusted EBITDAFV is a commonly used measure of performance of real estate operations; however, it does not represent net income or cash flows generated from (utilized in) operating activities, as defined by IFRS, and is not necessarily indicative of cash available to fund the Trust's needs. This non-GAAP financial measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Adjusted EBITDAFV is reconciled to net income (the most directly comparable IFRS financial measure) in the table below for the three months ended September 30, 2022, December 31, 2021, and September 30, 2021, for the nine months ended September 30, 2022, September 30, 2021, and September 30, 2020, and for the years ended December 31, 2021 and December 31, 2020.

	For the three months ended			For the nine months ended			For the year ended	
	September 30, 2022	December 31, 2021	September 30, 2021	**September 30, 2022**	September 30, 2021	September 30, 2020	December 31, 2021	December 31, 2020
Net income for the period	**$ 125,663**	$ 189,971	$ 162,815	**$ 740,032**	$ 418,374	$ 118,623	$ 608,345	$ 200,136
Add (deduct):								
Fair value adjustments to investment properties	**(43,133)**	(141,841)	(162,452)	**(428,528)**	(444,170)	(28,224)	(586,011)	(120,079)
Fair value adjustments to financial instruments	**(30,481)**	18,818	16,060	**(142,384)**	92,905	(25,574)	111,723	10,915
Share of net income from equity accounted investments	**(6,279)**	(26,239)	(13,031)	**(47,704)**	(13,031)	—	(39,270)	—
Interest expense on debt and other financing costs	**5,187**	3,679	5,482	**14,273**	20,978	25,837	24,530	34,338
Interest expense on subsidiary redeemable units	**3,246**	3,247	3,246	**9,739**	9,739	9,804	12,986	13,051
Other items included in investment properties revenue[(1)]	**(1,983)**	(660)	(1,501)	**(3,401)**	(1,712)	(560)	(2,372)	(522)
Distributions from equity accounted investment	**1,808**	967	964	**3,960**	964	—	1,931	—
Deferred and current income tax expenses, net	**8,545**	9,599	10,498	**31,336**	20,658	6,899	30,257	8,678
Net loss (gain) on transactions and other activities	**1,929**	(3,579)	3,972	**8,132**	6,619	1,198	3,066	1,506
Debt settlement costs	**—**	—	28,510	**—**	31,569	4,324	31,569	4,324
Adjusted EBITDAFV for the period	**$ 64,502**	$ 53,962	$ 54,563	**$ 185,455**	$ 142,893	$ 112,327	$ 196,754	$ 152,347

(1) Includes lease termination fees and other items, straight-line rent and amortization of lease incentives.

The trailing 12-month adjusted EBITDAFV and trailing 12-month interest expense on debt and other financing costs are components used to calculate interest coverage ratio, a non-GAAP ratio.

The trailing 12-month adjusted EBITDAFV for the period ended September 30, 2022 is calculated as follows:

		Trailing 12-month period ended September 30, 2022
Adjusted EBITDAFV for the nine months ended September 30, 2022[1]	**$**	**185,455**
Add: Adjusted EBITDAFV for the year ended December 31, 2021[1]		**196,754**
Less: Adjusted EBITDAFV for the nine months ended September 30, 2021[1]		**(142,893)**
Trailing 12-month adjusted EBITDAFV	**$**	**239,316**

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the nine months ended September 30, 2022 and September 30, 2021, as well as for the year ended December 31, 2021, has been reconciled to net income for the respective periods within this section above.

The trailing 12-month adjusted EBITDAFV for the period ended September 30, 2021 is calculated as follows:

		Trailing 12-month period ended September 30, 2021
Adjusted EBITDAFV for the nine months ended September 30, 2021[1]	$	142,893
Add: Adjusted EBITDAFV for the year ended December 31, 2020[1]		152,347
Less: Adjusted EBITDAFV for the nine months ended September 30, 2020[1]		(112,327)
Trailing 12-month adjusted EBITDAFV	$	182,913

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the nine months ended September 30, 2021 and September 30, 2020, as well as for the year ended December 31, 2020, has been reconciled to net income for the respective periods within this section above.

The trailing 12-month interest expense on debt and other financing costs for the period ended September 30, 2022 is calculated as follows:

		Trailing 12-month period ended September 30, 2022
Interest expense on debt and other financing costs for the nine months ended September 30, 2022[1]	**$**	**14,273**
Add: Interest expense on debt and other financing costs for the year ended December 31, 2021[2]		**24,530**
Less: Interest expense on debt and other financing costs for the nine months ended September 30, 2021[1]		**(20,978)**
Trailing 12-month interest expense on debt and other financing costs	**$**	**17,825**

(1) Per the condensed consolidated financial statements.

(2) Per the consolidated financial statements.

The trailing 12-month interest expense on debt and other financing costs for the period ended September 30, 2021 is calculated as follows:

		Trailing 12-month period ended September 30, 2021
Interest expense on debt and other financing costs for the nine months ended September 30, 2021[1]	$	20,978
Add: Interest expense on debt and other financing costs for the year ended December 31, 2020[2]		34,338
Less: Interest expense on debt and other financing costs for the nine months ended September 30, 2020[1]		(25,837)
Trailing 12-month interest expense on debt and other financing costs	$	29,479

(1) Per the condensed consolidated financial statements.

(2) Per the consolidated financial statements.

Normalized adjusted EBITDAFV – annualized is identified by the Trust as the quarterly Adjusted EBITDAFV (a non-GAAP financial measure) plus normalized NOI of properties acquired in the quarter less NOI of properties disposed of in the current quarter. Adjusted EBITDAFV (a non-GAAP financial measure) is defined above under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV")". Management believes that Normalized adjusted EBITDAFV – annualized, a non-GAAP financial measure, provides our investors with additional relevant information based on our normalized operating performance. This non-GAAP financial measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

	September 30, 2022	December 31, 2021	September 30, 2021
Adjusted EBITDAFV – quarterly(1)	**$ 64,502**	$ 53,962	$ 54,563
Add (deduct):			
Normalized NOI of properties acquired in the quarter(2)	**134**	3,898	1,070
NOI of properties disposed of in the quarter(3)	**—**	(355)	(1,697)
Normalized adjusted EBITDAFV – quarterly	**64,636**	57,505	53,936
Normalized adjusted EBITDAFV – annualized	**$ 258,544**	$ 230,020	$ 215,744

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the three months ended September 30, 2022, December 31, 2021, and September 30, 2021 is reconciled to net income for the respective periods in the table above.

(2) Represents the incremental NOI had the acquisitions in the respective periods occurred for the full quarter, determined using the average daily NOI times the number of days the Trust did not own the properties.

(3) Includes the portion of NOI generated by the two remaining U.S. investment properties during the quarter that will be earned by the U.S. Fund on a go forward basis as a result of the sale.

NON-GAAP RATIOS

The following non-GAAP ratios are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-GAAP ratios are not defined by IFRS and do not have standard meanings. The Trust's method of calculating non-GAAP ratios may differ from other issuers' methods and, accordingly, may not be comparable with similar measures presented by other issuers.

Diluted FFO per Unit

Management believes diluted FFO per Unit, a non-GAAP ratio, provides our investors with additional relevant information on our operating performance and it is used by management in evaluating the Trust's operating performance. Fair value adjustments to investment properties and financial instruments, gains or losses on disposal of investment properties, debt settlement costs arising from capital management activities and disposals of investment properties, and other non-cash items do not necessarily provide an accurate picture of the Trust's past or recurring operating performance. FFO and diluted FFO per Unit are commonly used measures of performance of real estate operations; however, they do not represent net income or cash flows generated from (utilized in) operating activities, as defined by IFRS, are not necessarily indicative of cash available to fund the Trust's needs and may not be comparable with similar measures presented by other issuers.

Diluted FFO per Unit is a non-GAAP ratio calculated as FFO (a non-GAAP financial measure) divided by the weighted average number of Units. The table below summarizes the components used to calculate diluted FFO per Unit for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
FFO(1)	**$ 60,897**	$ 50,517	**$ 176,460**	$ 124,583
Weighted average number of Units (in thousands)	**274,481**	229,427	**269,229**	206,856
FFO per Unit – diluted	**$ 0.22**	$ 0.22	**$ 0.66**	$ 0.60

(1) FFO is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information.

Net asset value ("NAV") per Unit

NAV per Unit is a non-GAAP ratio calculated as total equity (including LP B Units) (a non-GAAP financial measure) divided by the total number of REIT Units and LP B Units. This non-GAAP ratio is a useful measure to investors as it reflects management's view of the intrinsic value of the Trust and enables investors to determine if the Trust's REIT Unit price is trading at a discount or premium relative to the NAV per Unit at each reporting period. However, NAV per Unit is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers. The calculation of NAV per Unit is included under the heading "Total equity".

Net total debt-to-total assets (net of cash and cash equivalents) ratio

Management believes that net total debt-to-total assets (net of cash and cash equivalents) ratio is an important non-GAAP ratio in the management of our debt levels. Management and investors monitor this non-GAAP ratio to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers. The net total debt-to-total assets (net of cash and cash equivalents) ratio is determined as net total debt (a non-GAAP financial measure) divided by total assets (net of cash and cash equivalents) (a non-GAAP financial measure).

The following table summarizes the components used to determine this non-GAAP ratio as at September 30, 2022, December 31, 2021 and September 30, 2021:

	September 30, 2022	December 31, 2021	September 30, 2021
Net total debt[(1)]	**$ 2,012,944**	$ 1,848,117	$ 1,722,449
Total assets (net of cash and cash equivalents)[(1)(2)]	**6,886,666**	5,857,037	5,239,132
Net total debt-to-total assets (net of cash and cash equivalents) ratio	**29.2%**	31.6%	32.9%

(1) Net total debt and total assets (net of cash and cash equivalents) are non-GAAP financial measures; refer to the "Non-GAAP Financial Measures" section for additional information about these non-GAAP financial measures under the heading "Net total debt and total assets (net of cash and cash equivalents)".

(2) Excludes the fair value of the CCIRS of $192,526, $32,514 and $940 as at September 30, 2022, December 31, 2021, and September 30, 2021, respectively, as already considered in the non-GAAP financial measure, net total debt.

Net total debt-to-normalized adjusted EBITDAFV ratio (years)

Management believes that net total debt-to-normalized adjusted EBITDAFV ratio (years), a non-GAAP ratio, is a useful measure to investors in determining the time it takes the Trust, on a go forward basis, based on its normalized operating performance, to repay its debt. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Adjusted EBITDAFV (a non-GAAP financial measure) and Normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure) are defined above under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV") and Normalized adjusted EBITDAFV – annualized".

The following table calculates the annualized net total debt-to-normalized adjusted EBITDAFV as at September 30, 2022, December 31, 2021, and September 30, 2021:

	September 30, 2022	December 31, 2021	September 30, 2021
Net total debt[(1)]	**$ 2,012,944**	$ 1,848,117	$ 1,722,449
Normalized adjusted EBITDAFV – annualized[(2)]	**$ 258,544**	$ 230,020	$ 215,744
Net total debt-to-normalized adjusted EBITDAFV (years)	**7.8**	8.0	8.0

(1) Net total debt is a non-GAAP financial measure; refer to detailed descriptions and calculations under the heading "Net total debt and total assets (net of cash and cash equivalents)".

(2) Normalized adjusted EBITDAFV – annualized is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information.

Interest coverage ratio

Management believes that interest coverage ratio, a non-GAAP ratio, is a useful measure to investors in determining our ability to cover interest expense on debt and other financing costs based on our operating performance. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Interest coverage ratio as shown below is calculated as the trailing 12-month adjusted EBITDAFV divided by the trailing 12-month interest expense on debt and other financing costs. Interest expense on subsidiary redeemable units is excluded from this ratio as it represents distributions on units; however, pursuant to IFRS, the distributions are presented as interest expense.

The following table calculates the interest coverage ratio for the trailing 12-month period ended September 30, 2022 and September 30, 2021, and for the year ended December 31, 2021:

	For the trailing 12-month period ended September 30, 2022	For the year ended December 31, 2021	For the trailing 12-month period ended September 30, 2021
Adjusted EBITDAFV[(1)]	**$ 239,316**	$ 196,754	$ 182,913
Interest expense on debt and other financing costs	**17,825**	24,530	29,479
Interest coverage ratio (times)	**13.4**	8.0	6.2

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the trailing 12-month period ended September 30, 2022 and September 30, 2021, and for the year ended December 31, 2021, has been reconciled to net income under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV")" within the "Non-GAAP Financial Measures" section above.

DRIP participation rate

The DRIP participation rate is a non-GAAP ratio calculated as distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) divided by the sum of distributions reinvested, less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure). Management believes it is a useful measure to investors in evaluating the impact that the DRIP will have on the Trust's ability to sustain current distribution levels during the current and future periods. Over time, reinvestments pursuant to the DRIP will increase the number of Units outstanding, which may result in upward pressure on the total amount of cash distributions.This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The following table summarizes the components used to determine DRIP participation rate for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Distributions reinvested less 3% bonus distribution[(1)]	**$ 9,181**	$ 9,378	**$ 29,615**	$ 24,476
Distributions paid in cash[(1)]	**38,777**	30,782	**111,854**	86,717
Total distributions excluding 3% bonus distribution	**$ 47,958**	$ 40,160	**$ 141,469**	$ 111,193
DRIP participation rate	**19.1%**	23.4%	**20.9%**	22.0%

(1) Distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure) for the three and nine months ended September 30, 2022 and September 30, 2021 have been reconciled to distributions reinvested and distributions paid on REIT Units, respectively, under the heading "Distributions reinvested less 3% bonus distribution and distributions paid in cash" within the "Non-GAAP Financial Measures" section above.

SUPPLEMENTARY FINANCIAL MEASURES AND RATIOS AND OTHER DISCLOSURES

The following supplementary financial measures and ratios are important measures used by management in evaluating the Trust's debt management. These supplementary financial measures and ratios do not have standard meanings and may not be comparable with similar measures presented by other issuers.

Unencumbered investment properties and unencumbered investment properties as a percentage of investment properties

Unencumbered investment properties is a supplementary financial measure representing the value of investment properties, excluding properties held for sale, that have not been pledged as collateral for the financing of the Trust's unsecured revolving credit facility or mortgages. The term "investment properties" used in unencumbered investment properties is determined in accordance with the accounting policies used to prepare the investment properties line item presented in the condensed consolidated financial statements. Unencumbered investment properties as a percentage of investment properties is a supplementary financial ratio calculated as total unencumbered investment properties divided by total investment properties. The supplementary financial measure and ratio are used by management and investors in assessing the borrowing capacity available to the Trust.

The table below summarizes the components used to determine unencumbered investment properties and unencumbered investment properties as a percentage of investment properties as at September 30, 2022, December 31, 2021, and September 30, 2021:

Amounts included in condensed consolidated financial statements	September 30, 2022	December 31, 2021	September 30, 2021
Investment properties[(1)]	$ **6,509,557**	$ 5,696,607	$ 5,048,986
Less: Pledged as collateral	**(1,421,163)**	(1,541,682)	(1,644,829)
Unencumbered investment properties	$ **5,088,394**	$ 4,154,925	$ 3,404,157
Unencumbered investment properties as a percentage of investment properties	**78.2%**	72.9%	67.4%

(1) Excludes assets held for sale at September 30, 2021.

Secured debt and secured debt as a percentage of total assets

Secured debt is a supplementary financial measure representing debt, excluding unsecured debt. The term "debt" used in secured debt is determined in accordance with the accounting policies used to prepare the current and non-current debt line items presented in the condensed consolidated financial statements. Secured debt as a percentage of total assets is a supplementary financial ratio calculated as total secured debt divided by total assets. The supplementary financial measure and ratio are used by management and investors in monitoring the secured debt levels to ensure compliance with certain lender covenant requirements.

The table below summarizes the components used to determine secured debt as a percentage of total assets as at September 30, 2022, December 31, 2021, and September 30, 2021:

Amounts included in condensed consolidated financial statements	September 30, 2022	December 31, 2021	September 30, 2021
Secured debt	$ **501,133**	$ 561,681	$ 577,807
Total assets	**7,139,283**	6,053,566	5,327,353
Secured debt as a percentage of total assets	**7.0%**	9.3%	10.8%

Unsecured debt

Unsecured debt is a supplementary financial measure representing debt, including fair value of CCIRS, and excludes secured debt. The term "debt" used in unsecured debt is determined in accordance with the accounting policies used to prepare the current and non-current debt line items presented in the condensed consolidated financial statements. This supplementary financial measure is used by management and investors in monitoring the unsecured debt levels to ensure compliance with certain lender covenant requirements.

The table below summarizes the components used to determine unsecured debt as at September 30, 2022, December 31, 2021, and September 30, 2021:

Amounts included in condensed consolidated financial statements	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured revolving credit facility	$ **61,534**	$ (464)	$ (670)
Unsecured term loan	**205,311**	189,705	190,594
Unsecured debentures	**1,494,122**	1,294,074	1,045,250
Fair value of CCIRS[(1)]	**(192,526)**	(32,514)	(940)
Unsecured debt	$ **1,568,441**	$ 1,450,801	$ 1,234,234

(1) Attributed to unsecured term loan and unsecured debentures.

Weighted average number of Units

The basic weighted average number of Units (non-financial information) includes the weighted average of all REIT Units, LP B Units, and vested but unissued deferred trust units and income deferred trust units.

The diluted weighted average number of Units outstanding (non-financial information) used in the FFO per Unit (non-GAAP ratio) calculation includes the basic weighted average number of Units, unvested deferred trust units and associated income deferred trust units. As at September 30, 2022, there were 545,244 unvested deferred trust units and associated income deferred trust units (September 30, 2021 – 440,846).

The table below summarizes the basic and diluted weighted average number of Units for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
Weighted average Units outstanding	**2022**	2021	**2022**	2021
Basic (in thousands)	**273,935**	229,031	**268,684**	206,435
Diluted (in thousands)	**274,481**	229,472	**269,229**	206,856

SECTION V

DISCLOSURE CONTROLS AND OUR PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

At September 30, 2022, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Trust, along with the assistance of senior management, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to Dream Industrial REIT is made known to the CEO and CFO in a timely manner and information required to be disclosed by Dream Industrial REIT is recorded, processed, summarized and reported within the time periods specified in securities legislation, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements in accordance with IFRS.

During the three and nine months ended September 30, 2022, there have not been any changes that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

SECTION VI

RISKS AND OUR STRATEGY TO MANAGE

We are exposed to various risks and uncertainties, many of which are beyond our control and could have an impact on our business, financial condition, operating results and prospects. Unitholders should consider these risks and uncertainties when assessing our outlook in terms of investment potential. For further discussion of the risks and uncertainties identified by Dream Industrial REIT, including in respect of global market, economic and political risks, geopolitical risks, foreign currency exchange risk, development risks, financing risks, interest rate risks and other risks, please see below and refer to our latest Annual Report and Annual Information Form, each filed on SEDAR (www.sedar.com).

ECONOMIC ENVIRONMENT RISKS

Uncertainty over whether the economy will be adversely affected by inflation or stagflation, and the systemic impact of volatile energy costs, may contribute to increased market volatility. Such economic uncertainties and market challenges, which may result from a continued or exacerbated general economic slowdown, and their effects could materially and adversely affect the Trust's ability to generate revenues, thereby reducing its operating income and earnings. A difficult operating environment could also have a material adverse effect on the ability of the Trust to maintain occupancy rates at its properties, which could harm the Trust's financial condition. Under such economic conditions, the Trust's tenants may be unable to meet their rental payments and other obligations due to the Trust, which could have a material adverse effect on the Trust's financial position.

Increased inflation could lead to higher interest rates from central banks which would have a more pronounced negative impact on any variable rate debt the Trust is subject to or incurs in the future and on its results of operations. Similarly, during periods of high inflation, contractual annual rent increases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Trust's tenants if increases in their operating expenses exceed increases in revenue. This may adversely affect the tenants' ability to pay rent, and the Trust's ability to increase rents on lease rollovers, which could negatively affect the Trust's financial condition.

Increased inflation could lead to higher costs on future development projects which could reduce the profitability of the planned development projects to the extent that higher rents cannot be obtained from prospective tenants.

In respect of the Trust's real estate purchases, the Trust is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its purchases, or the number of investors seeking to acquire properties decreases, the value of the Trust's investments may not appreciate or may depreciate. Accordingly, the

Trust's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

SECTION VII

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

Preparing the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures of contingent liabilities. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but that are inherently uncertain and unpredictable, the result of which is the basis of the carrying amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment in the future to the carrying amounts of the asset or liability affected. Dream Industrial REIT's critical accounting judgments, estimates and assumptions in applying accounting policies are described in Note 2 to the condensed consolidated financial statements for the three and nine months ended September 30, 2022, and in our annual consolidated financial statements for the year ended December 31, 2021.

FUTURE ACCOUNTING POLICY CHANGES

Dream Industrial REIT's future accounting policy changes are described in Note 3 to the condensed consolidated financial statements for the three and nine months ended September 30, 2022.

Additional information

Additional information relating to Dream Industrial REIT, including the latest Annual Information Form of Dream Industrial REIT, is available on SEDAR at www.sedar.com.

Condensed consolidated balance sheets

(in thousands of Canadian dollars)
(Unaudited)

	Note	September 30, 2022	December 31, 2021
Assets			
NON-CURRENT ASSETS			
Investment properties	4, 5	**$ 6,509,557**	$ 5,696,607
Equity accounted investments	6	**326,518**	139,355
Derivatives and other non-current assets	7	**208,925**	40,865
		7,045,000	5,876,827
CURRENT ASSETS			
Cash and cash equivalents		**60,091**	164,015
Amounts receivable		**24,527**	7,857
Prepaid expenses and other assets		**9,665**	4,867
		94,283	176,739
Total assets		**$ 7,139,283**	$ 6,053,566
Liabilities			
NON-CURRENT LIABILITIES			
Non-current debt	9	**$ 2,006,193**	$ 2,006,647
Subsidiary redeemable units		**199,061**	319,463
Deferred Unit Incentive Plan ("DUIP")		**12,342**	17,747
Deferred income tax liabilities, net		**59,107**	29,359
Derivatives and other non-current liabilities	11	**39,064**	46,082
		2,315,767	2,419,298
CURRENT LIABILITIES			
Current debt	9	**255,907**	38,349
Amounts payable and accrued liabilities		**87,040**	95,742
Current income tax liabilities		**2,730**	754
		345,677	134,845
Total liabilities		**2,661,444**	2,554,143
Equity			
Unitholders' equity		**3,097,477**	2,756,156
Retained earnings		**1,354,249**	746,848
Accumulated other comprehensive gain (loss)	12	**26,113**	(3,581)
Total equity		**4,477,839**	3,499,423
Total liabilities and equity		**$ 7,139,283**	$ 6,053,566

See accompanying notes to the condensed consolidated financial statements.

On behalf of the Board of Trustees of Dream Industrial Real Estate Investment Trust:

"Vincenza Sera"	***"Sheldon Wiseman"***
Vincenza Sera Trustee	Sheldon Wiseman Trustee

Condensed consolidated statements of comprehensive income

(in thousands of Canadian dollars)
(Unaudited)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Investment properties revenue	13	**$ 93,313**	$ 75,832	**$ 270,700**	$ 210,530
Investment properties operating expenses		**(21,316)**	(16,122)	**(64,661)**	(53,063)
Net rental income		**71,997**	59,710	**206,039**	157,467
Other income					
Share of net income from equity accounted investments	6	**6,279**	13,031	**47,704**	13,031
Interest, fee income and other		**99**	1,840	**612**	2,327
		6,378	14,871	**48,316**	15,358
Other expenses					
General and administrative		**(7,419)**	(6,450)	**(21,755)**	(16,153)
Interest:					
Debt and other financing costs		**(5,187)**	(5,482)	**(14,273)**	(20,978)
Subsidiary redeemable units		**(3,246)**	(3,246)	**(9,739)**	(9,739)
Debt settlement costs		**—**	(28,510)	**—**	(31,569)
		(15,852)	(43,688)	**(45,767)**	(78,439)
Fair value adjustments and net loss on transactions and other activities					
Fair value adjustments to investment properties	4	**43,133**	162,452	**428,528**	444,170
Fair value adjustments to financial instruments	14	**30,481**	(16,060)	**142,384**	(92,905)
Net loss on transactions and other activities	15	**(1,929)**	(3,972)	**(8,132)**	(6,619)
		71,685	142,420	**562,780**	344,646
Income before income taxes		**134,208**	173,313	**771,368**	439,032
Current and deferred income tax expenses, net	10	**(8,545)**	(10,498)	**(31,336)**	(20,658)
Net income		**$ 125,663**	$ 162,815	**$ 740,032**	$ 418,374
Other comprehensive gain (loss)					
Items that will be reclassified subsequently to net income:					
Unrealized gain (loss) on foreign currency translation of foreign operations	12	**$ (13,261)**	$ 11,719	**$ (137,578)**	$ (22,023)
Unrealized gain (loss) on hedging instruments	12	**54,521**	(6,285)	**144,577**	7,574
Share of other comprehensive gain from equity accounted investment	12	**17,749**	2,206	**22,695**	1,874
		59,009	7,640	**29,694**	(12,575)
Comprehensive income		**$ 184,672**	$ 170,455	**$ 769,726**	$ 405,799

See accompanying notes to the condensed consolidated financial statements.

Condensed consolidated statements of changes in equity

(all dollar amounts in thousands of Canadian dollars)
(Unaudited)

Nine months ended September 30, 2022	Note	Number of REIT Units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
		Attributable to unitholders of the Trust				
Balance at January 1, 2022		**233,864,845**	**$ 2,756,156**	**$ 746,848**	**$ (3,581)**	**$ 3,499,423**
Net income		**—**	**—**	**740,032**	**—**	**740,032**
Distributions paid and payable	16	**—**	**—**	**(132,631)**	**—**	**(132,631)**
Public offerings of REIT Units	17	**19,588,300**	**320,146**	**—**	**—**	**320,146**
Distribution Reinvestment Plan		**2,204,756**	**30,947**	**—**	**—**	**30,947**
REIT Units issued for vested deferred trust units and Unit Purchase Plan		**125,097**	**1,881**	**—**	**—**	**1,881**
Issue costs and other	17	**—**	**(11,653)**	**—**	**—**	**(11,653)**
Other comprehensive loss	12	**—**	**—**	**—**	**29,694**	**29,694**
Balance at September 30, 2022		**255,782,998**	**$ 3,097,477**	**$ 1,354,249**	**$ 26,113**	**$ 4,477,839**

Nine months ended September 30, 2021	Note	Number of REIT Units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
		Attributable to unitholders of the Trust				
Balance at January 1, 2021		152,678,861	$ 1,605,724	$ 281,531	$ 17,621	$ 1,904,876
Net income		—	—	418,374	—	418,374
Distributions paid and payable	16	—	—	(102,115)	—	(102,115)
Public offerings of REIT Units	17	57,974,800	809,900	—	—	809,900
Distribution Reinvestment Plan		1,541,144	22,726	—	—	22,726
REIT Units issued for vested deferred trust units and Unit Purchase Plan		98,697	1,338	—	—	1,338
Issue costs and other		—	(26,703)	—	—	(26,703)
Other comprehensive loss	12	—	—	—	(12,575)	(12,575)
Balance at September 30, 2021		212,293,502	$ 2,412,985	$ 597,790	$ 5,046	$ 3,015,821

See accompanying notes to the condensed consolidated financial statements.

Condensed consolidated statements of cash flows

(in thousands of Canadian dollars)
(Unaudited)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Generated from (utilized in) operating activities					
Net income		**$ 125,663**	$ 162,815	**$ 740,032**	$ 418,374
Non-cash items:					
Share of net income from equity accounted investments	6	**(6,279)**	(13,031)	**(47,704)**	(13,031)
Fair value adjustments to investment properties	4	**(43,133)**	(162,452)	**(428,528)**	(444,170)
Unrealized fair value adjustments to financial instruments	14	**(30,481)**	16,060	**(142,384)**	92,905
Depreciation and amortization		**624**	323	**1,744**	1,287
Other adjustments	18	**10,259**	(761)	**41,525**	17,637
Change in non-cash working capital	18	**(4,477)**	8,153	**(15,752)**	9,477
Investment in lease incentives and initial direct leasing costs		**(2,807)**	(3,882)	**(11,640)**	(11,801)
Interest expense on debt and other financing costs		**5,187**	5,482	**14,273**	20,978
Debt settlement costs		**—**	28,510	**—**	31,569
		54,556	41,217	**151,566**	123,225
Generated from (utilized in) investing activities					
Investment in building improvements and other development and pre-development costs		**(31,918)**	(12,394)	**(94,527)**	(19,021)
Investment in property and equipment		**—**	—	**(2)**	—
Acquisitions, deposits and transaction costs of investment properties (net of cash acquired)		**(37,969)**	(183,404)	**(544,829)**	(1,458,691)
Dispositions of investment properties (net of assumed mortgages and transaction costs)		**—**	232,850	**68,157**	232,850
Distributions from equity accounted investments		**—**	—	**967**	—
Contributions to equity accounted investments		**(1,075)**	(8,522)	**(90,063)**	(10,402)
		(70,962)	28,530	**(660,297)**	(1,255,264)
Generated from (utilized in) financing activities					
Borrowings	9	**84,651**	—	**284,651**	799,800
Lump sum repayments	9	**(22,779)**	(263,716)	**(22,779)**	(433,651)
Principal repayments	9	**(21,943)**	(4,002)	**(26,169)**	(14,375)
Financing costs additions	9	**(66)**	—	**(1,216)**	(3,925)
Interest and other financing costs paid on debt		**(3,334)**	(6,553)	**(11,967)**	(20,616)
Interest paid on subsidiary redeemable units		**(3,246)**	(3,246)	**(9,739)**	(9,739)
Debt settlement costs paid		**—**	(20,190)	**—**	(23,249)
Distributions paid on REIT Units	16	**(35,490)**	(27,523)	**(100,405)**	(75,911)
Cash proceeds on issuance of REIT Units	17	**—**	31,768	**320,162**	772,742
Issue costs paid on REIT Units		**(553)**	(1,536)	**(11,947)**	(26,211)
Other adjustments to financing activities		**(54)**	755	**(207)**	(109)
		(2,814)	(294,243)	**420,384**	964,756
Increase (decrease) in cash and cash equivalents		**(19,220)**	(224,496)	**(88,347)**	(167,283)
Foreign exchange gain (loss) on cash held in foreign currency		**(2,000)**	(1,472)	**(15,577)**	(371)
Cash and cash equivalents, beginning of period		**81,311**	313,249	**164,015**	254,935
Cash and cash equivalents, end of period		**$ 60,091**	$ 87,281	**$ 60,091**	$ 87,281

See accompanying notes to the condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

(All dollar amounts in thousands of Canadian dollars, except for per REIT Unit amounts, or unless otherwise stated)
(Unaudited)

Note 1

ORGANIZATION

Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT" or the "Trust") is an open-ended investment trust created pursuant to a Declaration of Trust, as amended and restated, under the laws of the Province of Ontario. The condensed consolidated financial statements of Dream Industrial REIT include the accounts of Dream Industrial REIT and its subsidiaries. Dream Industrial REIT owns, manages and operates industrial properties in key markets across Canada, Europe and the United States.

The principal office and centre of administration of the Trust is at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "DIR.UN". Dream Industrial REIT's condensed consolidated financial statements for the three and nine months ended September 30, 2022 were authorized for issuance by the Board of Trustees on November 1, 2022, after which they may be amended only with the Board of Trustees' approval.

For simplicity, throughout the notes, reference is made to the units of the Trust as follows:

- "REIT Units", meaning units of the Trust;
- "LP B Units" or "subsidiary redeemable units", meaning the Class B limited partnership units of Dream Industrial LP ("DILP"), a subsidiary of the Trust;
- "Special Trust Units", meaning units issued in connection with subsidiary redeemable units; and
- "Units", meaning REIT Units and subsidiary redeemable units, collectively.

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. The condensed consolidated financial statements should be read in conjunction with the Trust's annual consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS, as issued by the IASB.

Accounting policies

The condensed consolidated financial statements have been prepared using the same significant accounting policies and methods as those used in the Trust's annual consolidated financial statements for the year ended December 31, 2021.

Critical accounting judgments, estimates and assumptions in applying accounting policies

Preparing the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Management has applied the same methodologies in making critical accounting judgments, estimates and assumptions as disclosed in the Trust's annual consolidated financial statements for the year ended December 31, 2021.

Note 3

FUTURE ACCOUNTING POLICY CHANGES

Amendments to IAS 1, "Presentation of Financial Statements"

The IASB has issued amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"). The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024. The Trust is currently assessing the impact of these amendments.

Note 4

INVESTMENT PROPERTIES

		Nine months ended September 30, 2022			Year ended December 31, 2021		
	Note	**Income-producing properties**	**Properties held for development**	**Investment properties**	Income-producing properties	Properties held for development	Investment properties
Balance at beginning of period		**$ 5,618,966**	**$ 77,641**	**$ 5,696,607**	$ 3,241,601	$ —	$ 3,241,601
Additions (deductions):							
Acquisitions of investment properties and land	5	**504,574**	**25,718**	**530,292**	2,452,678	76,538	2,529,216
Building improvements		**87,046**	**—**	**87,046**	46,494	—	46,494
Lease incentives and initial direct leasing costs		**13,473**	**—**	**13,473**	15,953	—	15,953
Development costs, pre-development costs and capitalized interest		**—**	**10,288**	**10,288**	—	1,103	1,103
Income-producing properties transferred to/from properties held for development[(1)]		**(41,899)**	**41,899**	**—**	—	—	—
Investment properties reclassified to assets held for sale and disposed	8	**—**	**(97,293)**	**(97,293)**	(640,032)	—	(640,032)
Fair value adjustments to investment properties		**394,244**	**33,676**	**427,920**	585,223	—	585,223
Change in straight-line rent		**4,081**	**—**	**4,081**	2,666	—	2,666
Amortization of lease incentives		**(1,739)**	**—**	**(1,739)**	(1,796)	—	(1,796)
Foreign currency translation		**(161,118)**	**—**	**(161,118)**	(83,821)	—	(83,821)
Balance at end of period		**$ 6,417,628**	**$ 91,929**	**$ 6,509,557**	$ 5,618,966	$ 77,641	$ 5,696,607
Change in unrealized income included in net income							
Change in fair value of investment properties		**$ 394,244**	**$ 32**	**$ 394,276**	$ 585,223	$ —	$ 585,223

(1) Three Ontario income-producing properties were transferred to properties held for development due to redevelopment activities.

Investment properties include $15,735 (December 31, 2021 – $11,731) related to straight-line rent receivables.

Valuations of externally appraised investment properties

For the nine months ended September 30, 2022, there were 52 investment properties valued by qualified external valuation professionals and which represent 20.2% of total investment property values, excluding acquired properties (for the year ended December 31, 2021 – 68 investment properties were externally appraised representing 27.7% of total investment property values, excluding acquired properties).

Fair value adjustments to investment properties

When performing fair value assessments for its investment properties, the Trust incorporates a number of factors, including recent market transactions, recent leasing activity, market vacancy, leasing costs and other information obtained from market research and recently completed leases and acquisitions. The fair value of the investment properties as at September 30, 2022 and December 31, 2021 represents the Trust's best estimate based on the internally and externally available information as at the end of each reporting period.

Significant assumptions used in the valuation of investment properties

As at September 30, 2022 and December 31, 2021, the Trust's investment properties were valued using the cap rate and discounted cash flow methods, except for income-producing properties acquired during the respective quarters as applicable and properties held for development. As at September 30, 2022 and December 31, 2021, land parcels included in the properties held for development were valued at the acquisition price plus capitalized interest, planning and pre-development costs incurred to date. Income-producing properties transferred to properties held for development were valued at carrying value, which is the properties' fair value. The significant and unobservable Level 3 valuation metrics used in the methods as at September 30, 2022 and December 31, 2021 are set out in the table below:

	September 30, 2022[1]		December 31, 2021[1]	
	Range (%)	**Weighted average (%)**[2]	Range (%)	Weighted average (%)[2]
Cap rate method				
Stabilized cap rate	**3.50–9.00**	**5.16**	3.25–9.00	5.02
Discounted cash flow method				
Discount rate	**4.30–9.00**	**6.06**	4.00–8.50	5.82
Terminal cap rate	**3.55–9.25**	**5.36**	3.25–8.75	5.17

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

(2) Weighted average percentage based on investment property fair value.

Sensitivities on assumptions

The following sensitivity tables outline the potential impact on the fair value of investment properties, excluding properties held for development, ground leases and the investment properties acquired during the current quarter, assuming a change in the weighted average stabilized cap rates, discount rates and terminal rates by a respective 25 basis points ("bps") as at September 30, 2022:

	Impact to change in weighted average stabilized cap rates	
Cap rate method	+25 bps	–25 bps
Increase (decrease) in value	$ (293,345)	$ 323,239

	Impact to change in weighted average discount rates		Impact to change in weighted average terminal cap rates	
Discounted cash flow method	+25 bps	–25 bps	+25 bps	–25 bps
Increase (decrease) in value	$ (131,783)	$ 135,033	$ (204,995)	$ 226,457

Note 5

INVESTMENT PROPERTY ACQUISITIONS

Acquisitions

Detailed below are the investment property acquisitions completed for the nine months ended September 30, 2022:

		Fair value of investment properties(1)	Date acquired
480 Tapscott Road, Toronto, Ontario	$	22,250	January 28, 2022
Rocky View County (land), Balzac, Alberta(2)		13,750	February 8, 2022
Portugalweg 17, Bodegraven, Netherlands(3)		36,048	March 16, 2022
Bijsterhuizen 3171, Wijchen, Netherlands(3)		26,477	March 24, 2022
4211 Mainway, Burlington, Ontario		17,900	March 31, 2022
Cross Roads Commercial Lands (land), Rocky View County, Alberta(2)		11,400	April 8, 2022
Poortcamp 2, De Lier, Netherlands(3)		30,793	April 19, 2022
Obserhausener Strasse 22, Düsseldorf, Germany(3)		6,170	April 20, 2022
125 Maple Grove, Cambridge, Ontario		31,800	April 26, 2022
60 East Beaver Creek, Richmond Hill, Ontario		30,000	April 28, 2022
219 Shoemaker Street, Kitchener, Ontario		6,250	May 17, 2022
Oude Hoorn 2, Houten, Netherlands(3)		19,238	May 19, 2022
Im Bresselsholze 14, Triptis, Germany(3)		14,693	May 20, 2022
25 Mural Street, Richmond Hill, Ontario		25,850	May 24, 2022
200–220 Joseph Carrier, Montréal, Québec		9,910	June 1, 2022
Hans-Böckler-Strasse 35, Minden, Germany(3)		65,335	June 1, 2022
Im Grund 3, Burgbernheim, Germany(3)		25,267	June 2, 2022
Logistiekweg 4, Bemmel, Netherlands(3)		36,401	June 9, 2022
33 Raglin Place, Cambridge, Ontario		5,400	June 17, 2022
1549 Yorkton Court, Burlington, Ontario		26,900	June 21, 2022
Verler Strasse 430, Gütersloh, Germany(3)		23,014	July 20, 2022
Säuritzer Strasse Ost 9, Burkau, Germany(3)		13,920	August 13, 2022
Total	$	498,766	

(1) Fair value of investment properties is at the respective acquisition dates. Excludes transaction costs of $31,526.

(2) Rocky View County (land) and Cross Roads Commercial Lands (land) are parcels of land totalling 50 and 19.5 acres, respectively.

(3) Acquisitions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction dates.

For the year ended December 31, 2021, the Trust acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling $2,420,481.

Detailed below are the considerations paid for the acquired investment properties for the nine months ended September 30, 2022 and year ended December 31, 2021:

	Note		**Nine months ended September 30, 2022**		Year ended December 31, 2021
Cash paid (net of cash acquired)(1)		**$**	**496,900**	$	1,885,453
Deposits paid in prior period and released to seller on closing			**2,600**		19,925
Assumed non-cash working capital and capital expenditure obligations			**(734)**		37,788
Transaction costs and land transfer taxes			**31,526**		98,593
Assumed mortgages(2)	9		**—**		477,315
Assumed ground lease liabilities(3)			**—**		10,142
Total cost of acquisitions		**$**	**530,292**	$	2,529,216

(1) For the year ended December 31, 2021, this is net of cash acquired of $39,609.

(2) Excludes fair value adjustments on mortgages assumed of $7,035, which are included in transaction costs for the year ended December 31, 2021.

(3) Related to the Pan-European logistics portfolio acquired on June 24, 2021.

Note 6

EQUITY ACCOUNTED INVESTMENTS

The Trust holds an equity accounted investment in a private U.S. industrial fund (the "U.S. Fund"), and in a GTA Development joint venture (the "Development JV"), as defined in Note 8; both are related parties of the Trust. For the three and nine months ended September 30, 2022, the Trust earned fees totalling $1,219 and $4,203, respectively, for providing property management and accounting, construction management and leasing services to the U.S. Fund (see Note 20).

Equity accounted investments continuity

			Nine months ended September 30, 2022	Year ended December 31, 2021
	Development JV	U.S. Fund	**Total**	Total
Balance at beginning of period	$ —	$ 139,355	**$ 139,355**	$ —
Capital contributions	30,661	90,063	**120,724**	100,681
Distributions earned	—	(3,960)	**(3,960)**	(1,931)
Share of net income	—	47,704	**47,704**	39,270
Foreign currency translation adjustments	—	22,695	**22,695**	1,335
Balance at end of period	$ 30,661	$ 295,857	**$ 326,518**	$ 139,355
Percentage of ownership, end of period	25.0%	25.4%		19.3%

Note 7

DERIVATIVES AND OTHER NON-CURRENT ASSETS

	Note	**September 30, 2022**	December 31, 2021
Restricted cash and other assets		**$ 2,850**	$ 1,417
Fair value of interest rate swaps		**13,549**	509
Fair value of cross-currency interest rate swaps ("CCIRS")	22	**192,526**	38,939
Total		**$ 208,925**	$ 40,865

Note 8
DISPOSITIONS

On April 29, 2022, the Trust completed the contribution of two properties held for development in Canada to a newly formed Development JV between a subsidiary of the Trust and an institutional investor (the "Partner") for total cash consideration of $68,157 and units of the Development JV representing 25% ownership, with a fair value of $30,661. A subsidiary of Dream Asset Management ("DAM") is the asset manager of the Development JV and the Trust continues paying fees on its interest in the Development JV under its current asset management agreement with DAM. A subsidiary of the Trust will provide property management, capital expenditures oversight, and leasing services to the Development JV upon completion of the properties held for development.

		Fair value of investment properties(1)	Date disposed
Brampton East Lands, Brampton, Ontario(2)	$	70,500	April 29, 2022
Maple Grove Road (land), Cambridge, Ontario(2)		27,518	April 29, 2022
Total	$	98,018	

(1) Fair value of investment properties is as at the respective disposition date.

(2) Control of these investment properties were transferred to the Development JV, a related party of the Trust.

For the year ended December 31, 2021, the Trust disposed of investment properties located in the U.S. and Alberta totalling $641,185.

Note 9
DEBT

		September 30, 2022		December 31, 2021
Mortgages(1)	**$**	**501,133**	$	561,681
Unsecured revolving credit facility(1)		**61,534**		(464)
Unsecured term loan(1)(2)		**205,311**		189,705
Unsecured debentures(1)		**1,494,122**		1,294,074
Total debt		**2,262,100**		2,044,996
Less: Current portion		**(255,907)**		(38,349)
Non-current debt	**$**	**2,006,193**	$	2,006,647

(1) Net of unamortized financing costs and unamortized fair value adjustments, as applicable.

(2) The unsecured term loan is denominated in U.S. dollars and is translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

Continuity of total debt

The following tables provide a continuity of total debt for the nine months ended September 30, 2022 and year ended December 31, 2021:

					September 30, 2022
	Mortgages[1]	Unsecured revolving credit facility	Unsecured term loan[1]	Unsecured debentures	Total
Total debt as at January 1, 2022	**$ 561,681**	**$ (464)**	**$ 189,705**	**$ 1,294,074**	**$ 2,044,996**
Cash items:					
Borrowings	**—**	**84,651**	**—**	**200,000**	**284,651**
Lump sum repayments	**—**	**(22,779)**	**—**	**—**	**(22,779)**
Principal repayments	**(26,169)**	**—**	**—**	**—**	**(26,169)**
Financing cost additions	**(66)**	**—**	**—**	**(1,150)**	**(1,216)**
Non-cash items:					
Foreign currency translation adjustments	**(32,153)**	**(35)**	**15,436**	**—**	**(16,752)**
Other adjustments[2]	**(2,160)**	**161**	**170**	**1,198**	**(631)**
Total debt as at September 30, 2022	**$ 501,133**	**$ 61,534**	**$ 205,311**	**$ 1,494,122**	**$ 2,262,100**

(1) The unsecured term loan denominated in U.S. dollars and the mortgages denominated in euros are translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

(2) Includes amortization of financing costs of $1,643, amortization of fair value adjustments on assumed debt and reopening of Series A Debentures of $(2,274).

						December 31, 2021
	Note	Mortgages	Unsecured revolving credit facility	Unsecured term loan[1]	Unsecured debentures	Total
Total debt as at January 1, 2021		$ 820,964	$ (662)	$ 190,289	$ 248,339	$ 1,258,930
Cash items:						
Borrowings		—	—	—	1,049,800	1,049,800
Lump sum repayments		(433,651)	—	—	—	(433,651)
Principal repayments		(16,573)	—	—	—	(16,573)
Financing cost additions		—	(560)	—	(4,840)	(5,400)
Non-cash items:						
Debt assumed on acquisition of investment properties	5	477,315	—	—	—	477,315
Fair value adjustments on assumed mortgages		7,035	—	—	—	7,035
Debt classified as liabilities related to assets held for sale and disposed		(275,932)	—	—	—	(275,932)
Foreign currency translation adjustments		(17,277)	—	(810)	—	(18,087)
Other adjustments[2]		(200)	758	226	775	1,559
Total debt as at December 31, 2021		$ 561,681	$ (464)	$ 189,705	$ 1,294,074	$ 2,044,996

(1) The unsecured term loan is denominated in U.S. dollars and is translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

(2) Includes amortization and write-off of financing costs of $2,316 and $1,065, respectively, and amortization and write-off of fair value adjustments on assumed debt of $(1,822).

Unsecured revolving credit facility

The $350,000 unsecured revolving credit facility with an accordion option limit of $150,000 in additional borrowing capacity bears interest at Canadian bankers' acceptance rates ("BA rates") plus 1.45% or Canadian prime rate plus 0.45% on Canadian dollar draws, U.S. London Interbank Offered Rate ("LIBOR") plus 1.45% or U.S. base rate plus 0.45% on U.S. dollar draws, or euro LIBOR plus 1.45% on euro draws. The unsecured revolving credit facility expires on May 14, 2024.

The amounts available and drawn under the revolving credit facility as at September 30, 2022 are as follows:

					September 30, 2022
	Maturity date	**Borrowing capacity**	**Letter of credit amount**	**Principal outstanding**	**Amounts available to be drawn**
Unsecured revolving credit facility[(1)]	May 14, 2024	$ 350,000	$ 2,235	$ 61,837	$ 285,928

(1) The unsecured revolving credit facility has the ability to be drawn in Canadian dollars, U.S. dollars and euros. At September 30, 2022, principal outstanding amounts include $7,836 and €40,350 which has been converted in accordance with the Trust's accounting policies.

As at December 31, 2021, there were no amounts drawn on the unsecured revolving credit facility other than a letter of credit totalling $2,403, bringing the availability to $347,597.

Debt weighted average effective interest rates and maturity profile

As at September 30, 2022, the weighted average effective interest rate on total debt was 1.22% (December 31, 2021 – 0.91%). The weighted average effective interest rate includes the impact of fair value adjustments on assumed debt, financing costs and the impact of CCIRS.

The scheduled principal and interest repayments and debt maturities are as follows:

	Debt balance due at maturity	Scheduled principal repayments on debt maturing in future periods	Amount	Contractual interest payments	Total debt service requirements
Remainder of 2022	$ —	$ 2,441	$ 2,441	$ 7,540	$ 9,981
2023	251,043	5,963	257,006	19,148	276,154
2024	567,036	3,242	570,278	13,758	584,036
2025	503,566	2,700	506,266	11,732	517,998
2026	450,000	2,798	452,798	7,988	460,786
2027–2030	469,118	7,654	476,772	7,713	484,485
Total	$ 2,240,763	$ 24,798	$ 2,265,561	$ 67,879	$ 2,333,440
Unamortized financing costs			(5,934)		
Unamortized fair value adjustments			2,473		
Total debt			$ 2,262,100		

Note 10

INCOME TAXES

The Trust is subject to corporate income taxes in Europe and the U.S. through the Trust's wholly owned European subsidiaries and a U.S. subsidiary.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Current income tax expense	**$ (1,534)**	$ (17,757)	**$ (2,822)**	$ (17,757)
Deferred income tax expense, net	**(7,011)**	7,259	**(28,514)**	(2,901)
Deferred and current income tax expenses, net	**$ (8,545)**	$ (10,498)	**$ (31,336)**	$ (20,658)

Note 11

DERIVATIVES AND OTHER NON-CURRENT LIABILITIES

	Note	September 30, 2022	December 31, 2021
Tenant security deposits		$ **28,046**	$ 24,879
Fair value of CCIRS	22	**—**	6,425
Fair value of interest rate swaps		**—**	2,748
Ground leases		**11,018**	12,030
Total		$ **39,064**	$ 46,082

Note 12

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Nine months ended September 30, 2022			2021		
	Opening balance January 1	**Net change during the period**	**Closing balance September 30**	Opening balance January 1	Net change during the period	Closing balance September 30
Unrealized gain (loss) on foreign currency translation of foreign operations	$ **(43,488)**	$ **(137,578)**	$ **(181,066)**	$ 21,909	$ (22,023)	$ (114)
Unrealized gain (loss) on hedge of net investment	**49,505**	**108,776**	**158,281**	(3,399)	14,267	10,868
Unrealized loss on cash flow hedge	**(435)**	**—**	**(435)**	(435)	—	(435)
Unrealized gain (loss) on interest portion of hedging derivatives	**(10,316)**	**35,801**	**25,485**	(220)	(6,693)	(6,913)
Share of other comprehensive income (loss) from equity accounted investment	**1,153**	**22,695**	**23,848**	(234)	1,874	1,640
Accumulated other comprehensive income (loss)	$ **(3,581)**	$ **29,694**	$ **26,113**	$ 17,621	$ (12,575)	$ 5,046

Note 13

INVESTMENT PROPERTIES REVENUE

	Note	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Rental income		$ **78,263**	$ 65,160	$ **224,616**	$ 179,190
Recoveries revenue		**13,831**	9,929	**41,881**	30,597
Property management and other income	20	**1,219**	743	**4,203**	743
Total		$ **93,313**	$ 75,832	$ **270,700**	$ 210,530

Note 14

FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Unrealized remeasurement of carrying value of subsidiary redeemable units	**$ 25,046**	$ (17,068)	**$ 120,402**	$ (56,583)
Unrealized remeasurement of carrying value of deferred trust units	**1,336**	(1,147)	**6,198**	(3,982)
Unrealized remeasurement of interest rate swaps	**4,099**	943	**15,784**	4,083
Loss on conversion of Subscription Receipts	**—**	—	**—**	(37,635)
Gain on fair value adjustment on interest rate swap	**—**	1,212	**—**	1,212
Total	**$ 30,481**	$ (16,060)	**$ 142,384**	$ (92,905)

Note 15

NET LOSS ON TRANSACTIONS AND OTHER ACTIVITIES

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Internal leasing costs	**$ (1,056)**	$ (861)	**$ (3,220)**	$ (2,661)
Foreign exchange loss	**(761)**	(1,071)	**(4,175)**	(1,908)
Transaction costs on sale of investment properties	**(35)**	(2,063)	**(480)**	(2,063)
Other	**(77)**	23	**(257)**	13
Total	**$ (1,929)**	$ (3,972)	**$ (8,132)**	$ (6,619)

Note 16

DISTRIBUTIONS

Dream Industrial REIT's Declaration of Trust, as amended and restated, provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust. Monthly distribution payments to unitholders are payable on or about the 15th day of the following month.

The Trust declared distributions of $0.175 and $0.525, respectively, in each of the three and nine months ended September 30, 2022 and September 30, 2021.

The following table summarizes distributions paid and payable for the nine months ended September 30, 2022 and September 30, 2021:

	Nine months ended September 30,	
	2022	2021
Paid in cash[1]	**$ (100,405)**	$ (75,911)
Paid by way of reinvestment in REIT Units[2]	**(30,947)**	(22,726)
Less: Payable at December 31, 2021/December 31, 2020	**13,641**	8,905
Add: Payable at September 30, 2022/September 30, 2021	**(14,920)**	(12,383)
Total distributions paid and payable	**$ (132,631)**	$ (102,115)

(1) Excludes the May 31, 2021 distributions paid to Subscription Receipt holders on June 15, 2021.

(2) Excludes REIT Units issued under the DRIP for LP B Units.

The following table summarizes our monthly distributions paid and payable subsequent to September 30, 2022:

Date distribution announced	Record date	Date distribution was paid or is payable	Distribution per REIT A Unit	Total cash distributions paid	Total DRIP distributions
September 21, 2022	September 2022	October 14, 2022	$ 0.05833	$ 12,217	$ 2,703(1)

(1) $2,703 in distributions along with $81 in bonus distributions were reinvested in an additional 264,525 REIT Units (including 3% bonus distributions on Units reinvested pursuant to the DRIP).

On October 20, 2022, the Trust announced its October 2022 monthly distribution in the amount of $0.05833 per REIT Unit. The October 2022 distributions will be payable on November 15, 2022 to unitholders on record as at October 31, 2022.

Note 17

EQUITY

Public offerings of REIT Units

The following tables summarize the public offerings of REIT Units issued for the nine months ended September 30, 2022 and September 30, 2021. Total costs related to the offerings were charged directly to unitholders' equity.

	Nine months ended September 30, 2022			
Date of public offering	**Number of REIT Units**	**REIT Unit price**	**Gross proceeds**	**Issue costs**
March 9, 2022(1)	**14,110,500**	**$ 16.30**	**$ 230,001**	**$ 9,850**

(1) Includes 1,840,500 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

	Nine months ended September 30, 2021			
Date of public offering	Number of REIT Units	REIT Unit price	Gross proceeds	Issue costs
January 29, 2021(1)	20,240,000	$ 12.80	$ 259,072	$ 11,062
April 26, 2021(2)	14,858,000	13.55	201,326	8,703
June 25, 2021(3)	20,987,500	13.70	287,529	6,204
Total	56,085,500		$ 747,927	$ 25,969

(1) Includes 2,640,000 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

(2) Includes 1,938,000 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

(3) Subscription receipts were issued on May 31, 2021 and exchanged for REIT Units on June 25, 2021. Includes 2,737,500 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

At-the-market equity program ("ATM Program")

On November 30, 2021, the Trust filed a prospectus supplement (the "ATM Program") which qualified the Trust to issue REIT Units up to an aggregate sale price of $250,000 to the public from time to time at prevailing market prices, directly on the TSX or on other permitted marketplaces to the extent permitted.

During the nine months ended September 30, 2022, the Trust issued 5,477,800 REIT Units under this ATM Program at a weighted average price of $16.46 per REIT Unit for gross proceeds of $90,145. Total costs related to the issuance of these REIT Units amounted to $1,803 and were charged directly to unitholders' equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $88,342. During the second and third quarter, no units were issued under the ATM Program.

Since the beginning of this ATM Program dated November 30, 2021, the Trust has issued 7,300,000 REIT Units under this ATM Program at a weighted average price of $16.49 per REIT Unit for gross proceeds of $120,362. Total costs related to the issuance of these REIT Units amounted to $2,407. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $117,955.

Short form base shelf prospectus

On November 26, 2021, the Trust filed and obtained a receipt for a final short form base shelf prospectus dated November 26, 2021 that is valid for a 25-month period, during which time the Trust may, from time to time, offer and issue REIT Units, Subscription Receipts and debt securities, or any combination thereof, having an aggregate offering price of up to $2,500,000.

Since the beginning of this base shelf prospectus dated November 26, 2021, the Trust has issued REIT Units under this base shelf prospectus totalling $350,363.

Note 18

SUPPLEMENTARY CASH FLOW INFORMATION

The components of other adjustments under operating activities include:

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2022**	2021	**2022**	2021
Change in straight-line rent	4	**$ (1,497)**	$ (643)	**$ (4,081)**	$ (1,456)
Deferred unit compensation expense, net		**703**	761	**2,698**	2,482
Deferred income tax expense, net	10	**7,011**	(7,259)	**28,514**	2,901
Interest on subsidiary redeemable units		**3,246**	3,246	**9,739**	9,739
Foreign exchange loss	15	**761**	1,071	**4,175**	1,908
Transaction costs on sale of investment properties	15	**35**	2,063	**480**	2,063
Total other adjustments		**$ 10,259**	$ (761)	**$ 41,525**	$ 17,637

The components of the changes in non-cash working capital under operating activities include:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Increase in amounts receivable	**$ (2,731)**	$ (560)	**$ (17,145)**	$ (2,723)
Decrease (increase) in prepaid expenses and other assets	**811**	2,620	**(5,773)**	(233)
Decrease (increase) in derivatives and other non-current assets	**(179)**	3	**(1,409)**	245
Increase (decrease) in amounts payable and accrued liabilities	**(4,683)**	(10,067)	**1,839**	(12,710)
Increase in derivatives and other non-current liabilities	**1,351**	275	**4,760**	9,016
Increase (decrease) in current income tax liabilities	**954**	15,882	**1,976**	15,882
Change in non-cash working capital	**$ (4,477)**	$ 8,153	**$ (15,752)**	$ 9,477

Note 19

SEGMENTED INFORMATION

For the nine months ended September 30, 2022 and September 30, 2021, the Trust's reportable operating segments of its investment properties and results of operations were segmented into the following geographic components: Ontario, Québec, Western Canada, Europe and the U.S.

The chief operating decision-maker, determined to be the CEO of the Trust, continues to take into consideration the operating performance of its retained interest in the U.S. portfolio after the sale to the U.S. Fund and in the properties held for developments sold to the Development JV when assessing the operating performance of the U.S. and Ontario segments. Effective July 1, 2021, the Trust's segmented income included the Trust's share of net rental income from the U.S. Fund while fair value adjustments on investment properties and internal leasing costs included in net loss on transactions and other activities exclude the equity accounted investment in the U.S. segment.

Effective April 29, 2022, the Trust's segmented income included the Trust's share of net rental income from the Development JV while fair value adjustments on investment properties and internal leasing costs included in net loss on transactions and other activities exclude the equity accounted investment in the Ontario segment.

The chief operating decision-maker also considers the performance of assets held for sale (except for those where the Trust will continue to retain an interest) and disposed properties separately from the investment properties in the geographic segments, and discontinued operations, as applicable, separately from the segmented income in the geographic segments.

The Trust did not allocate interest expense to the geographic segments since financing is viewed as a corporate function. The Trust's financing strategy is to optimize the overall borrowing costs and it is not typically determined on a segment basis.

Similarly, other income, other expenses, fair value adjustments to financial instruments, net gain (loss) on transactions and other activities (excluding internal leasing costs), and income taxes were not allocated to the segments.

Three months ended September 30, 2022	Ontario	Québec	Western Canada	Europe	U.S.(1)	Segment total	Other(2)	Total
Investment properties revenue	**$ 26,412**	**$ 16,059**	**$ 16,971**	**$ 32,650**	**$ 4,700**	**$ 96,792**	**$ (3,479)**	**$ 93,313**
Investment properties operating expenses	**(5,753)**	**(3,685)**	**(5,826)**	**(5,600)**	**(905)**	**(21,769)**	**453**	**(21,316)**
Net rental income (segmented income)	**$ 20,659**	**$ 12,374**	**$ 11,145**	**$ 27,050**	**$ 3,795**	**$ 75,023**	**$ (3,026)**	**$ 71,997**
Fair value adjustments on investment properties	**$ 25,988**	**$ 15,546**	**$ (2,583)**	**$ 4,182**	**$ —**	**$ 43,133**	**$ —**	**$ 43,133**
Net loss on transactions and other activities(3)	**(341)**	**(92)**	**(442)**	**—**	**—**	**(875)**	**(1,054)**	**(1,929)**

(1) U.S. includes the Trust's share of net rental income from the equity accounted investment while fair value adjustments on investment properties and net loss on transactions and other activities exclude the equity accounted investment in the U.S. segment.

(2) Other includes properties sold, the reversal of net rental income from the equity accounted investment included in segmented income, net property management and other income, and items included in net loss on transactions and other activities that were not segmented.

(3) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs.

Three months ended September 30, 2021	Ontario	Québec	Western Canada	Europe	U.S.(1)	Segment total	Other(2)	Total
Investment properties revenue	$ 18,534	$ 13,444	$ 16,383	$ 26,001	$ 3,811	$ 78,173	$ (2,341)	$ 75,832
Investment properties operating expenses	(4,202)	(2,920)	(5,798)	(2,673)	(841)	(16,434)	312	(16,122)
Net rental income (segmented income)	$ 14,332	$ 10,524	$ 10,585	$ 23,328	$ 2,970	$ 61,739	$ (2,029)	$ 59,710
Fair value adjustments on investment properties	$ 109,214	$ 30,541	$ 9,901	$ 13,233	$ (29)	$ 162,860	$ (408)	$ 162,452
Net loss on transactions and other activities(3)	(284)	(76)	(423)	(78)	—	(861)	(3,111)	(3,972)

(1) U.S. includes all of the Trust's U.S. portfolio, and the financial results from the assets disposed to the U.S. Fund prior to the disposition dates.

(2) Other includes properties sold during the prior year and items within net loss on transactions and other activities that were not segmented.

(3) Net loss on transactions and other activities allocated to the geographic segments represent internal leasing costs.

Nine months ended September 30, 2022	Ontario	Québec	Western Canada	Europe	U.S.(1)	Segment total	Other(2)	Total
Investment properties revenue	**$ 74,895**	**$ 46,044**	**$ 51,658**	**$ 93,899**	**$ 12,627**	**$ 279,123**	**$ (8,423)**	**$ 270,700**
Investment properties operating expenses	**(17,875)**	**(10,832)**	**(18,823)**	**(15,790)**	**(2,553)**	**(65,873)**	**1,212**	**(64,661)**
Net rental income (segmented income)	**$ 57,020**	**$ 35,212**	**$ 32,835**	**$ 78,109**	**$ 10,074**	**$ 213,250**	**$ (7,211)**	**$ 206,039**
Fair value adjustments on investment properties(3)	**$ 249,998**	**$ 138,318**	**$ 12,685**	**$ 27,527**	**$ —**	**$ 428,528**	**$ —**	**$ 428,528**
Net loss on transactions and other activities(4)	**(1,046)**	**(624)**	**(1,285)**	**(265)**	**—**	**(3,220)**	**(4,912)**	**(8,132)**

(1) U.S. includes the Trust's share of net rental income from the equity accounted investment while fair value adjustments on investment properties and net loss on transactions and other activities exclude the equity accounted investment in the U.S. segment.

(2) Other includes properties sold, the reversal of net rental income from the equity accounted investment included in segmented income, net property management and other income, and items included in net loss on transactions and other activities that were not segmented.

(3) The Ontario segment includes fair value adjustments of $34,252 on the two properties held for development sold to the Development JV.

(4) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs.

Nine months ended September 30, 2021	Ontario	Québec	Western Canada	Europe	U.S.[1]	Segment total	Other[2]	Total
Investment properties revenue	$ 54,482	$ 36,524	$ 49,310	$ 43,798	$ 28,757	$ 212,871	$ (2,341)	$ 210,530
Investment properties operating expenses	(14,029)	(9,256)	(17,617)	(5,189)	(7,284)	(53,375)	312	(53,063)
Net rental income (segmented income)	$ 40,453	$ 27,268	$ 31,693	$ 38,609	$ 21,473	$ 159,496	$ (2,029)	$ 157,467
Fair value adjustments on investment properties[3]	$ 328,632	$ 94,070	$ 14,563	$ (9,748)	$ 17,061	$ 444,578	$ (408)	$ 444,170
Net loss on transactions and other activities[4]	(813)	(427)	(1,147)	(231)	(43)	(2,661)	(3,958)	(6,619)

(1) U.S. includes all of the Trust's U.S. portfolio, and the financial results from the assets disposed to the U.S. Fund prior to the disposition dates.

(2) Other includes properties sold during the prior year and items within net loss on transactions and other activities that were not segmented.

(3) For the nine months ended September 30, 2021, the fair value adjustments on investment properties for Europe includes $56,886 of transaction costs written off by the Trust associated with acquisitions in Europe.

(4) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs.

Investment properties and equity accounted investments

Nine months ended September 30, 2022	**Ontario**	**Québec**	**Western Canada**	**Europe**	**U.S.**	**Segment total**	**Other**	**Total**
Investment properties[1]	**$ 2,273,126**	**$ 1,092,879**	**$ 696,999**	**$ 2,446,553**	**$ —**	**$ 6,509,557**	**$ —**	**$ 6,509,557**
Capital expenditures[2]	**25,943**	**21,297**	**17,684**	**45,901**	**—**	**110,825**	**—**	**110,825**
Equity accounted investments	**30,661**	**—**	**—**	**—**	**295,857**	**326,518**	**—**	**326,518**

(1) The Ontario segment and Western Canada segment include $65,608 and $26,321, respectively, of properties held for development.

(2) Includes building improvements, lease incentives and initial direct leasing costs. The Ontario segment and Western Canada segment include $9,660 and $646, respectively, of capitalized interest and other pre-development costs. The U.S. segment excludes the equity accounted investment.

Year ended December 31, 2021	Ontario	Québec	Western Canada	Europe	U.S.	Total
Investment properties[1]	$ 1,921,628	$ 922,168	$ 642,098	$ 2,210,713	$ —	$ 5,696,607
Capital expenditures[2]	13,433	20,471	15,607	11,602	2,437	63,550
Equity accounted investment	—	—	—	—	139,355	139,355

(1) The Ontario segment includes $77,641 of properties held for development.

(2) Includes building improvements, lease incentives and initial direct leasing costs. The Ontario segment includes $1,103 of capitalized interest and other pre-development costs. The U.S. segment excludes the equity accounted investment.

Note 20

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

From time to time, Dream Industrial REIT and its subsidiaries enter into transactions and arrangements with related parties, generally conducted on a cost recovery basis or under normal commercial terms.

Agreements with DAM

Under the asset management agreement ("AMA") between the Trust and DAM, DAM provides certain asset management services to the Trust and its subsidiaries. The AMA provides the Trust and DAM the opportunity to agree on additional services to be provided to the Trust for which DAM is to be reimbursed on a cost recovery basis.

The following table summarizes the fees paid to or received from DAM and its affiliates for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Incurred under the North American AMA and European AMA:				
Asset management fee (included in general and administrative expenses)	**$ (3,194)**	$ (2,543)	**$ (9,310)**	$ (6,205)
Asset management fee (included in properties under development)	**(53)**	—	**(78)**	—
Acquisition fee (included in investment properties)	**(185)**	(1,012)	**(3,757)**	(9,815)
Capital expenditures fee (included in investment properties)	**(761)**	(330)	**(2,193)**	(330)
Expense reimbursements related to financing arrangements	**(180)**	(194)	**(527)**	(627)
Total costs incurred under the North American AMA and European AMA	**$ (4,373)**	$ (4,079)	**$ (15,865)**	$ (16,977)
Total costs incurred under the Shared Services and Cost Sharing Agreement	**$ (515)**	$ (256)	**$ (1,185)**	$ (549)

Effective January 1, 2022, the Trust amended its asset management agreement with DAM, to clarify certain definitions and simplify the administration of the agreement.

The principal amendments to the agreement included:

- Change in fiscal year to calendar year to align with the Trust's year-end;
- Funds from operations per Unit ("FFO per Unit") replacing adjusted funds from operations per Unit ("AFFO per Unit") in calculations;
- Incorporation of development activities so the historical purchase price of the properties for the purposes of determining certain fees now includes development costs; and
- Separate contracts for North America ("North American AMA") and Europe ("European AMA") to align with the Trust's expansion into Europe.

The overall economics to the Trust and DAM due to the separation of the contracts for North America and Europe will approximate the aggregate fees payable under the prior agreement, as described in more detail below.

North American AMA

The North American AMA entitles DAM to the same fees as the original AMA in respect of the Trust's North American properties: a base annual management fee, capital expenditure fee, acquisition fee, financing fee and incentive fee. The incentive fee calculation has been modified to be based on an amount equal to 15% of the Trust's FFO per Unit from the Trust's North American investment properties and gains on the disposition of any North American investment properties in the year in excess of the North American hurdle amount (the "North American Hurdle Amount"), multiplied by the number of Units outstanding, less the amount of any shortfall in the Incentive Distribution (as defined below) in respect of the European portfolio as described below. The North American Hurdle Amount was initially set as at January 1, 2020 as the product of (i) $0.95 per Unit (increasing annually by 50% of the increase in the consumer price index as defined in the North American AMA ($0.98 as of January 1, 2022)) multiplied by (ii) the proportion of the Trust's total portfolio represented by the North American investment properties (based on the historic cost of the Trust's investment properties).

The North American AMA has an initial term ending October 3, 2022 and is automatically renewed for further five-year terms unless and until terminated in accordance with its terms. The North American AMA may be terminated by DAM at any time after the initial term. Other than in respect of termination resulting from certain events of default of DAM, on termination of the North American AMA, all accrued fees under the North American AMA, including the incentive fee, become payable to DAM. In such circumstances, or if the Trust is acquired, the incentive fee is calculated as if all the Trust's North American investment properties were sold on the applicable date.

European AMA

The European AMA applies only to the Trust's European investment properties. Under the European AMA, a subsidiary of DAM ("Europe Asset Manager") is entitled to a base annual management fee, capital expenditure fee, acquisition fee and financing fee. In addition, a subsidiary of DAM ("DAM Europe") holds LP Class B Units of a subsidiary of the Trust through which the Trust holds the European investment properties. These LP Class B Units entitle DAM Europe to an annual distribution (the "Incentive Distribution") equal to 15% of the Trust's European FFO per Unit in excess of the European hurdle amount (the "European Hurdle Amount"), multiplied by the number of Units outstanding. The calculation of the European FFO per Unit includes the Trust's FFO from the European investment properties and gains on the disposition of any European investment properties in the year. The European Hurdle Amount was initially set as at January 1, 2020 as the product of (i) $0.95 per Unit (increasing annually by 50% of the increase in the consumer price index as defined in the European AMA ($0.98 as of January 1, 2022)) multiplied by (ii) the proportion of the Trust's total portfolio represented by the European investment properties (based on the historic cost of the Trust's investment properties).

The European AMA has an initial term ending December 31, 2026 and is automatically renewed for further five-year terms unless and until terminated in accordance with its terms. The European AMA may be terminated by the Europe Asset Manager at any time after the initial term ends on December 31, 2026. Other than in respect of termination resulting from certain events of default of the Europe Asset Manager, on termination of the European AMA, all accrued fees under the European AMA become payable to the Europe Asset Manager. In such circumstances, or upon an acquisition of control of the Trust's subsidiary through which the Trust holds its European investment properties, the LP Class B Units will be redeemed at a redemption price equal to the Incentive Distribution calculated as if all of the European investment properties were sold at the applicable date.

Disposition gains in the Trust's FFO per Unit and European FFO per Unit calculations used for determining the incentive fee and Incentive Distribution are based on the fair value (or actual disposition value) of the Trust's North American and European investment properties, respectively, at the applicable date, relative to their historic purchase price. As at September 30, 2022, the historic purchase price for the Trust's North American and European investment properties was $2.7 billion and $2.5 billion, respectively.

As at September 30, 2022, no incentive fee under the North American AMA has been paid or is payable by the Trust to DAM.

As at September 30, 2022, the fair value of the LP Class B Units held by DAM Europe was $nil and no Incentive Distribution has been paid or is payable by the Trust to DAM Europe.

In the event that all of the Trust's investment properties were sold or both the North American AMA and the European AMA were terminated, based on the investment properties value reported as at September 30, 2022 of $6.5 billion, and based on the Trust's actual financial results for the trailing 12 months, the estimated overall incentive fee payable would have been $250.2 million. The actual incentive fee payable, if any, would be calculated as of each fiscal year end and based on the Trust's actual financial results for the year ending December 31.

The amount of the North American incentive fee payable by the Trust and the Incentive Distribution and the redemption price of the LP Class B Units on any date will be contingent upon various factors, including, but not limited to, changes in the Trust's FFO (as defined in the North American AMA) and changes in the European FFO, movements in the fair value of investment properties, acquisitions and dispositions, future foreign exchange rates, and changes in the total number of outstanding Units of the Trust.

Agreement and transactions with Dream Office REIT

The following table summarizes the costs reimbursed to Dream Office REIT for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Total costs reimbursed under the Services Agreement	**$ (1,962)**	$ (1,290)	**$ (5,712)**	$ (4,051)

The following table summarizes our distributions paid and payable to subsidiaries of Dream Office REIT for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Distributions paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (3,246)**	$ (3,246)	**$ (9,739)**	$ (9,739)
Distributions paid and payable to Dream Office REIT on REIT Units	**(1,409)**	(1,409)	**(4,227)**	(4,227)
Distributions paid and payable to Dream Office REIT	**$ (4,655)**	$ (4,655)	**$ (13,966)**	$ (13,966)

Agreements with PAULS Corp, LLC ("PAULS Corp")

The following table summarizes our fees paid and costs reimbursed to an affiliate of PAULS Corp for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Total costs incurred under the Property Management Agreement(1)	**$ —**	$ (230)	**$ —**	$ (1,207)
Pre-development cost recovery/development fee	**—**	(202)	**—**	(388)
Total costs incurred under the Property Management Agreement	**$ —**	$ (432)	**$ —**	$ (1,595)
Total costs incurred under the Sub Property Management Agreement(2)	**$ (61)**	$ —	**$ (179)**	$ —

(1) Amounts include financing fees, leasing fees, and cost recovery for property management and portfolio management.

(2) Amounts include cost recovery for property management, leasing expenses and construction management.

Agreements with the U.S. Fund

The following table summarizes our fees earned from the U.S. Fund for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Total fees earned under the Property Management Agreement(1)	**$ 1,219**	$ 743	**$ 4,203**	$ 743

(1) Amounts include management fees, construction fees, leasing fees, and cost recovery for property management and accounting.

The following table summarizes our distributions received and receivable from the U.S. Fund for the three and nine months ended September 30, 2022 and September 30, 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Total distributions received and receivable from the U.S. Fund	**$ 1,808**	$ 967	**$ 3,960**	$ —

Amounts due from (to) related parties

Amounts due from related parties		September 30, 2022	December 31, 2021
DAM	$	— $	91
U.S. Fund[1]		3,328	1,201

(1) As at September 30, 2022, the balance includes $1,808 of distribution receivable from the U.S. Fund (December 31, 2021 – $967) and $1,520 fees earned under the Property Management Agreement (December 31, 2021 – $234) .

Amounts due to related parties		September 30, 2022	December 31, 2021
DAM	$	(5,279) $	(6,993)
Dream Office REIT		(557)	(916)
PAULS Corp		(18)	(118)

Distributions and interest payable to Dream Office REIT

		September 30, 2022	December 31, 2021
Interest payable on subsidiary redeemable units to Dream Office REIT[1]	$	(1,082) $	(1,082)
Distributions payable to Dream Office REIT[2]		(470)	(470)

(1) Interest payable on subsidiary redeemable units is in relation to the 18,551,855 subsidiary redeemable units held by Dream Office REIT as at September 30, 2022 and December 31, 2021.

(2) Distributions payable is in relation to the 8,052,451 REIT Units held by Dream Office REIT as at September 30, 2022 and December 31, 2021.

Note 21

COMMITMENTS AND CONTINGENCIES

Dream Industrial REIT and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on our condensed consolidated financial statements.

As at September 30, 2022, the Trust's remaining contractual commitments related to construction and development projects amounted to $37,815 (December 31, 2021 – $17,467).

On January 6, 2022 and April 1, 2022, the Trust funded capital contributions to the U.S. Fund totalling US$21,896 and US$48,441, respectively, reducing the contractual commitment of capital contributions to US$9,731 as at September 30, 2022.

Note 22

OTHER FINANCIAL INSTRUMENTS

Cross-currency interest rate swap arrangements

The following table summarizes the Trust's CCIRS arrangements outstanding as at September 30, 2022 and December 31, 2021:

	Euro notional amount	U.S./Canadian dollar notional amount	Maturity date	Financial instrument measurement	**September 30, 2022** Fair value assets (liabilities)	December 31, 2021 Fair value assets (liabilities)
Canadian dollar to euro CCIRS – Series A Debentures(1)	€ 161,499	$ 250,000	December 22, 2025	Fair value through other comprehensive income	**$ 31,711**	$ 12,070
Canadian dollar to euro CCIRS – Reopening Series A Debentures(2)	135,474	200,000	December 22, 2025	Fair value through other comprehensive income	**18,597**	1,931
Canadian dollar to euro CCIRS – Series B Debentures(3)	135,750	200,000	June 17, 2024	Fair value through other comprehensive income	**17,177**	4,573
Canadian dollar to euro CCIRS – Series C Debentures(4)	271,499	400,000	June 17, 2027	Fair value through other comprehensive income	**44,311**	4,711
Canadian dollar to euro CCIRS – Series D Debentures(5)	174,544	250,000	December 7, 2026	Fair value through other comprehensive income	**25,546**	1,672
Canadian dollar to euro CCIRS – Series E Debentures(6)	143,926	200,000	April 13, 2026	Fair value through other comprehensive income	**13,344**	—
U.S. dollar to euro CCIRS – U.S. term loan(7)(8)	127,108	150,000	January 31, 2024	Fair value through other comprehensive income	**41,840**	7,557
Total	€ 1,149,800				**$ 192,526**	$ 32,514

(1) The interest rate associated with the euro notional amount is 0.489%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(2) The interest rate associated with the euro notional amount is 0.294%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(3) The interest rate associated with the euro notional amount is the three-month Euro Interbank Offered Rate ("EURIBOR") plus 0.5608%. The interest rate associated with the Canadian dollar notional amount is the three-month CDOR plus 0.35%.

(4) The interest rate associated with the euro notional amount is 0.547%. The interest rate associated with the Canadian dollar notional amount is 2.057%.

(5) The interest rate associated with the euro notional amount is 0.541%. The interest rate associated with the Canadian dollar notional amount is 2.539%.

(6) The interest rate associated with the euro notional amount is 2.041%. The interest rate associated with the Canadian dollar notional amount is 3.968%.

(7) The interest rate associated with the euro notional amount is 0.857%. The interest rate associated with the U.S. dollar notional amount is a variable rate using LIBOR plus spread.

(8) This swap arrangement is bifurcated into a cash flow and net investment hedge for the purpose of hedge accounting. As at September 30, 2022, the fair value asset of the net investment hedge portion is $26,794 and the fair value asset of the cash flow hedge portion is $15,046. As at December 31, 2021, the fair value asset of the net investment hedge portion was $13,982 and the fair value liability of the cash flow hedge portion was $(6,425).

Note 23

FAIR VALUE MEASUREMENTS

Financial instruments carried at amortized cost where the carrying value does not approximate fair value are noted below:

	Note	Carrying value as at September 30, 2022	Fair value as at September 30, 2022 Level 1	Level 2	Level 3
Financial instruments at amortized cost					
Mortgages	9	**$ 501,133**	**$ —**	**$ —**	**$ 479,581**
Unsecured debentures	9	**1,494,122**	**—**	**1,354,926**	**—**

	Note	Carrying value as at December 31, 2021	Fair value as at December 31, 2021 Level 1	Level 2	Level 3
Financial instruments at amortized cost					
Mortgages	9	$ 561,681	$ —	$ —	$ 567,477
Unsecured debentures	9	1,294,074	—	1,288,679	—

Amounts receivable, cash and cash equivalents, tenant security deposits, amounts payable and accrued liabilities are carried at amortized cost, which approximates fair value due to their short-term nature. The unsecured revolving credit facility and unsecured term loan are carried at amortized cost, which approximates fair value given that these financial instruments have variable interest rates. In addition, subsidiary redeemable units and the Deferred Unit Incentive Plan ("DUIP") are carried at amortized cost, which approximates fair value as they are readily redeemable financial instruments.

Quoted prices in active markets represent a Level 1 valuation. When quoted prices are not available, the Trust maximizes the use of observable inputs. When all significant inputs are observable, either directly or indirectly, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. The Trust's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of Level 1, Level 2 or Level 3 fair value measurements during the period.

The Trust measures its derivatives at fair value on a recurring basis. As at September 30, 2022, these have been classified as Level 2 in the fair value measurement hierarchy. The fair value measurements of the interest rate and cross-currency interest rate swaps are calculated internally using external data provided by qualified professionals. These are based on the present value of the estimated future cash flows determined using observable yield curves and foreign currency rates as applicable.

Note 24

SUBSEQUENT EVENTS

Subsequent to September 30, 2022, the Trust completed the following acquisition:

	Fair value of investment property[1]	Date acquired
400 Norris Glen Road, Etobicoke, Ontario	$ 66,500	October 20, 2022
Total	$ 66,500	

(1) Fair value of investment property is as at the acquisition date and excludes transaction costs.

In October, the Trust amended its $350 million unsecured revolving credit facility to increase the limit to $500 million and increase the accordion option from $150 million to $250 million. The term of the amended facility has been extended from May 14, 2024 to January 31, 2026.

Corporate Information

HEAD OFFICE
Dream Industrial
Real Estate Investment Trust
30 Adelaide Street East, Suite 301
Toronto, Ontario M5C 3H1
Phone: 416.365.3535
Fax: 416.365.6565

INVESTOR RELATIONS
Phone: 416.365.3535
Toll free: 1 877.365.3535
Email: industrialinfo@dream.ca
Website: www.dreamindustrialreit.ca

TRANSFER AGENT
(for change of address, registration or other unitholder enquiries)

Computershare Trust
Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Phone: 514.982.7555 or
1 800.564.6253
Fax: 416.263.9394 or
1 888.453.0330
Website: www.computershare.com
Email: service@computershare.com

AUDITOR
PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600
Toronto, Ontario M5J 0B2

CORPORATE COUNSEL
Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place, Suite 6200
Toronto, Ontario M5X 1B8

STOCK EXCHANGE LISTING
The Toronto Stock Exchange
Listing Symbol: DIR.UN

For more information, please visit
dreamindustrialreit.ca

Corporate Office

30 Adelaide Street East, Suite 301
Toronto, Ontario M5C 3H1
Phone: 416.365.3535
Fax: 416.365.6565
Website: www.dreamindustrialreit.ca
Email: industrialinfo@dream.ca

dream industrial REIT