

Dream Summit Industrial LP Green Bond Allocation Report

April 13, 2022 to April 12, 2023



Introduction

Dream Summit Industrial LP (“DSI” or “Partnership”) is a private limited partnership. As of September 30, 2023, DSI owns and manages 65 assets comprised of 166 buildings, totaling 22.5 million square feet valued at \$5.9 billion. The operations of the Partnership commenced on February 17, 2023, and pursuant to a court-approved statutory plan of Arrangement (the “Arrangement”), DSI acquired certain assets and assumed certain liabilities of Summit Industrial Income REIT (“Summit REIT”).

Pursuant to the Arrangement, DSI assumed Summit REIT’s \$250 million 2.25% Series C debentures due January 12, 2027 (“Series C Green Bond”). The Series C Green Bond is governed by the Green Financing Framework published by Summit REIT in April 2021.

In the inaugural Green Bond Allocation report published by Summit REIT dated April 12, 2022, the net proceeds from the Series C Green Bond issuance were \$249.1 million. A total of \$160.4 million of proceeds were allocated between April 12, 2018 and April 12, 2022 in accordance with Summit REIT’s [Green Financing Framework](#) (see Framework Section IV. Reporting) with \$88.7 million remaining to be allocated. The report was independently assured by DNV Business Assurance Services UK Limited.

This 2023 Green Bond Allocation report outlines the net proceeds allocated from the Series C Green Bond between April 13, 2022 to April 12, 2023.

External Assurance

PricewaterhouseCoopers LLP (“PwC”) has performed a limited assurance engagement over select performance metrics for Dream Summit Industrial LP which have been identified with a symbol “√” throughout this Report.

Allocation of Proceeds

All allocations described below relate to properties owned by DSI and were incurred between April 13, 2022 and April, 12 2023.

Green Building Category

Projects	Allocated Amount in \$ millions
Acquisition – 54 Phelan Court, Guelph, Ontario LEED Silver – 92,263 square feet	22.2
Development completed – 2445 Surveyor Road, Mississauga, Ontario LEED Silver – 92,548 square feet	21.5
Development in progress – 4216 South Service Road, Burlington, Ontario LEED Silver target – 243,828 square feet ¹	17.3
Development in progress – 3399 Appleby Line, Burlington, Ontario LEED Silver target -189,854 square feet ¹	29.2
Less: Previously allocated proceeds that no longer meet Eligible Green Initiatives per Green Financing Framework	(-5.0)
Net Proceeds Allocated to Green Buildings in 2022-2023	85.2^v

Energy Efficiency Category

Buildings	Allocated Amount in \$ millions
2900 Avenue Andre, Dorval, Quebec ²	0.1
1177-1185 55e Ave, Dorval, Quebec ³	0.3
20500 Clark-Graham, Baie D'Urfe, Quebec ³	0.6
134 Bethridge Road, Etobicoke, Ontario ³	1.2
5500 Trans-Canada Highway, Pointe-Claire, Quebec ³	1.3
Net Proceeds Allocated to Energy Efficiency in 2022-2023	3.5^v

While DSI invested in many categories of Eligible Green Initiatives, the scope of this report was limited to material projects that utilized previously unallocated proceeds (\$88.7 million as reported by Summit REIT on April 12, 2022). Below is an overview of full utilization of proceeds:

Series C Green Bond Net Proceeds	\$249.1 million
2022 Allocation	\$160.4 million
2023 Allocation	<u>\$ 88.7 million</u>
	\$249.1 million

As of April 12, 2023, the proceeds of Series C Green Bond have been fully utilized.

¹We anticipate these buildings will achieve LEED Certification, based on estimated scorecards via our LEED consultants.

²LED lighting upgrades were completed in this building.

³Roof replacements at these buildings included new insulation and/or higher performance materials which are expected to improve energy efficiency.

Case Study – Development Project 2445 Surveyor Road, Mississauga, Ontario

In late 2022, DSI completed the development of its 2445 Surveyor Road property. This property achieved LEED Silver, Building Design and Construction: Core and Shell Development on March 27, 2023. The energy performance of the building is a 31.7% improvement in energy consumption over baseline¹.

LEED (Leadership in Energy and Environmental Design) is a globally used rating system for Green Buildings. The building is evaluated based on the building's energy consumption and resource management efficiency.



¹Estimated based on ASHRAE 90.1-2010 standard. The estimate is on the building core and shell design for annual energy savings against a baseline.

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Independent practitioner's limited assurance report on select performance metrics presented within Dream Summit Industrial LP's Green Bond Allocation Report

To the Directors and management of Dream Summit Industrial LP

We have undertaken a limited assurance engagement of the following performance metrics detailed below (the select performance metrics) presented within the Dream Summit Industrial LP's Green Bond Allocation Report of Dream Summit Industrial LP during the period from April 13, 2022 to April 12, 2023.

Our limited assurance engagement was performed on the following select performance metrics:

Select Performance Metrics	Amount (CAD)	Report page(s)
Allocation of proceeds to the Green Building category for the period of April 13, 2022 to April 12, 2023.	\$85.2 million	3
Allocation of proceeds to the Energy Efficiency category for the period of April 13, 2022 to April 12, 2023.	\$3.5 million	3

Management's responsibility

Management is responsible for the preparation of the select performance metrics in accordance with the performance metrics laid out in the Green Financing Framework, established in April 2021 and available at <https://dream.ca/wp-content/uploads/2023/11/SMU-Green-Financing-Framework-April-2021-FINAL.pdf> (the applicable criteria). Management is also responsible for such internal control as management determines necessary to enable the preparation of the select performance metrics that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the select performance metrics based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the select performance metrics are free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the select performance metrics in accordance with the applicable criteria are likely to arise.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Our engagement included, among others, the following procedures performed:

- making enquiries of management to obtain an understanding of the overall governance and internal control environment relevant to the management, aggregation and reporting of the select performance metrics;
- evaluating the key systems, processes and controls for managing, recording and reporting the select performance metrics;
- obtaining the internal listing of assets allocated into the Eligible Categories and confirming this was consistent with the proposed disclosures within the Green Bond Allocation Report on a sample basis;
- for those projects which are “Expected Certification”, obtaining confirmation of project being planned to meet requirements for achieving LEED silver certification from external consultants and/or inspecting evidence of the project being registered to achieve LEED silver certification; and
- agreeing and testing the underlying data related to the select performance metrics on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Dream Summit Industrial LP’s select performance metrics during the period from April 13, 2022 to April 12, 2023 are not prepared, in all material respects, in accordance with the applicable criteria.

Purpose of statement and restriction on distribution and use of our report

The select performance metrics have been prepared in accordance with the applicable criteria to assist Dream Summit Industrial LP’s management to report to the Board of Directors on the select performance metrics. As a result, the select performance metrics may not be suitable for another purpose. Our report is intended solely for Dream Summit Industrial LP.



We acknowledge the disclosure of our report, in full only, by Dream Summit Industrial LP at its discretion, without assuming or accepting any responsibility or liability to the Board of Directors or any other third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Toronto, Ontario
December 21, 2023