



**dream**   
industrial REIT

# 2024 Investor Day

October 2024



# Overview



# Agenda

**01 Market Overview with Peter Senst**

**Fireside Chat with Michael Cooper & Peter Senst**

**02 Dream Industrial REIT Overview**

**03 GTA Market Overview with Colliers**

**04 Investment Market Trends**

**05 Investment Strategy**

**06 Growth Drivers**

**07 Platform**

**08 Financial Overview**

**09 Q&A**



# Market Overview with Peter Senst



**Peter Senst**

*President Canadian Capital  
Markets, CBRE*

A large industrial building with a prominent red stripe runs diagonally across its facade. In the foreground, several shipping containers are parked on a paved lot. The containers are in various colors: orange, brown, red, blue, and green. The sky is blue with scattered white clouds. The overall scene is brightly lit, suggesting a clear day.

Fireside Chat

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**MICHAEL COOPER  
& PETER SENST**



# Fireside Chat with Michael Cooper and Peter Senst



**Michael Cooper**

*Founder, Dream Group of Companies*



**Peter Senst**

*President Canadian Capital Markets, CBRE*



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# Investor Day 2024



**02**

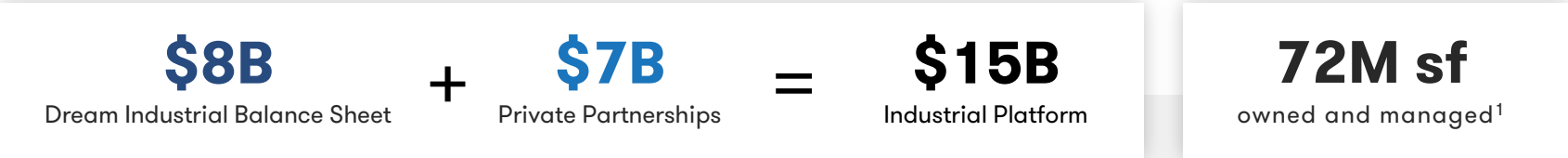
# **Dream Industrial REIT Overview**





# Our Industrial Platform

One of the Largest Industrial Platforms in Canada



**10% Interest in  
\$6.4B/25M sf**

of assets in Canada through  
Dream Summit Industrial JV



**\$4.3B/20M sf**

of wholly-owned assets in  
Canada

**25% Interest in  
\$0.2M/1.3M sf**

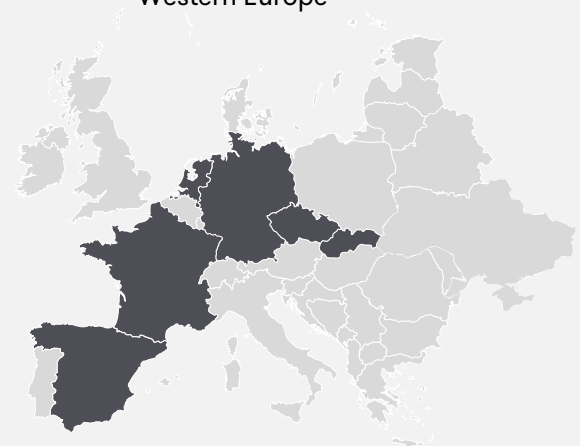
of development sites in the GTA  
through GTA Land JV

**25% Interest in  
\$1.3B/10M sf**

of assets in the United States through  
the Dream Industrial U.S. Fund

**\$2.4B/17M sf**

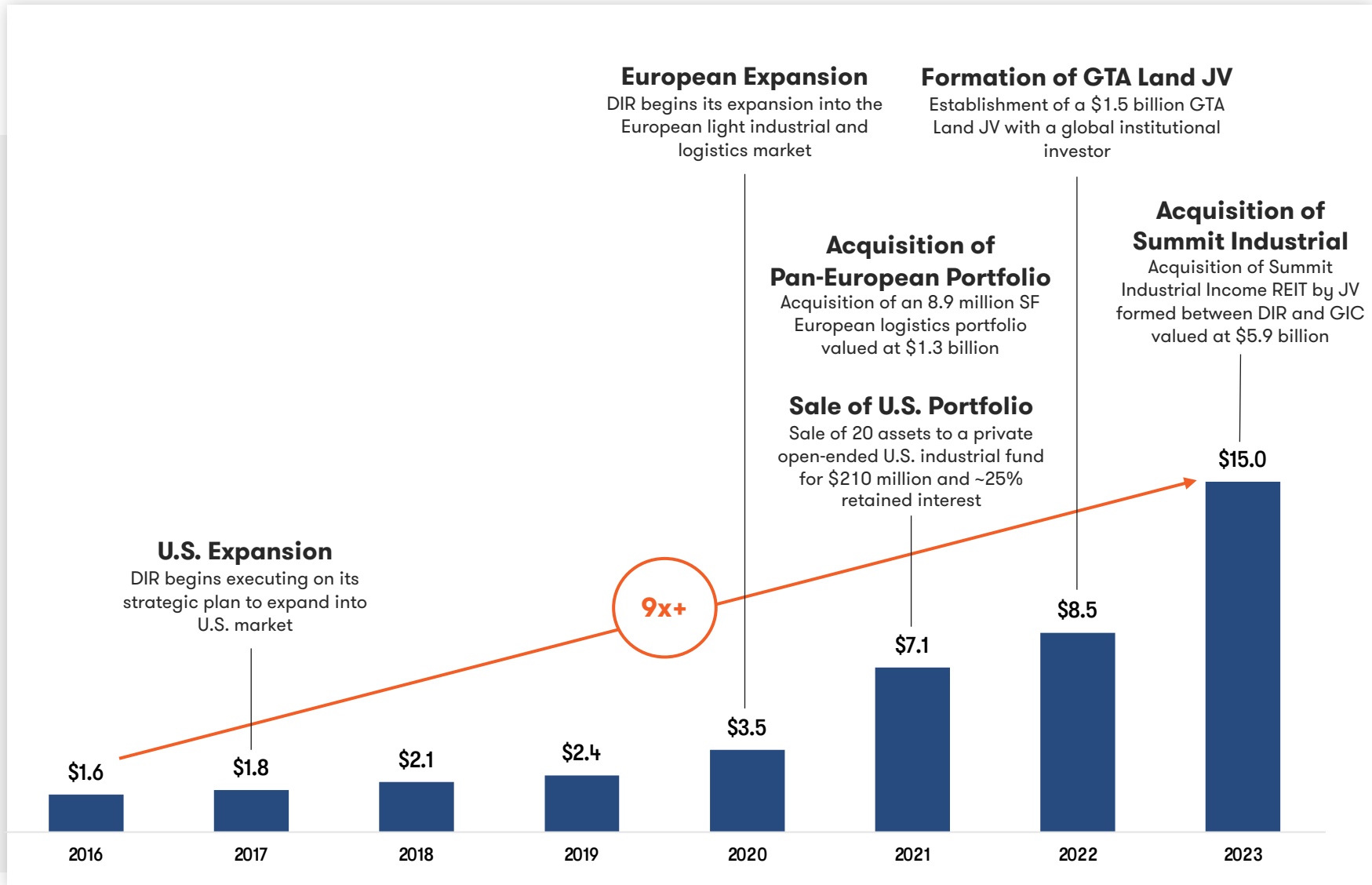
of wholly-owned assets in  
Western Europe



\*Figures as at June 30, 2024. European figures converted to CAD using an FX rate of €1.00 = C\$1.48  
<sup>1</sup> Includes 100% of investment properties in equity accounted investments and Dream Summit Industrial JV.



# Evolution of the Platform





# Senior Management Team



**Alex Sannikov**  
President & CEO



**Lenis Quan**  
CFO



**Bruce Traversy**  
CIO



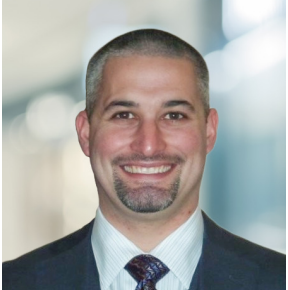
**Kimberley Hill**  
SVP, Customer Solutions



**Dan Fletcher**  
SVP, Portfolio Management



**Joe Iadaluca**  
SVP, Portfolio Management,  
Quebec



**Matthew Virgini**  
VP, Portfolio Management,  
Quebec



**Andrew Cunningham**  
VP, Portfolio Management  
Ontario



**Shane Henke**  
VP, Portfolio Management  
Western Canada



**Sjoerd Barmantloo**  
VP, Portfolio Management  
Europe



**Nilanjan Roy**  
VP, Portfolio Management



**Brad Keast**  
Head of Development and  
Construction



**Matthias Femes**  
Director, Investments  
Europe



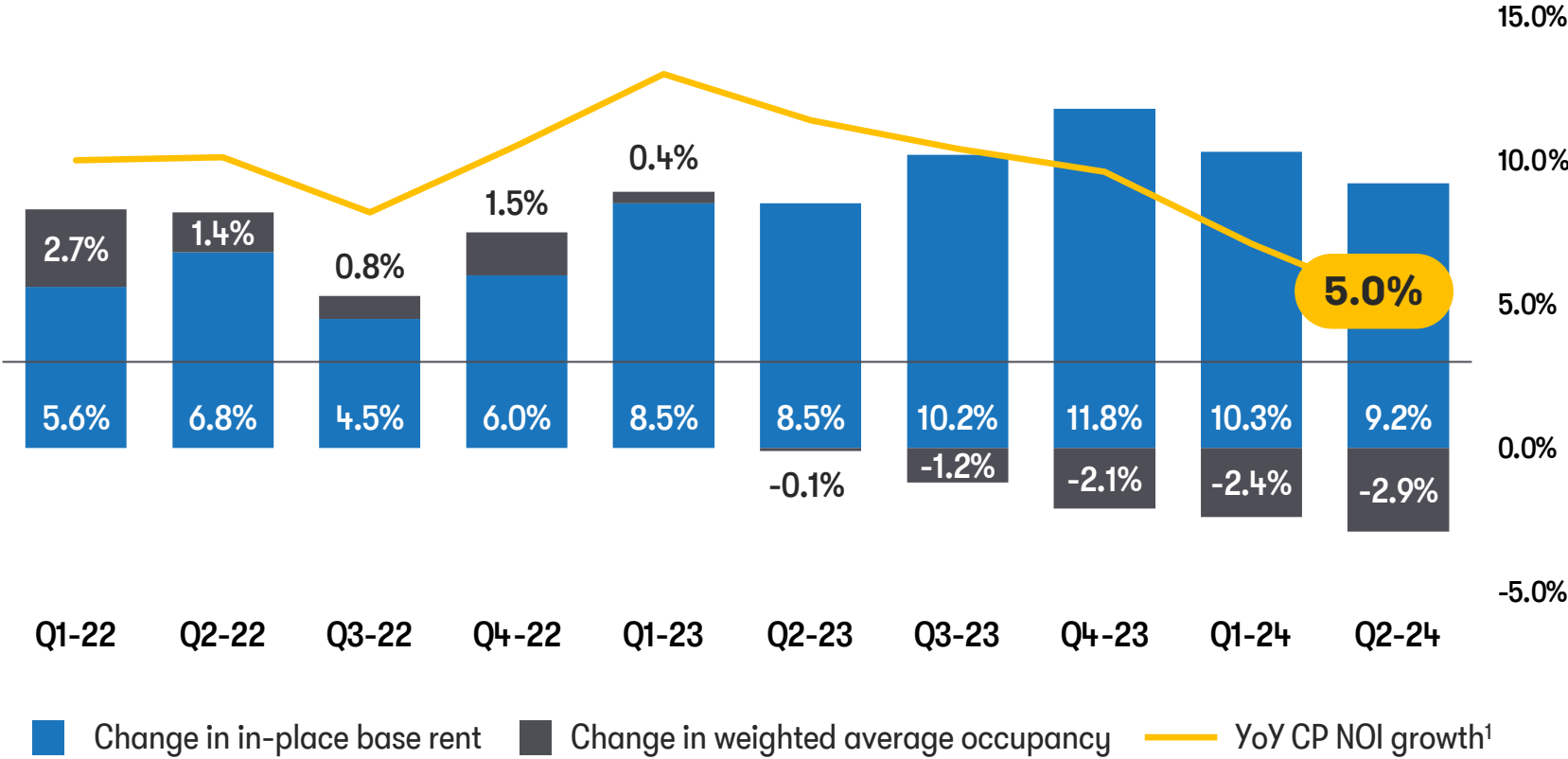
**Joanne Leitch**  
VP, Property & Operations  
Accounting



**Karen Hon**  
VP & Chief Accounting  
Officer



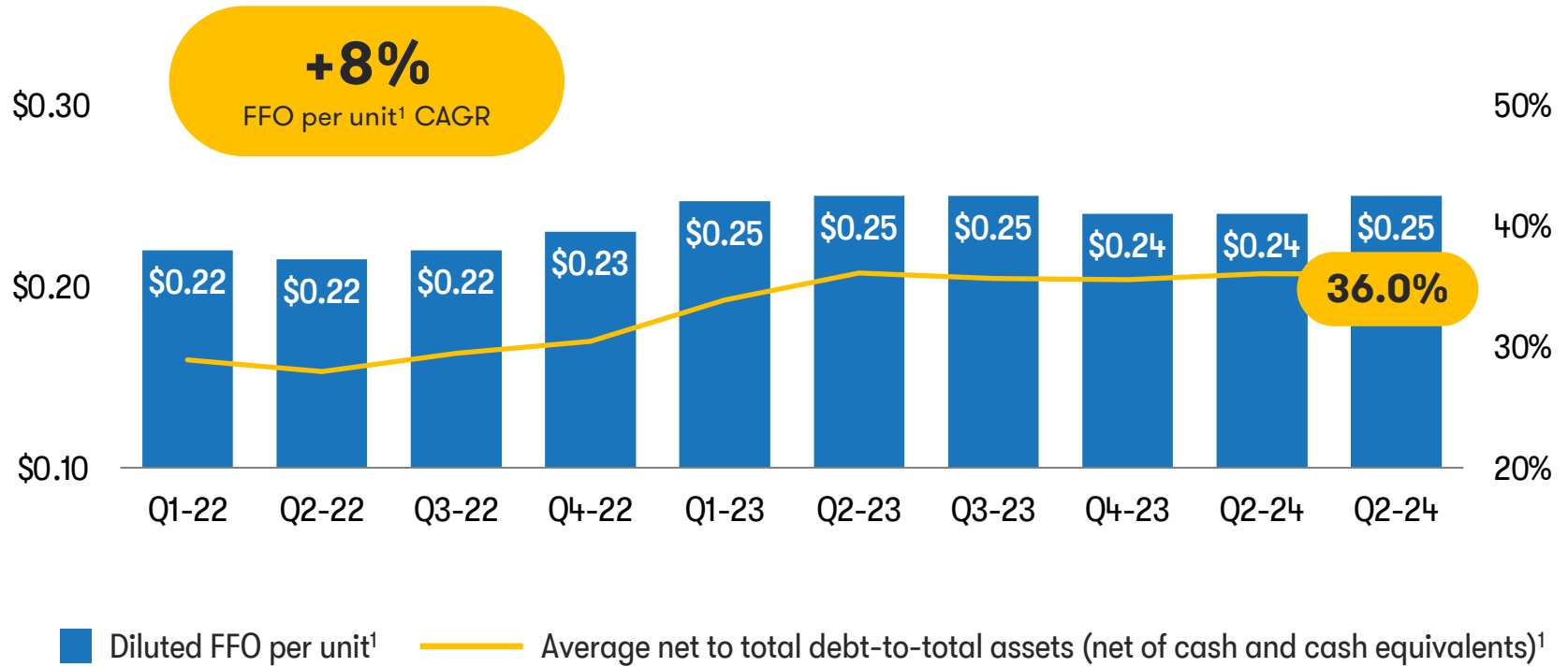
# Organic Growth Drives CP NOI Growth



<sup>1</sup> CP NOI and FFO are non-GAAP financial measures. Diluted FFO per Unit and net total debt-to-total assets (net of cash and cash equivalents) are non-GAAP ratios. For further information, refer to the "Non-GAAP financial measures, ratios and supplementary financial measures" section in this investor presentation.



# Organic Growth Drives FFO per Unit

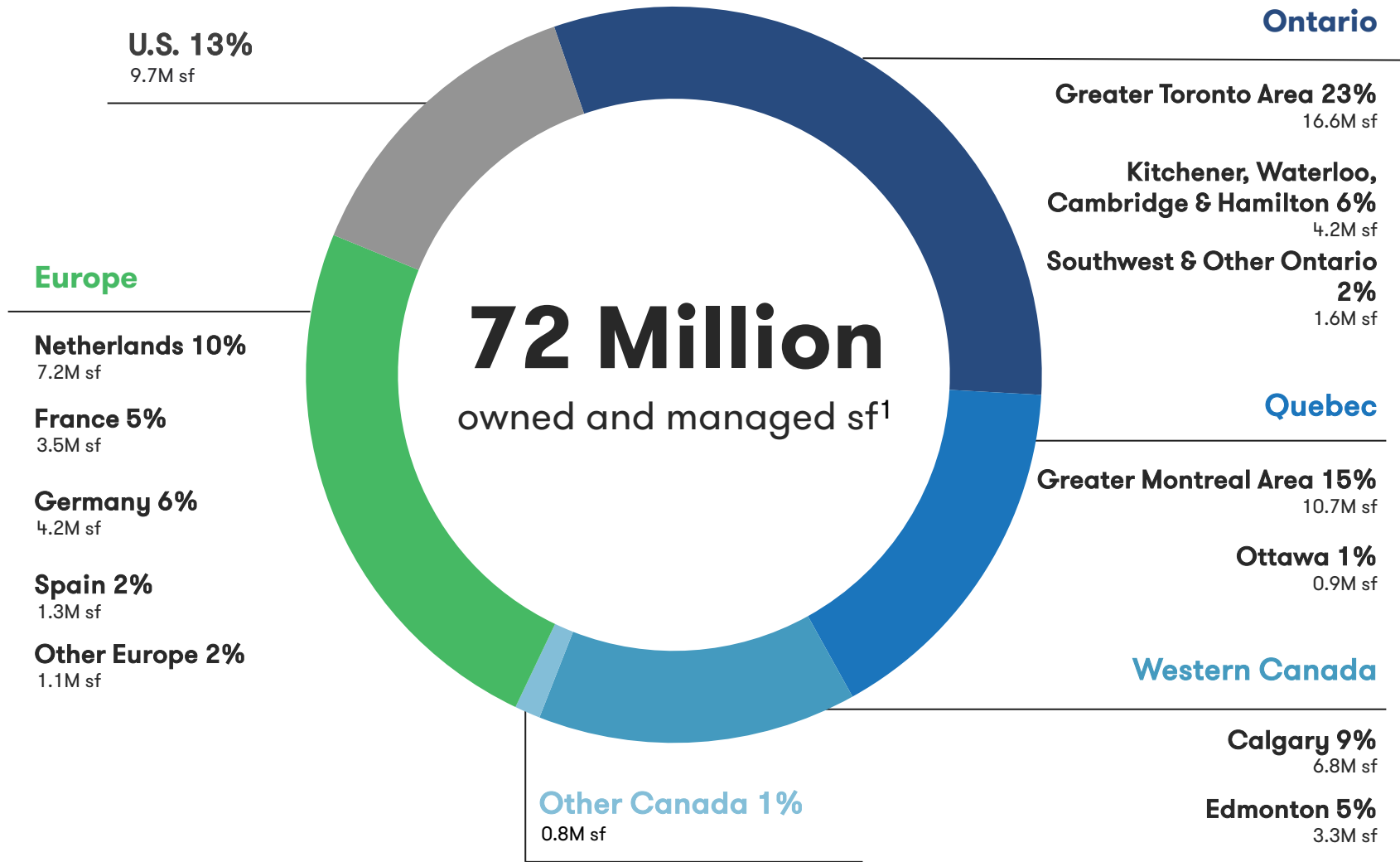


Can this growth continue over the next few years as DIR refinances \$1.3 billion of debt maturing in 2025 and 2026?

<sup>1</sup> CP NOI and FFO are non-GAAP financial measures. Diluted FFO per Unit and net total debt-to-total assets (net of cash and cash equivalents) are non-GAAP ratios. For further information, refer to the "Non-GAAP financial measures, ratios and supplementary financial measures" section in this investor presentation.



# Portfolio Overview



\*Figures as at June 30, 2024

<sup>1</sup>Includes 100% of investment properties in equity accounted investments and Dream Summit Industrial JV.



**03**

# **GTA Market Overview with Colliers**



# Market Overview



**Graham Meader**

*Vice Chairman, Colliers*



**Colin Alves**

*Vice Chairman, Colliers*





**04**

# **Investment Market Trends**



Investment Market Trends

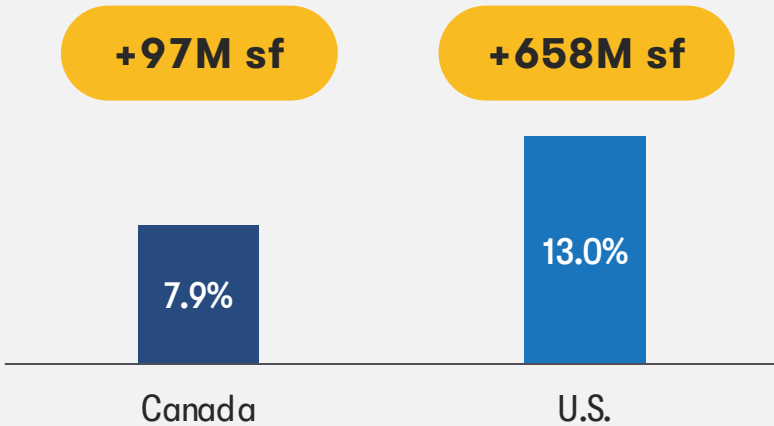
# Canada



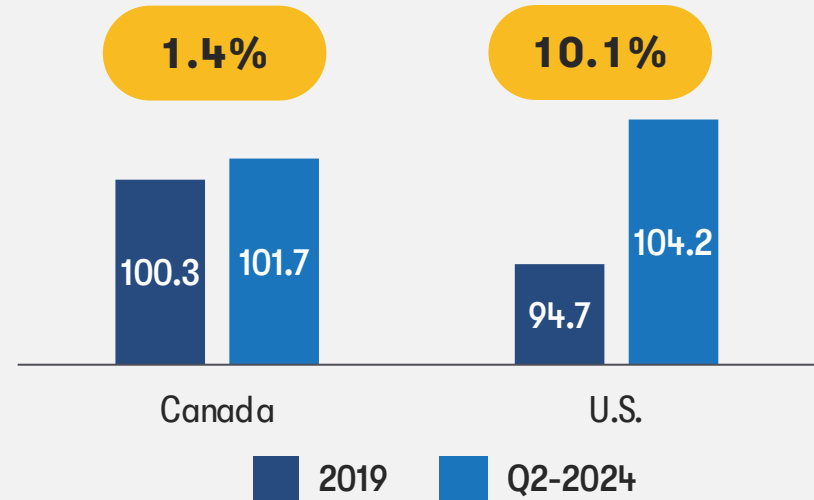
# High Barriers to Entry Keep Canadian Industrial Supply in Check

New supply in Canada has been moderate compared to major U.S. markets, especially in the context of strong population growth

### Market inventory growth (2019 - 2024)



### Industrial inventory per capita (2019- 2024)



**DIR's Top Markets in Canada:** Toronto, Montreal, Calgary

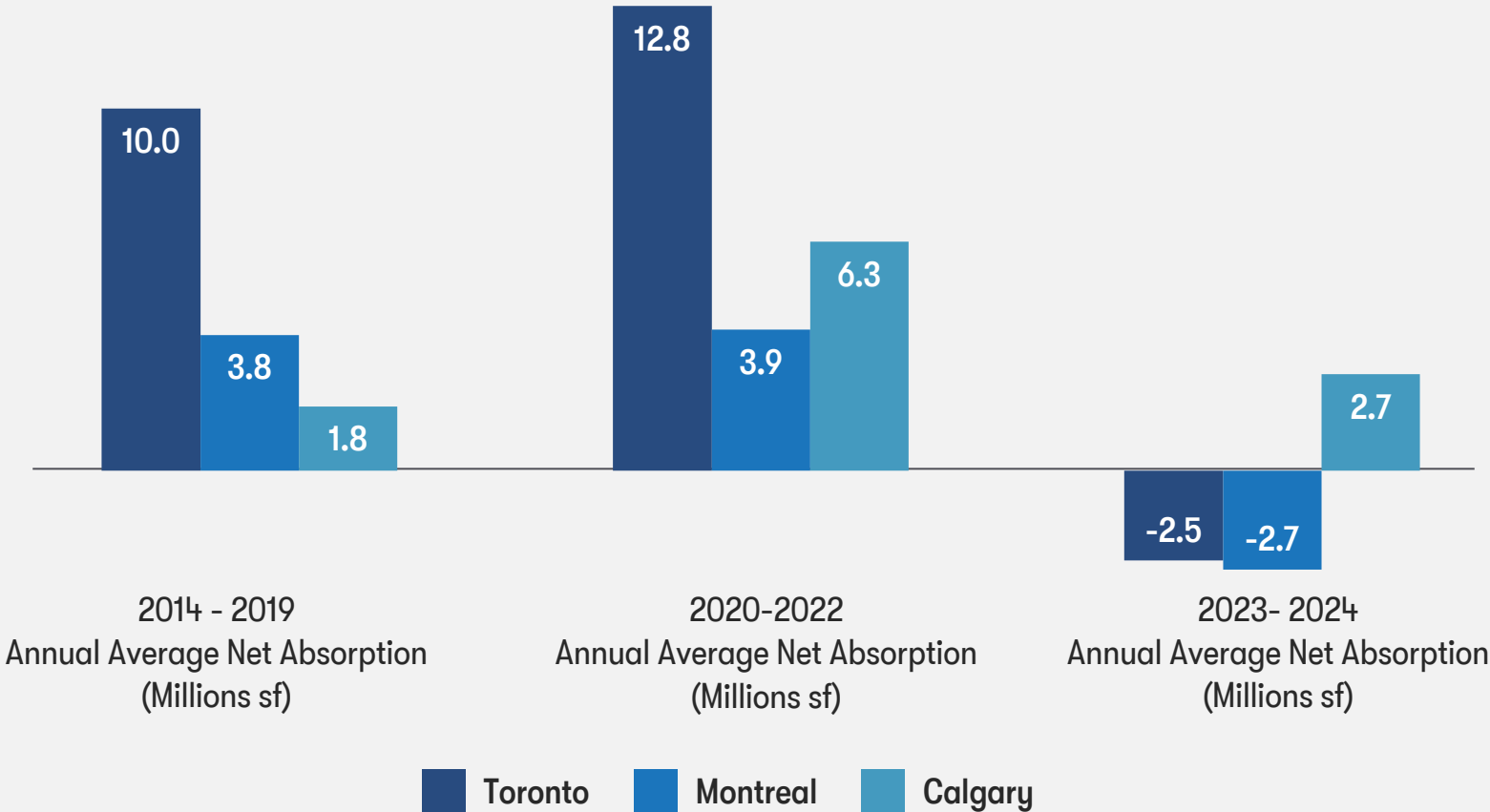
**U.S Top 6 Markets:** Chicago, New York & New Jersey, Greater L.A, Atlanta, Dallas Ft. Worth, Houston

\*Source: CBRE Limited, Colliers; Population data sourced from Statistics Canada and Census Reporter



# Long-term Absorption Trends Underscore Stable Fundamentals

Long-term pre-pandemic absorption trends significantly higher than current levels in Toronto and Montreal. Calgary has been seeing an uptick in absorption levels since 2020.

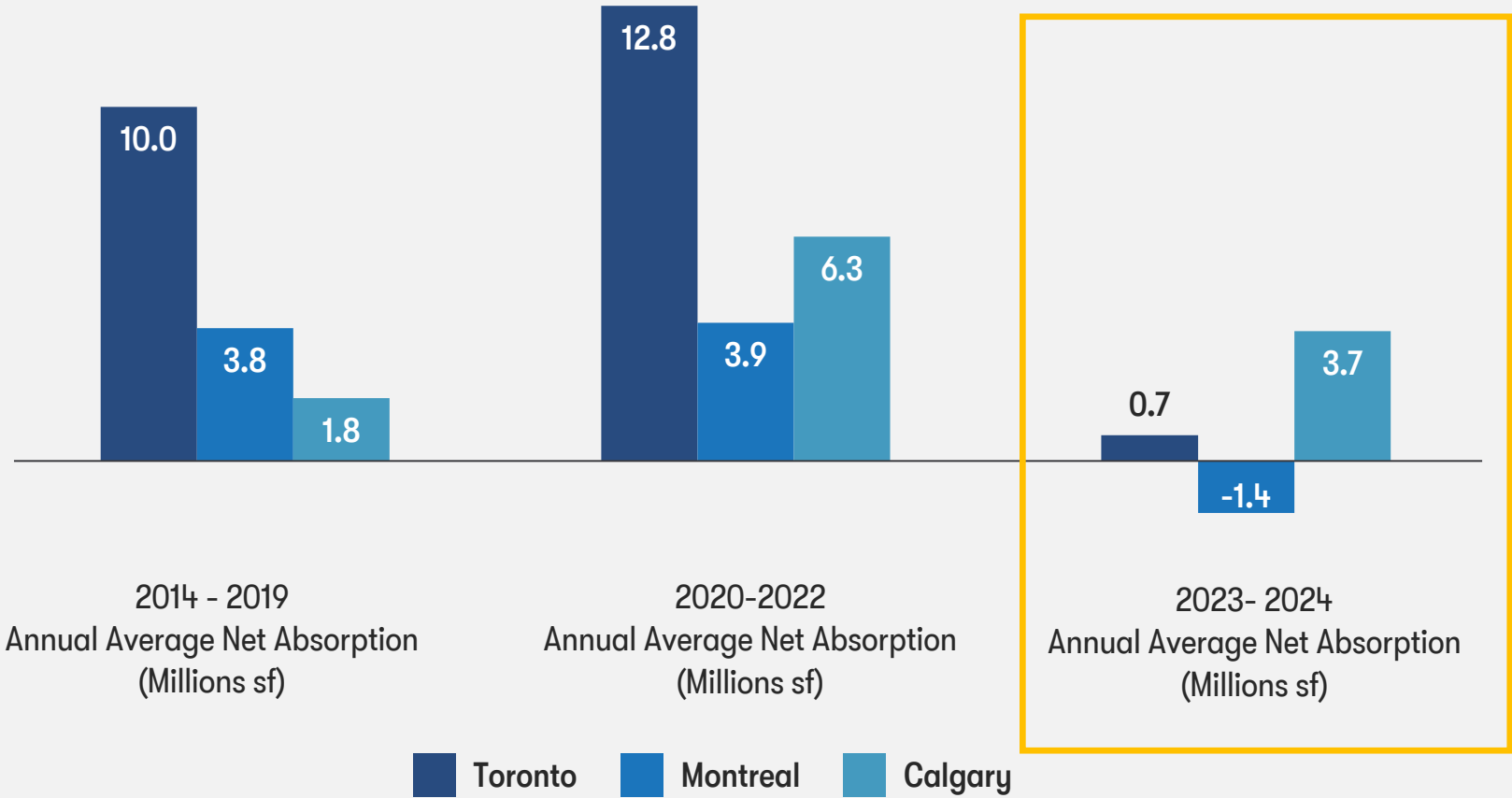


\*Source: CBRE Limited



# Long-term Absorption Trends Underscore Stable Fundamentals

Excluding sub-lease activity, net absorption was positive over the past 18 months

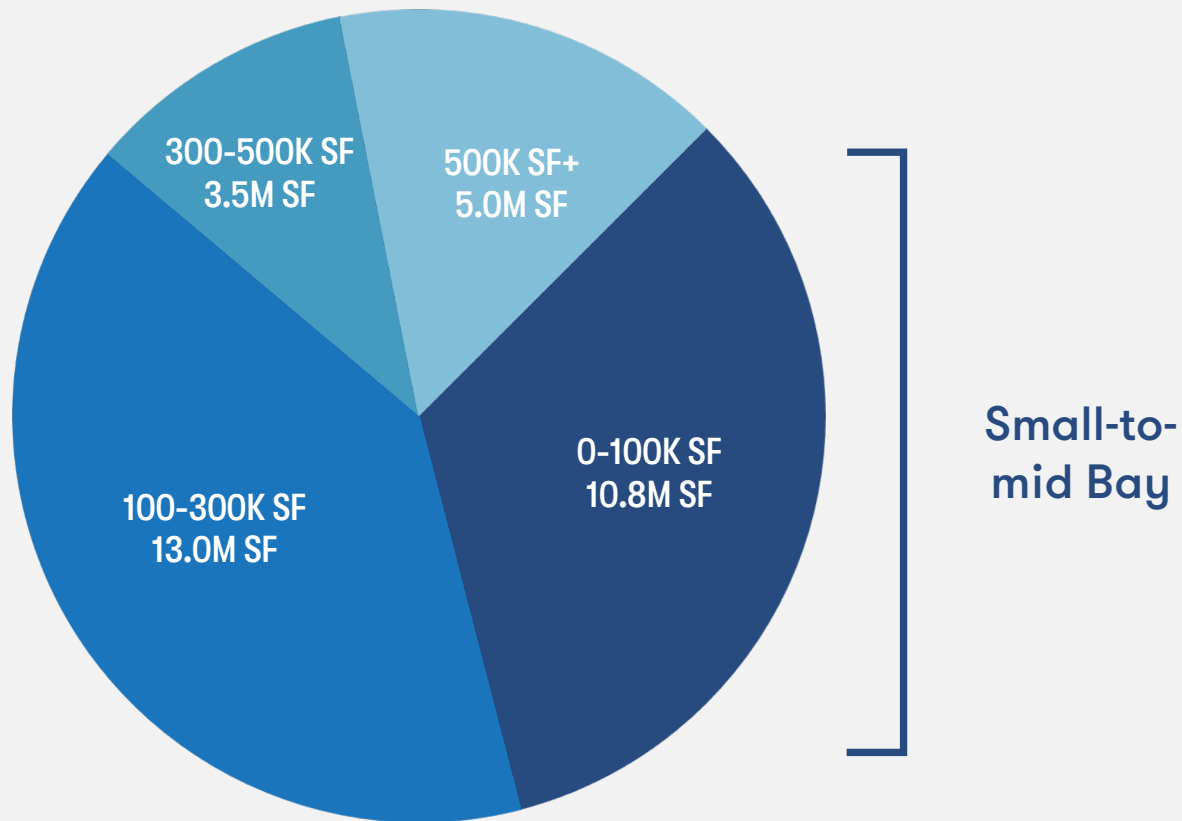


\*Source: CBRE Limited



# Urban Mid-Bay Assets Remain Resilient

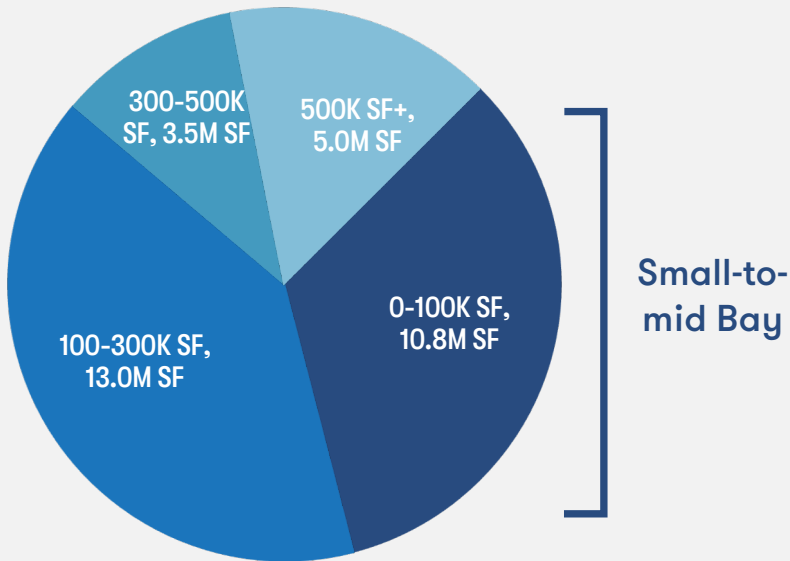
In the GTA, 70% of the current availabilities (direct and sub-lease) by GLA are in units greater than 100K SF





# Urban Mid-Bay Assets Remain Resilient

In the GTA, 70% of the current availabilities (direct and sub-lease) by GLA are in units greater than 100K SF



New Lease	 98,000 sf	\$19.50 3.5% steps
New Lease	 70,000 sf	\$18.50 3.75% steps
Renewal	 70,000 sf	\$18.25 3.75% steps 119% spread
Renewal	 70,000 sf	\$18.00 4% steps 264% spread

\*Source: Colliers



# Key Observations



Global Capital focused on the GTA

Global institutions looking to invest in Canada with a focus on the GTA. Approximately **\$2B** in acquisitions completed over the past year or in advanced stages.



Private Investors

Looking to recycle profits from other asset classes into industrial.



User Buyers

Users are active buyers in the market for mid-size free-standing buildings in core urban locations, at premium valuations.





Investment Market Trends

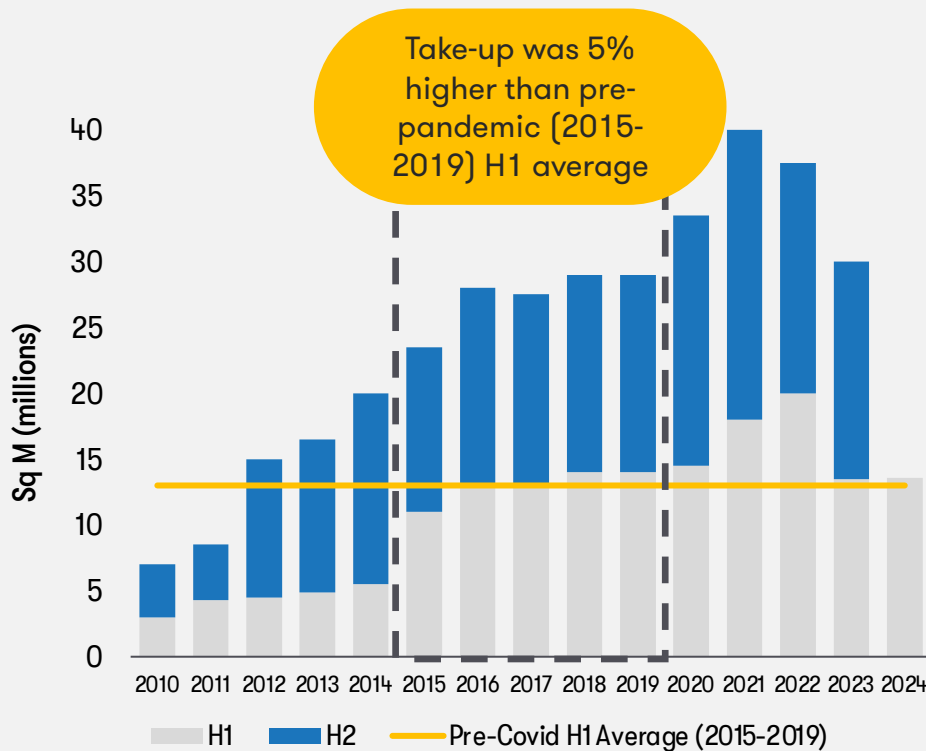
# Europe



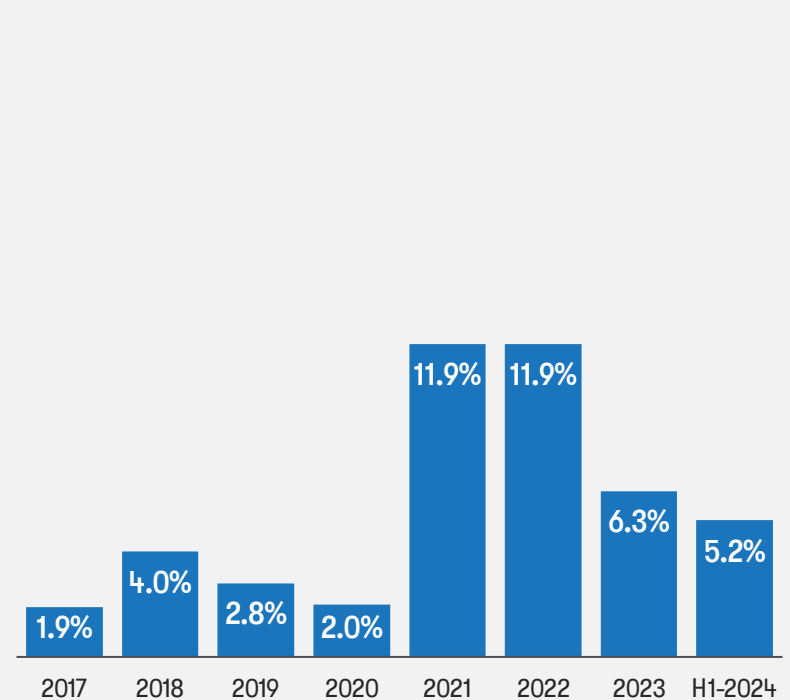
# Leasing Velocity is Stable with Solid Rental Growth

H1-2024 take-up volumes in major European markets at ~5% above pre-pandemic (2015-2019) average\*, prime rents continue to grow in major European markets with ~5% YoY growth in H1-2024\*\*

### Stable leasing velocity



### Steady rental growth



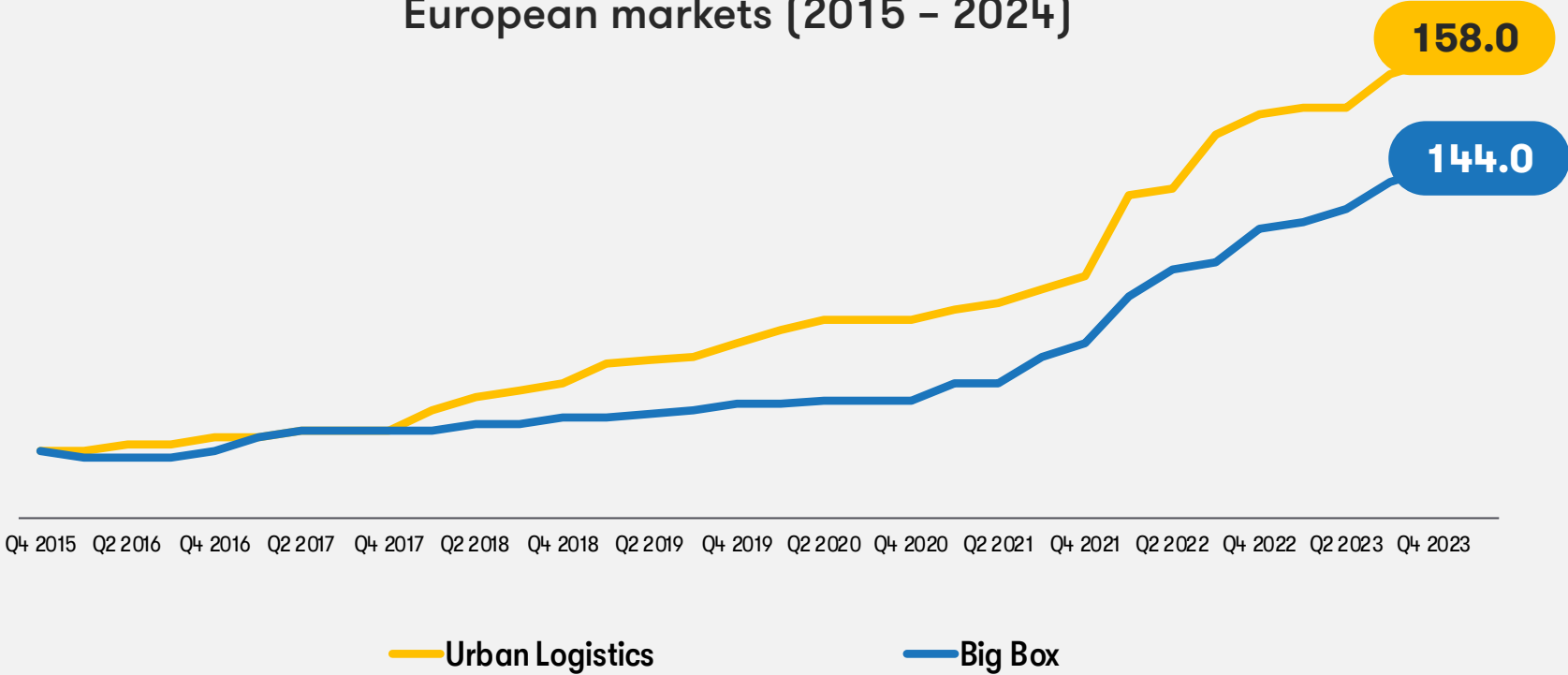
\*Source: Savills Research (Major European markets - U.K., Netherlands, Germany, France, Spain, Romania, Italy, Poland, Portugal, Czech Republic, Austria, Belgium, Dublin, Budapest)  
\*\*BNP Paribas Real Estate Research (48 markets in 21 countries across Europe)



# Urban Logistics vs. Big Box Rent Growth

Urban industrial rent growth has significantly outpaced the overall logistics market, and we expect this trend to continue

### Cumulative rent growth across major European markets (2015 - 2024)



\*Source: JLL Research



# Key Observations



M&A activity

Increasing M&A activity in Europe for industrial/logistics with over **€2B** of volume in 2024 so far. Portfolio transaction activity picking up with increasingly larger volume offerings being made available on- or off-market.



Liquidity returning to the Debt Capital Markets

**€12B** of bond issuances by investment grade real estate issuers since the beginning of 2023 with over **€6B** raised by industrial/logistics names.



Equity markets are active

Over **€3B** of equity raised by industrial/logistics real estate issuers since the beginning of 2023.






05

# Investment Strategy



# Focus on Urban Industrial

<h2>What is Urban Industrial?</h2>	<ul style="list-style-type: none"> <li>✓ Urban/Last Mile Logistics</li> <li>✓ IOS (Industrial Outside Storage)</li> <li>✓ Light Industrial</li> </ul>
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 <p>Well-located in urban centres or nearby highway networks</p>	 <p>Suitable for warehousing, light assembly and delivery to end-users</p>	 <p>May service a network of last mile facilities and handle reverse flow logistics</p>
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## Why We Like Urban Industrial

<p>Limited new supply</p>	<p>Diversity of users</p>	<p>Smaller unit size increases pricing power</p>	<p>Locations more suited to potential redevelopment &amp; alternate uses</p>
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# 1100 Courtneypark East

“The Ultimate Urban Industrial Asset”



**BAY SIZE**  
54' X 36'



**SPRINKLERS**  
ESFR



**HEATING**  
Electrified Heating



**ENERGY EFFICIENCY**  
Net Zero Certified  
Solar Ready Roof  
Targeting LEED Gold



**LIGHTING**  
Led Motion Sensors



**INSULATION**  
Upgraded R-Rating



**CLEAR HEIGHT**  
40'

**209,000 sf**



**POWER**  
2,400 AMPS



**OFFICE AREA**  
Built To Suit



**SHIPPING**  
30 Truck Levels  
2 Drive-in Doors



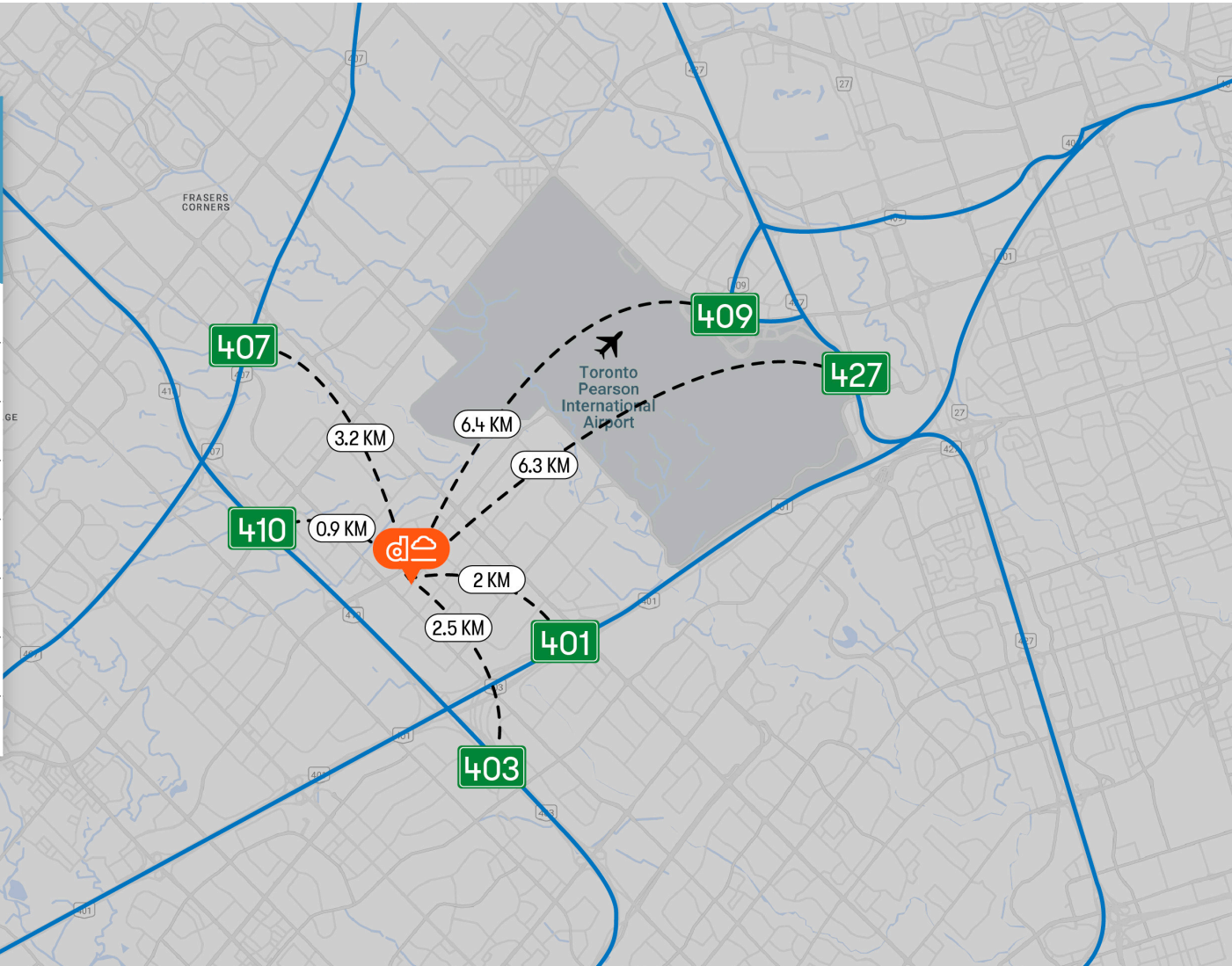
# 1100 Courtneypark East

Perfectly located near multiple major transportation corridors



### Driving Distance

Highway 401	3 min
Highway 410	1 min
Highway 407	4 min
Highway 403	3 min
Highway 427	10 min
Highway 409	14 min
Toronto Pearson	5 min
CSBA Customs	4 min









# 1100 Courtneypark East

## Strong transit linkages




**Transit Information**

57 53 51 42  
18 5 108



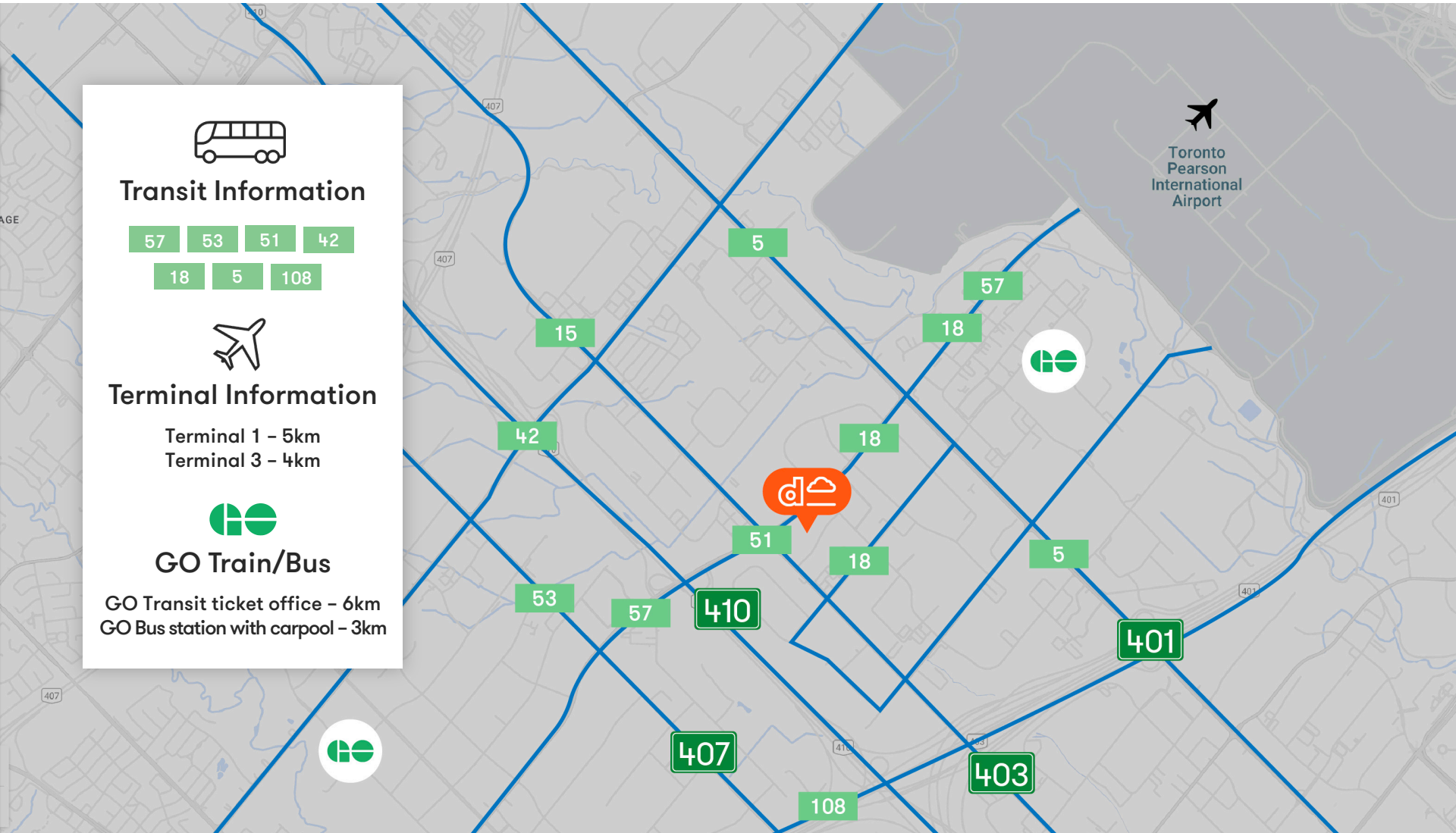
**Terminal Information**

Terminal 1 - 5km  
Terminal 3 - 4km



**GO Train/Bus**

GO Transit ticket office - 6km  
GO Bus station with carpool - 3km





# 1100 Courtneypark East

Central to both markets and labour



Total Population

**729,815**



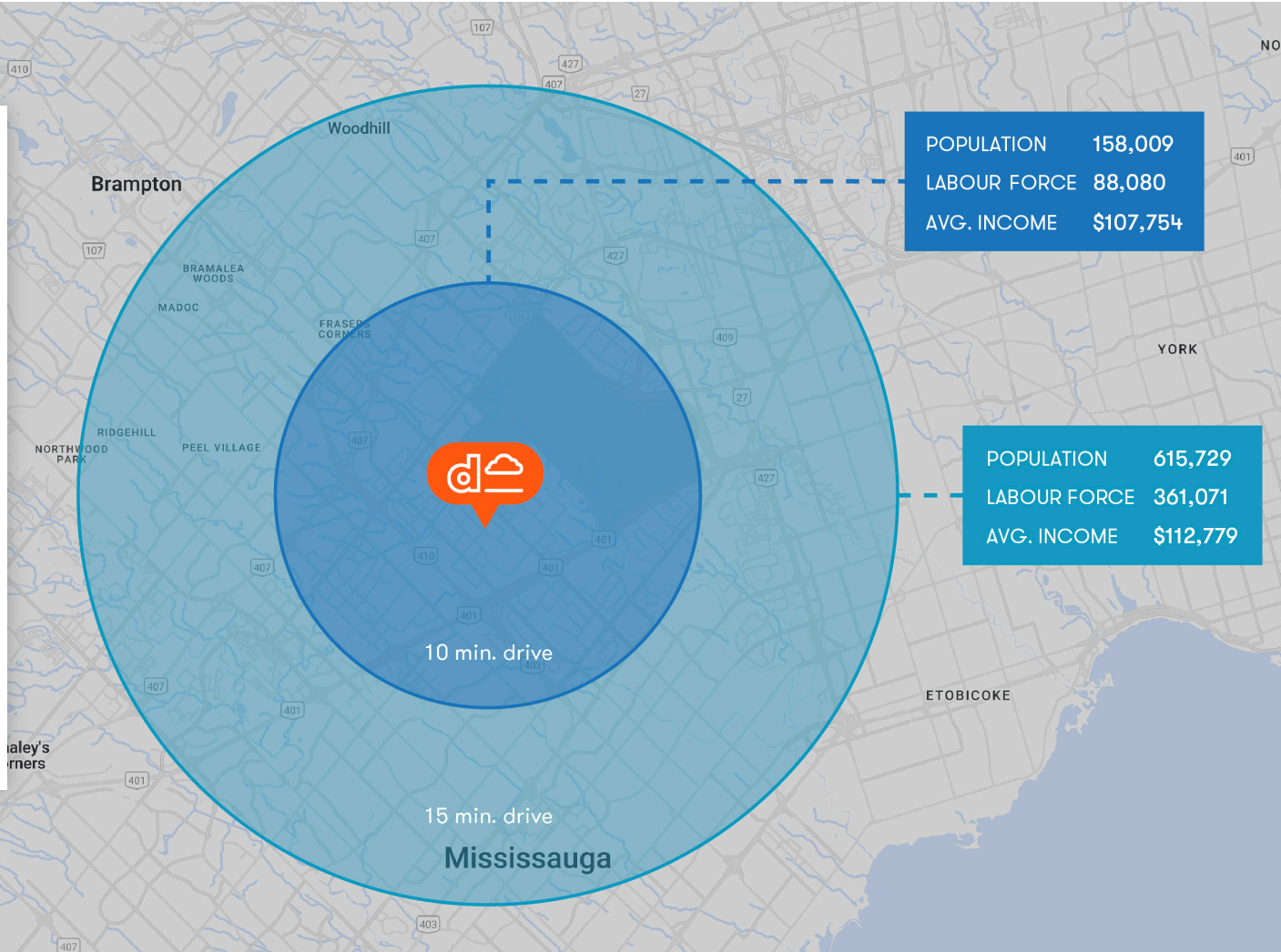
Total Labour Force

**421,223**



Avg. Household Income

**\$83,018**



POPULATION	158,009
LABOUR FORCE	88,080
AVG. INCOME	\$107,754

POPULATION	615,729
LABOUR FORCE	361,071
AVG. INCOME	\$112,779



# 1100 Courtneypark East

“The Ultimate Urban Industrial Asset”



- ✓ Fully leased
- ✓ \$21 psf premium starting net rent
- ✓ \$1 psf ancillary revenue
- ✓ 4% annual contractual rent growth
- ✓ 6.6% unlevered YoC achieved



# Urban Industrial Portfolio – Greater Toronto Area\*



**8.6M sf**

**100 Assets**

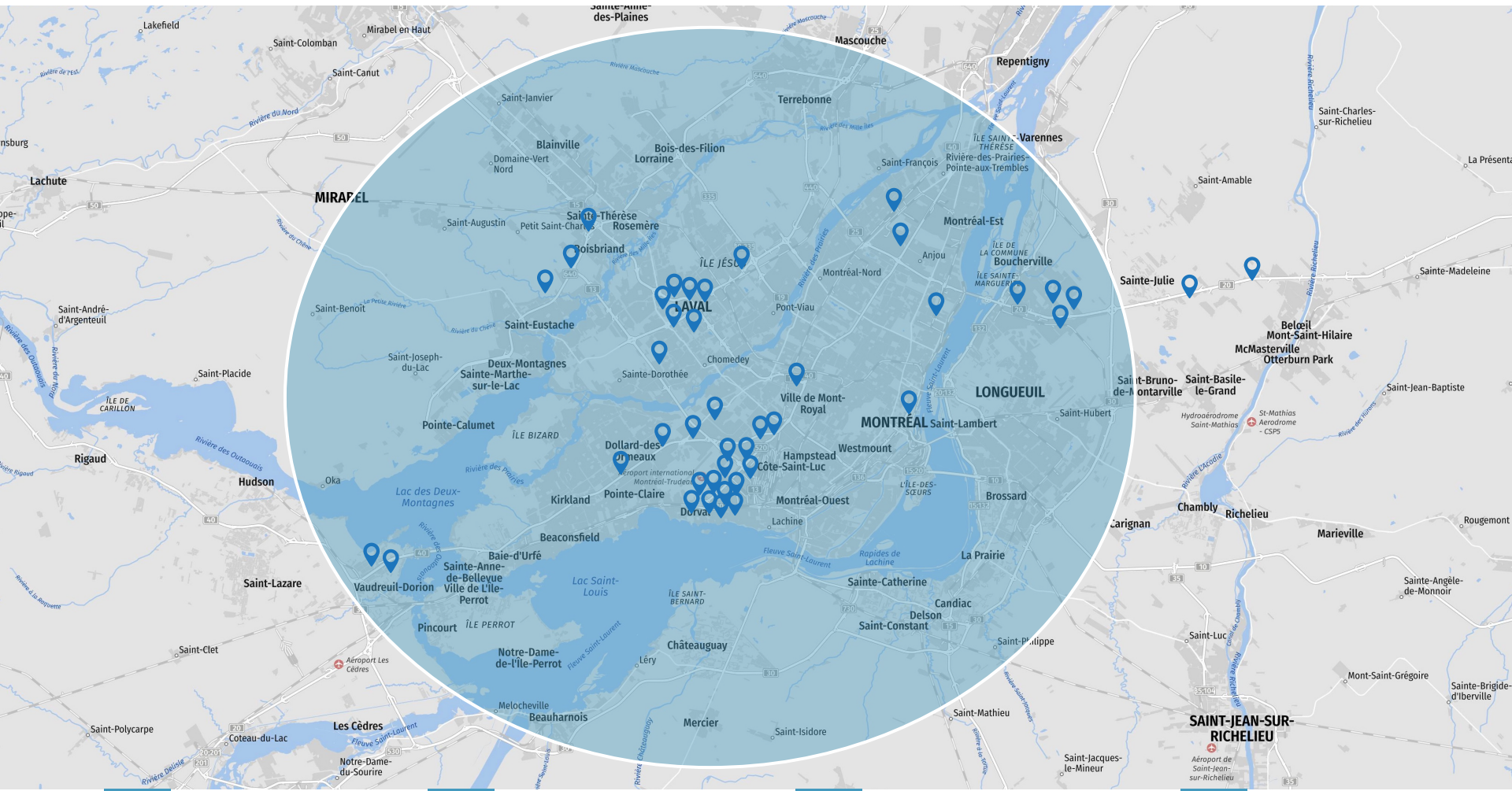
**3.8y WALT<sup>1</sup>**

**54% MTM<sup>2</sup>**

\*Figures as at June 30, 2024. Represents subset of wholly-owned portfolio that is classified as urban industrial  
<sup>1</sup> Represents weighted average lease term  
<sup>2</sup> Represents rent mark-to-market, which is calculated as estimated market rent divided by average in-place and committed base rent



# Urban Industrial Portfolio – Greater Montreal Area\*



**5.9M sf**

**46 Assets**

**4.4y WALT<sup>1</sup>**

**54% MTM<sup>2</sup>**

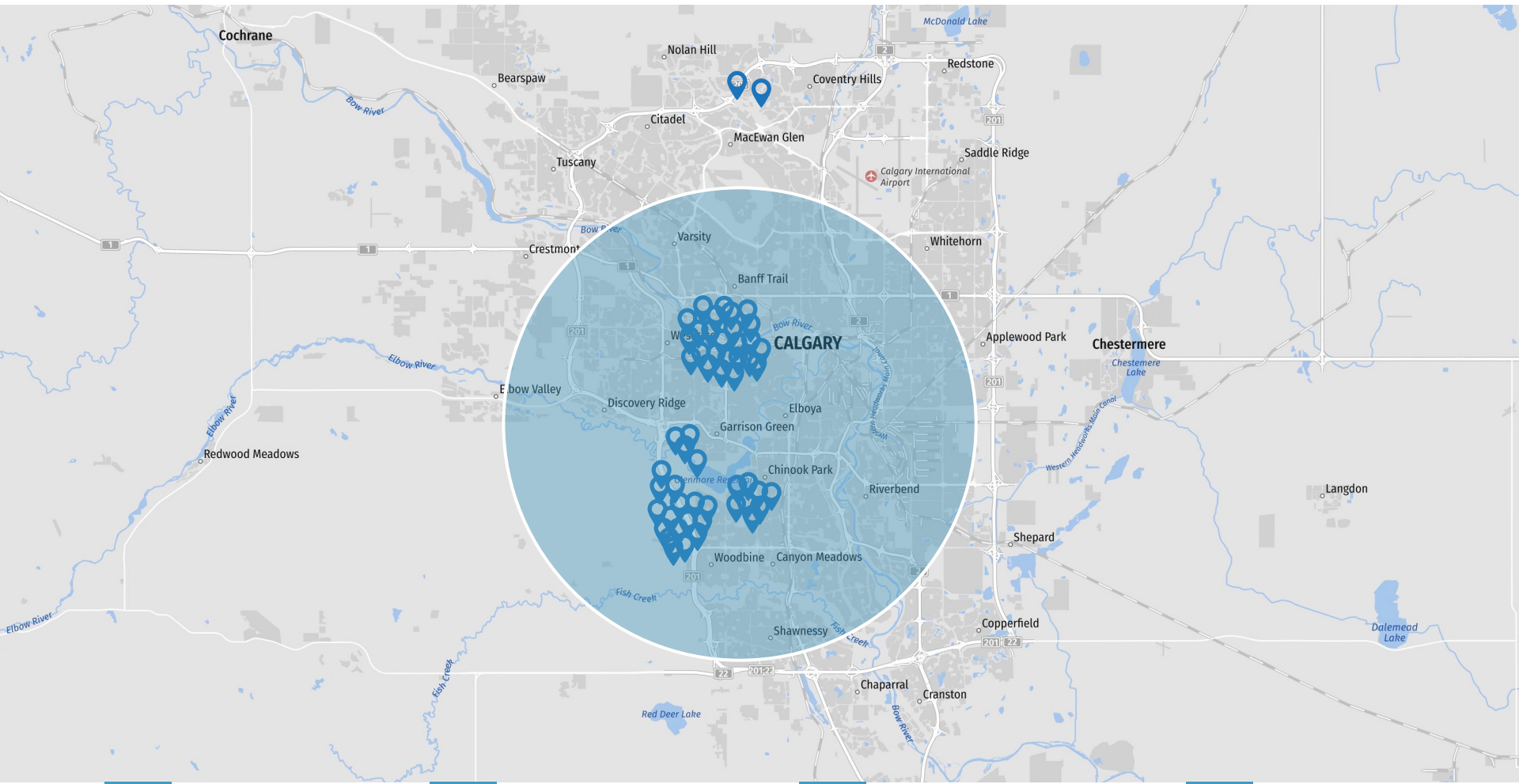
\*Figures as at June 30, 2024. Represents subset of wholly-owned portfolio that is classified as urban industrial

<sup>1</sup> Represents weighted average lease term

<sup>2</sup> Represents rent mark-to-market, which is calculated as estimated market rent divided by average in-place and committed base rent



# Urban Industrial Portfolio – Calgary\*



**3.5M sf**

**57 Assets**

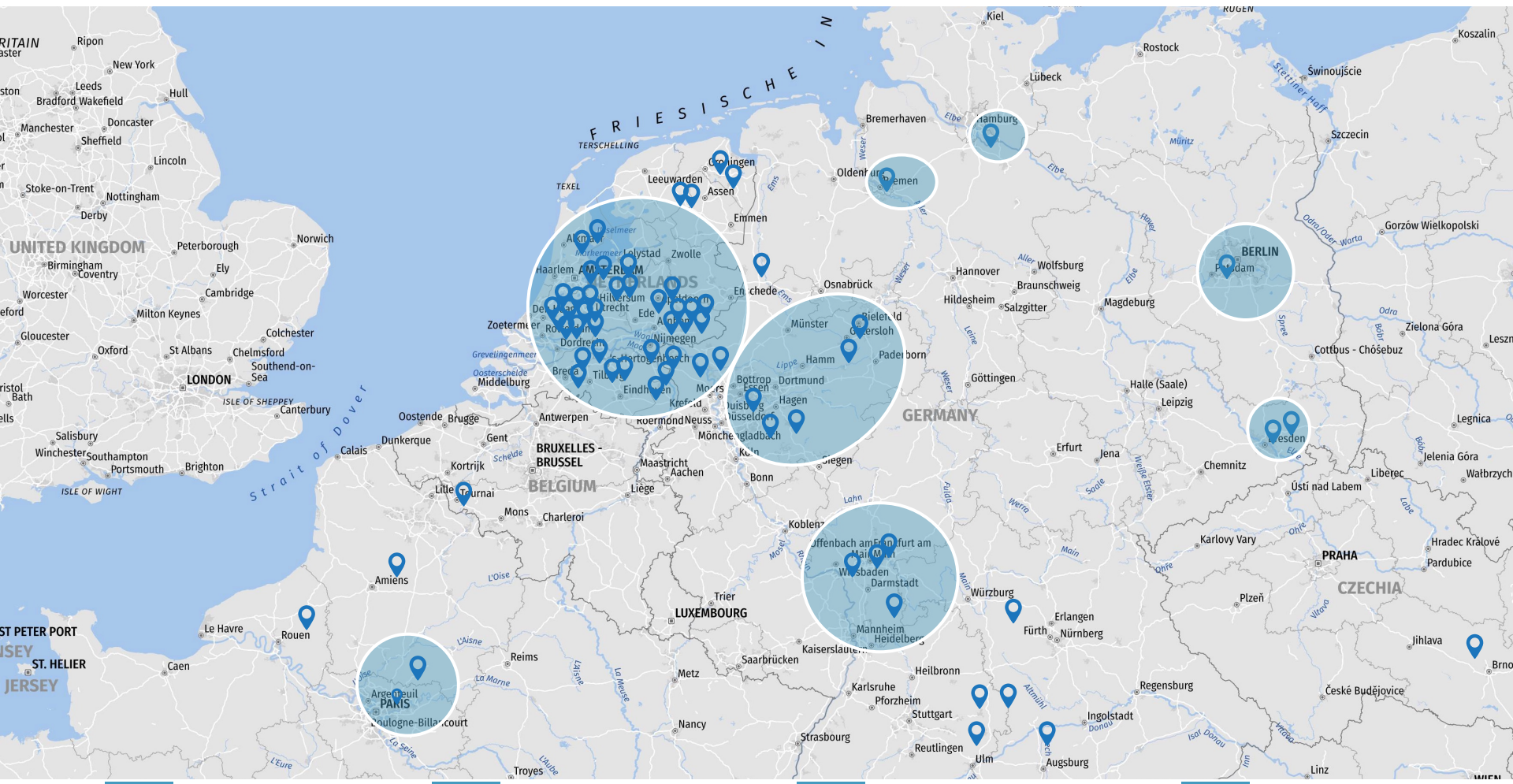
**3.8y WALT<sup>1</sup>**

**10% MTM<sup>2</sup>**

\*Figures as at June 30, 2024. Represents subset of wholly-owned portfolio that is classified as urban industrial  
<sup>1</sup> Represents weighted average lease term  
<sup>2</sup> Represents rent mark-to-market, which is calculated as estimated market rent divided average in-place and committed base rent



# Urban Industrial Portfolio – Western Europe\*



**10.7M sf**

**76 Assets**

**4.7y WALT<sup>1</sup>**

**9% MTM<sup>2</sup>**

\*Figures as at June 30, 2024. Represents subset of wholly-owned portfolio that is classified as urban industrial  
<sup>1</sup> Represents weighted average lease term  
<sup>2</sup> Represents rent mark-to-market, which is calculated as estimated market rent divided by average in-place and committed base rent



# Alternative Uses



## Data Centres

30+ sites shortlisted and undergoing feasibility



## Temperature Controlled Facilities

~2M SF of existing assets with significant conversion and build-to-suit opportunities



## Mixed-use Intensification

6 sites identified for rezoning with potential intensification density of 2M SF



## Self Storage




5 sites in feasibility across GTA, Montreal and Calgary





# Data Centres | Focus Areas

Focus on enhancing power at the existing sites provides significant optionality with data centres or alternate industrial uses, with limited downside

	Powered Land	Powered Shell	Turnkey Fit-out Data Centre
<b>Scope</b>	Land with access to power, but no built structure	Basic structure with power and exterior infrastructure, without interior fit-out	Fully built, fitted with infrastructure and systems
<b>Capital Required</b>	Low	Medium	Substantial
<b>Asset Flexibility</b>	Highly Flexible	Specialized	Highly Specialized
<b>Execution</b>	In-house	Joint Venture Build-to-Suit Sell	N/A
	 <b>CURRENT FOCUS</b>	 FUTURE FOCUS	 NOT IN SCOPE



# Significant Power Potential Under Feasibility Review

30+ sites selected for feasibility review

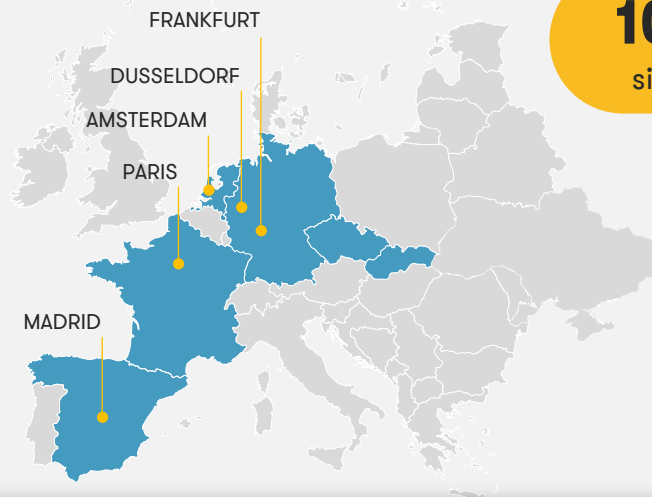
Anticipated power potential at these sites expected to accommodate modern hyperscale and AI-driven load requirements

**20**  
sites



## Shortlisted Markets

**10+**  
sites



## Site selection criteria

Site area

Proximity to fiber/existing data centres

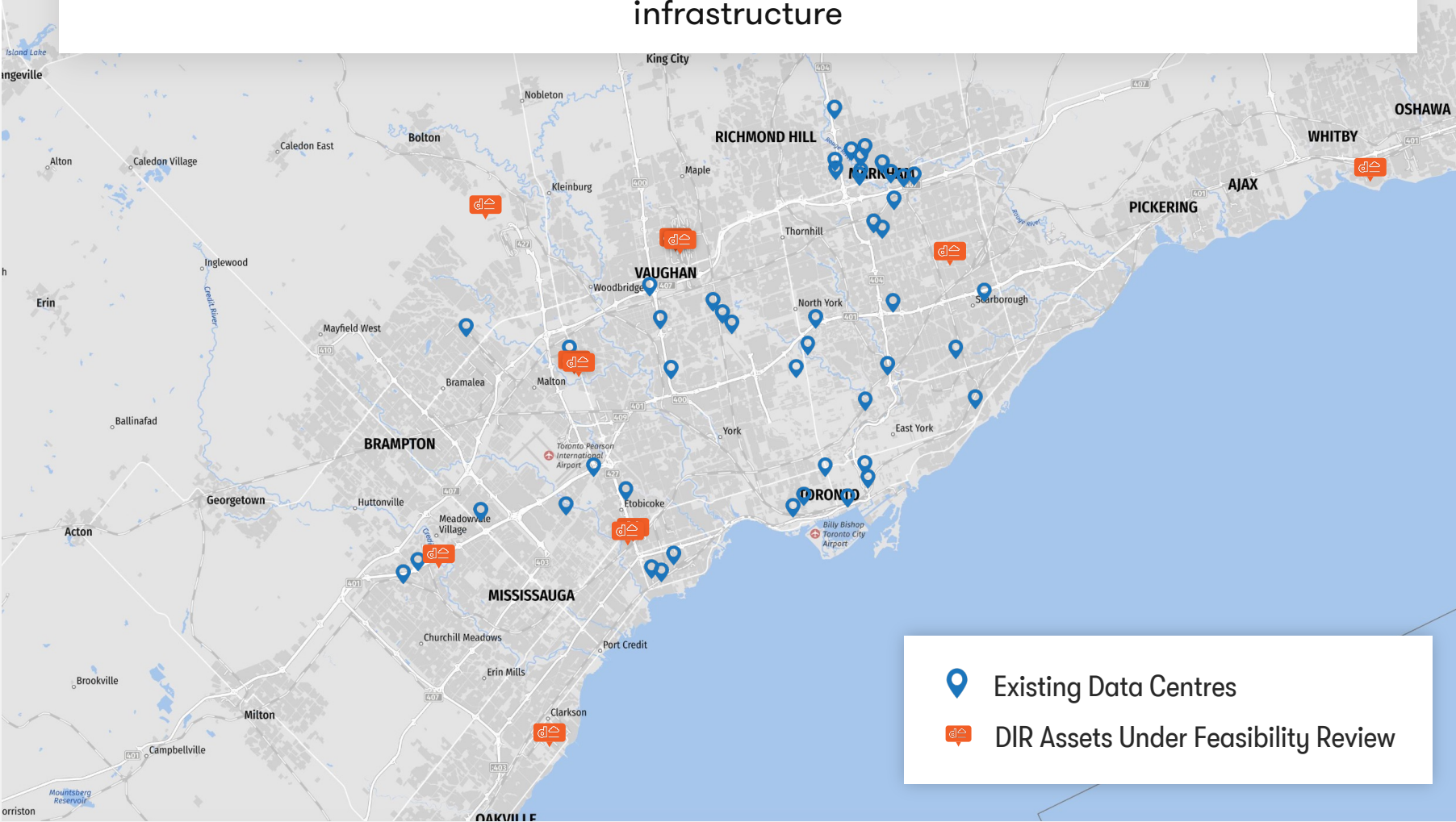
Access to additional power in the near-to-medium term



Zoning and environmental regulations



# Featured Potential Sites in the Greater Toronto Area

Sites undergoing feasibility located in close proximity to existing power/fiber infrastructure



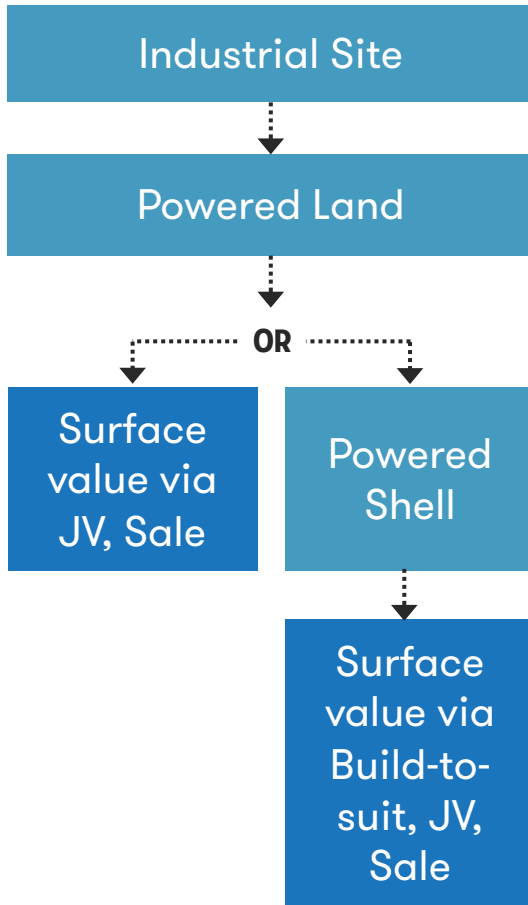
-  Existing Data Centres
-  DIR Assets Under Feasibility Review

\*Source: www.DataCenterMap.com, DIR Estimates

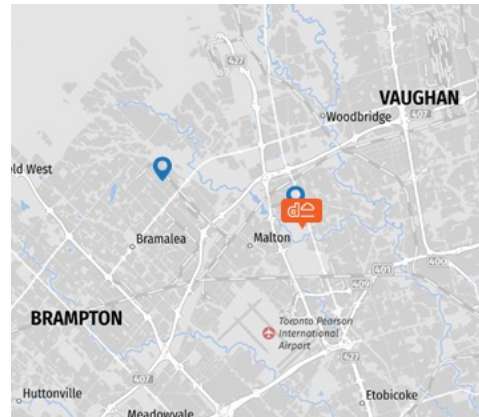


# Illustrative Returns

Progressive value creation potential from industrial to powered shell



## Sample Asset in Etobicoke, Central GTA



- Highly functional urban industrial cluster of two adjacent assets
- Located 400m away from an existing data centre leased to a premier hyperscaler
- 11-acre site area

	Industrial	Powered Shell
GLA	260K	235-280K
Site Coverage	55%	50-60%
Investment Requirement	n/a	~\$100m
Target NOI at Market Rents	\$4m	\$15m+
Mark-to-Market Cap Rate/Yield on Cost	6%	9%+
Yield on Incremental Capital		11%+



**06**

# Growth Drivers



# Strategy Focused on Multiple Drivers of Growth



## Urban Portfolio with Embedded Upside

Embedded mark-to-market potential

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Contractual rent growth

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Vacancy lease up



## Development and Intensification

Near-term development pipeline

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Excess density on existing land



## Ancillary Revenue

Solar

---

EV charging

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Cell towers



## Private Capital Partnerships

Scalable revenue model

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Property management

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Leasing

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Construction management



# Urban Portfolio | Organic Growth

Mark-to-market rent opportunities embedded within portfolio

## Strong mark-to-market potential

## Healthy spreads over prior rents

	Canada	Europe
<b>Maturing GLA (in millions sf)</b>		
2024	1.1	0.2
2025	2.7	1.6
2026	3.3	2.9
<b>In-Place Net Rent psf<sup>1,4</sup></b>		
2024	\$8.95	€8.59
2025	\$8.76	€4.82
2026	\$9.59	€5.26
<b>Market Rent psf<sup>1</sup></b>	<b>\$14.11</b>	<b>€6.03</b>

Average spread of **\$4.34 psf** on **2.4 million sf** of leases transacted<sup>2</sup> in Canada and Europe that will commence from Q3 2024 onwards

**~\$50 million**

Annualized MTM opportunity on leases rolling by YE 2026<sup>3</sup>

<sup>1</sup> As at June 30, 2024.

<sup>2</sup> From Jan 1, 2024 to July 31, 2024.

<sup>3</sup> Comprised of \$40M from mark-to-market on lease maturities and \$10M from 2024 transacted leases to date that have not yet commenced.



## Growth Drivers

# Urban Portfolio | Organic Growth

## Contractual rent escalations

	Canada	Europe
Occupied GLA (sf) <sup>1</sup>	18.9M	16.6M
In-Place Net Rent psf <sup>1</sup>	\$9.92	€5.59
Annualized Rental Income <sup>3</sup>	\$187.5M	\$137.3M <sup>2</sup>

Average annual contractual rent growth is now **over 3%** on leases in Canada, compared to less than 2% a few years ago

In our European portfolio, approximately **85% of leases are indexed to local CPI** and remainder having annual contractual rental steps, representing **2%** on average annually

Incremental net rental income of **\$17 million** annually by YE 2026<sup>4</sup>  
(\$11M in Canada and \$6M in Europe)

<sup>1</sup> As at June 30, 2024.

<sup>2</sup> Assume FX 1.48 EUR/CAD.

<sup>3</sup> Rental income represents investment properties revenue. Annualized rental income is based on the quarter ended June 30, 2024.

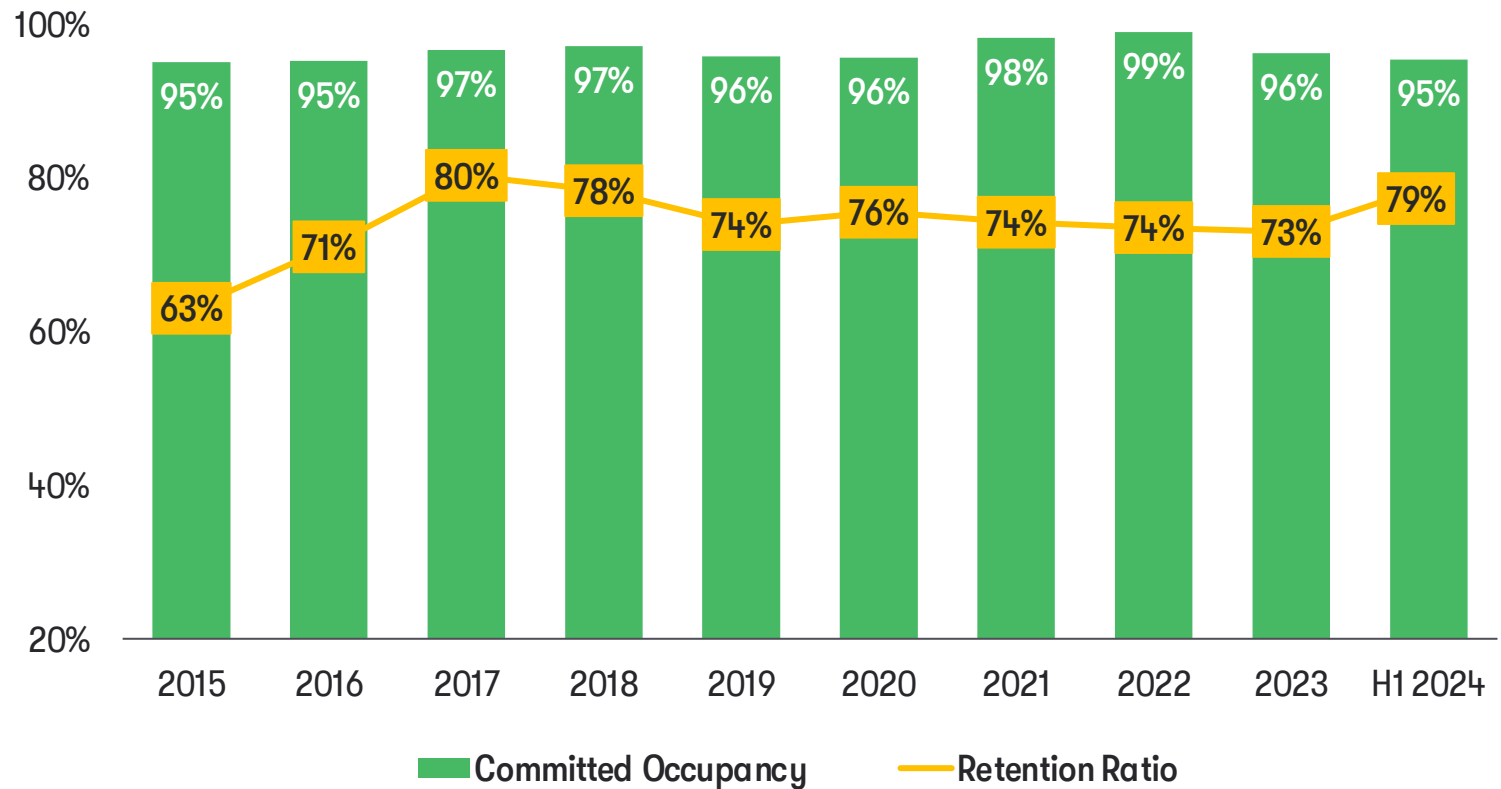
<sup>4</sup> Assume contractual rent growth of 3% in Canada and 2% CPI indexation in Europe.





# Urban Portfolio | Organic Growth

Consistently strong occupancy and retention





## Growth Drivers

# Urban Portfolio | Organic Growth

Occupancy reverting to mean

	Ontario	Quebec	Western Canada	Europe
Occupancy Rate <sup>1</sup>	95.4%	94.0%	95.4%	95.6%
Vacant GLA (sf) <sup>2</sup>	0.4M	0.4M	0.2M	0.8M
Market Rent psf <sup>2</sup>	\$16.38M	\$14.25M	\$9.63M	€6.03M
Annualized NOI Potential <sup>3</sup>	\$6.8M	\$5.2M	\$2.1M	\$6.9M
NOI Margin <sup>4</sup>	80%	73%	63%	83%
Gross Revenue Potential <sup>5</sup>	\$8.5M	\$7.2M	\$3.3M	\$8.3M
Impact on gross revenue of 1% gain in occupancy	\$1.9M	\$1.2M	\$0.7M	\$1.9M

100 bps movement in occupancy drives **\$6 million** in additional gross revenue

<sup>1</sup> in-place and committed occupancy as at June 30, 2024.

<sup>2</sup> As at June 30, 2024.

<sup>3</sup> Assume FX 1.48 EUR/CAD

<sup>4</sup> NOI margin is based on Q2 2024 actuals and is a supplementary financial ratio. For further information, refer to the "Non-GAAP financial measures, ratios and supplementary financial measures" section in this investor presentation.

<sup>5</sup> Gross revenue represents investment properties revenue.



Growth Drivers

# Development | Completed

Completed projects expected to contribute on a run rate basis

100% Leased



Completed

6

Projects

0.7M

sf

\$110M

Total Cost

7.6%

Realized YoC

\$8M

Q2-24  
Annualized NOI

60% Leased



Substantially  
Completed

4

Projects

0.8M

sf

\$198M

Total Cost

6.4%

Target YoC

\$11M

NOI potential



Christoph-Seydel-Straße 1, Radeberg



Balzac, Calgary

\*Figures as at June 30, 2024



# Development | Projects Underway

Significant projects scheduled for completion in 2025 and 2026



Near-Term Pipeline

**3**  
Projects

**1.2M**  
sf

**\$251M**  
Total Cost

**6.7%**  
Target YoC

**\$16M**  
NOI potential



Balzac, Calgary



Water Street, GTA



# Development | Medium to Long-Term Pipeline

Embedded upside from existing land bank focusing on mid-bay assets



Medium to Long-Term Pipeline

**3M+**  
sf

**180**  
Acres

**8%+**  
Target YoC\*

**\$20-30M**  
NOI potential\*\*



Bodegraven, Netherlands



Breda, Netherlands

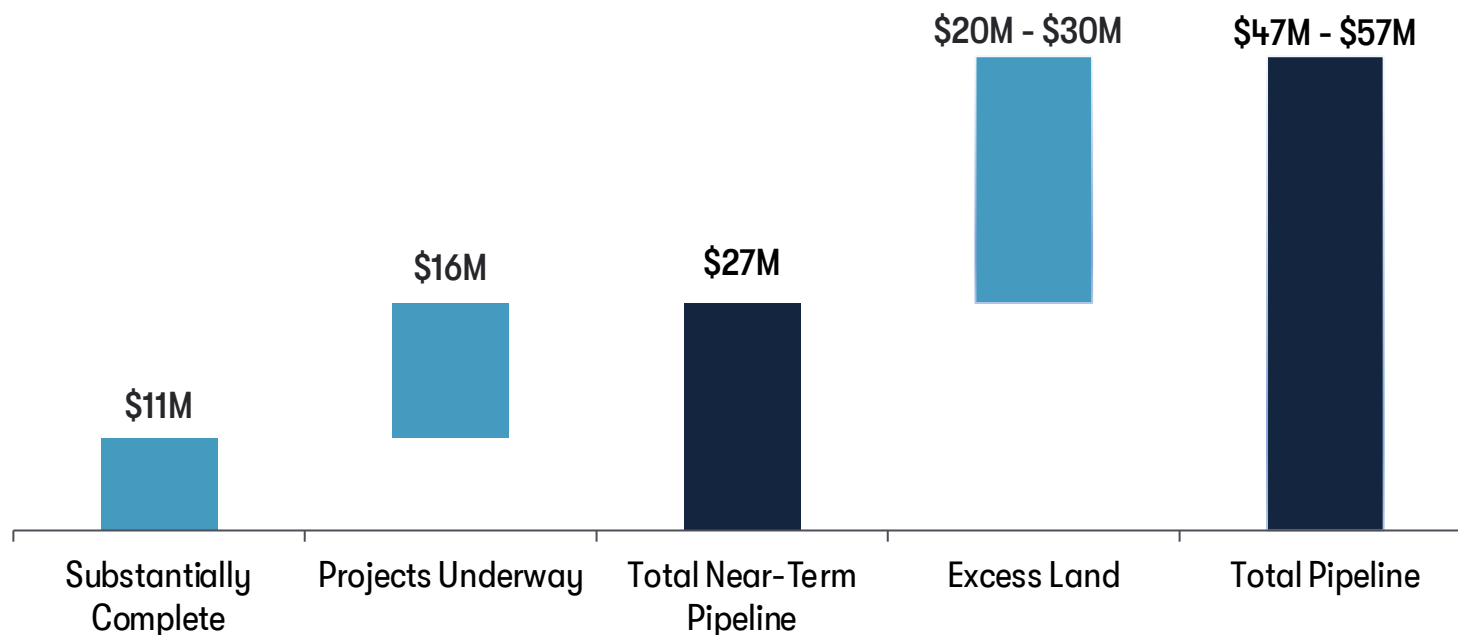
\*On incremental capital  
\*\*On 2 to 3 million sf of development



# Development | NOI Potential

Focused development strategy adds high-quality logistics space

**\$47 to \$57M of incremental NOI potential from future development pipeline**





## Growth Drivers

# Ancillary Revenue Sources



### Solar

Capital investments in clean power across Canada and Europe.  
18 completed projects with significant pipeline.

**\$0.5M-\$1.0M**  
Investment per project

**8%-10%**  
Target YoC

**Stage: Scaling up**



### EV Charging

Pilot complete for onsite EV chargers for passenger vehicles and last mile fleet.  
Significant opportunities to add scale.

**\$50k-\$100k**  
Investment per project

**20%-25%**  
Unlevered YoC

**Stage: Pilot complete**



### Cell Towers

50+ sites undergoing feasibility review for a potential JV with an operating partner.

**\$0.5M-\$0.7M**  
Investment per project

**15%+**  
Unlevered YoC

**Stage: Feasibility review**



## Growth Drivers

# Solar | Revenue Model

## Canada



Tenants buy all the solar electricity generated by **Dream Industrial** at guaranteed rate with escalations



Solar will partially meet the tenant's electricity needs; any power shortfall will be met by the **utility**

## Netherlands



We sell power **to the grid** at a subsidized minimum rate

# 8% - 10%

Target YOC

## Additional Return Enhancement Opportunities

Battery storage

Virtual power purchase agreements

Renewable energy credits

EV charging





## Growth Drivers

# Solar | Completed Projects

**22**

Projects substantially complete and under management

**\$25M**

Cost of projects completed and underway

**11%+**

Yield on cost of completed projects

**38,000**

Solar panels installed globally

**17 MW**

System capacity of completed projects

**5 MW**

System capacity under construction



Calgary, AB



Eindhoven, NL



## Growth Drivers

# Solar | Medium-Term Pipeline

Potential to generate \$20M of NOI

**\$200M+**

total investment

**150 MW+**

potential

**8% - 10%**

targeted YoC

## Adding Scale in Existing Markets

Alberta | Netherlands

## Expanding into New Markets

Ontario | Germany | France | Spain



Tech Park, NL



Calgary, AB



Bleiswijk, NL



## Growth Drivers

# Private Capital Partnerships

**4**

Partnerships

**30M SF**

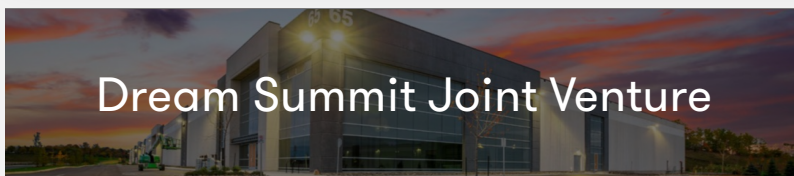
GLA

**\$8B**

IP Value

**\$540 million**

of acquisitions over the past 12 months



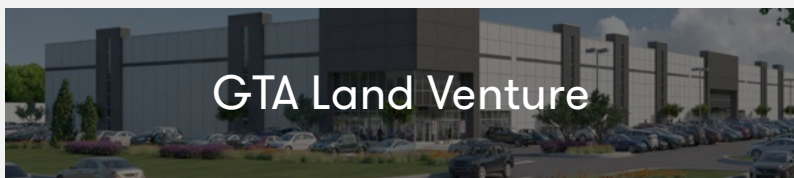
## Dream Summit Joint Venture

JV between Dream Industrial REIT and GIC which acquired Summit Industrial Income REIT in a transaction valued at \$5.9 billion. Subsequently acquired an additional \$0.5 billion of assets since inception.



## U.S. Industrial Fund

The fund's strategy is to invest in high-quality core, core+, value-add and development industrial assets across the U.S.



## GTA Land Venture

Dream Industrial partnered with a global sovereign wealth fund to develop and hold prestige industrial facilities in Southern Ontario.



## Canadian Industrial Joint Venture

JV between Dream Summit and a leading Canadian financial institution that owns 1 million square feet of high-quality industrial GLA located primarily in the Greater Toronto Area and Greater Golden Horseshoe Area.



## Growth Drivers

# Private Capital Partnerships

Highly scalable revenue model

**\$0**

2020<sup>1</sup>



**\$10M+**

Q2 2024 Run Rate<sup>1</sup>

Property management revenue is driven by organic revenue growth and partnerships scale

Leasing revenue is directly correlated to market rents achieved on transacted leases

Construction management revenue grows as we invest in capital improvements

Potential to continue growing property management and leasing revenue as we execute on organic NOI growth drivers within our partnerships



07

Platform



# One of the Largest Industrial Platforms in Canada



**407**  
Buildings\*\*

**45 million sf**  
Income producing assets

**3,000**  
acres of land\*\*\*

**10M sf**  
development potential  
(including 6M sf underway)

\*Currently under contract

\*\*Represents total buildings within DIR's wholly-owned portfolio and Dream Summit JV

\*\*\*Represents total site area for DIR's wholly-owned portfolio, GTA Land JV, and Dream Summit JV, including properties under development



# Major Customers

## Multinational Occupiers



## Multi-location Occupiers



**25+ million sf**  
occupied by multinational  
and/or multi-location users

**75+ tenants**  
operating across multiple  
locations



Platform

# Customer Solutions

Occupier focused program



Standardized pre-negotiated lease documentation



Geographic reach and scale



Customized sustainability solutions



Renewable energy solutions



Build-to-suit and expansion opportunities



Program designed to drive tenant retention and open development and strategic leasing opportunities with some of the strongest industrial occupiers globally





# Full-Service, In-House Platform

Dedicated industrial team with over 150 professionals across multiple disciplines

## National



Kimberley Hill  
Customer Solutions



Dan Fletcher  
Asset Management



Brad Keast  
Development

## Local Markets

### Ontario



Andrew Cunningham

### Quebec



Matthew Virgini

### Western Canada



Shane Henke

### Europe



Sjoerd Barmentloo

Integration of DIR and Summit platforms is now complete



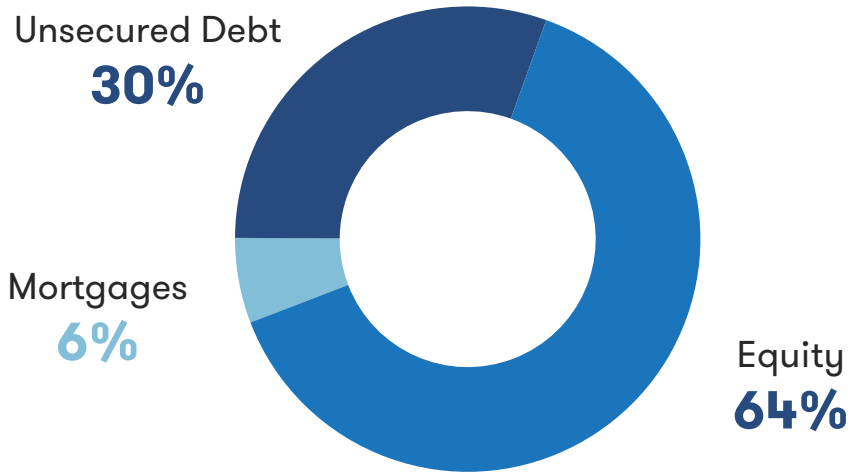
08

# Financial Overview



# Strong and Flexible Balance Sheet

Robust balance sheet with ample liquidity<sup>1</sup>



**\$750M+**  
Available  
Liquidity<sup>2,3</sup>

**35.9%**

Net Total Debt-to-Total Assets (Net of Cash and Cash Equivalents)<sup>3</sup>

**8.1x**

Net Total Debt-to-Normalized Adjusted EBITDAFV ratio (years)<sup>3</sup>

**5.4x**

Interest Coverage Ratio<sup>3</sup>

**BBB (mid)**  
DBRS Credit Rating

**\$5.7B**

Unencumbered IP<sup>3</sup>

<sup>1</sup> Metrics as at June 30, 2024

<sup>2</sup> Unsecured credit facility was upsized from \$500M to \$750M in August 2024.

<sup>3</sup> Available liquidity is a non-GAAP financial measure. Net total debt-to-total assets (net of cash and cash equivalents), net total debt-to-normalized adjusted EBITDAFV ratio and interest coverage ratio are non-GAAP financial ratios. Unencumbered investment properties is a supplementary financial measure. For further information, refer to the "Non-GAAP financial measures, ratios and supplementary financial measures" section in this investor presentation.



## Back to the Question

Can this growth continue over the next few years as DIR refinances \$1.3 billion of debt maturing in 2025 and 2026?



# Diversified Funding Sources

Investment grade balance sheet allows for various funding options

	EUR	CAD
Secured mortgages	✓	✓
Unsecured debentures	✓*	✓
Term loans	✓**	✓
U.S. private placements	✓**	✓
Revolving credit facility	✓	✓

\* via cross-currency interest rate swaps

\*\* via direct euro-denominated loans or cross-currency interest rate swaps



# Staggered Debt Maturity Profile

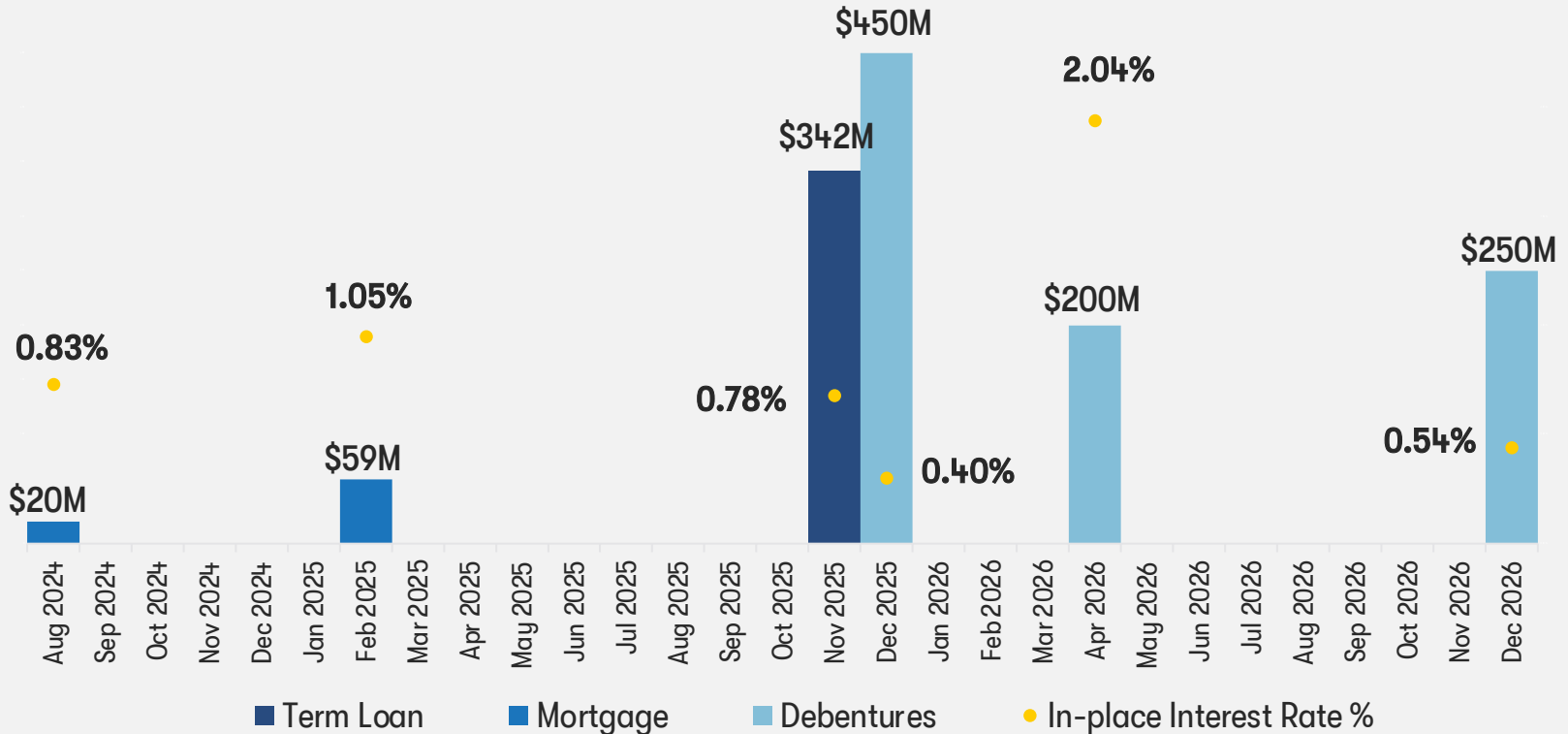
Well-positioned to address upcoming debt maturities

**\$1.3B**

debt maturing through end of 2026

**0.81%**

WAIR<sup>1</sup> on debt maturing through end of 2026

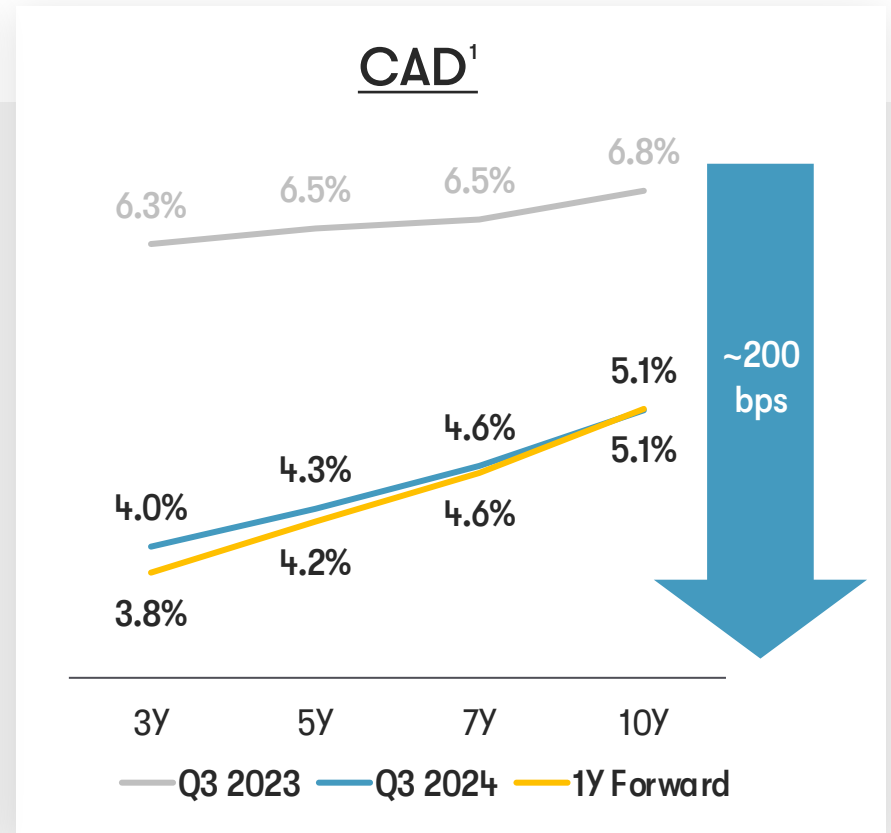
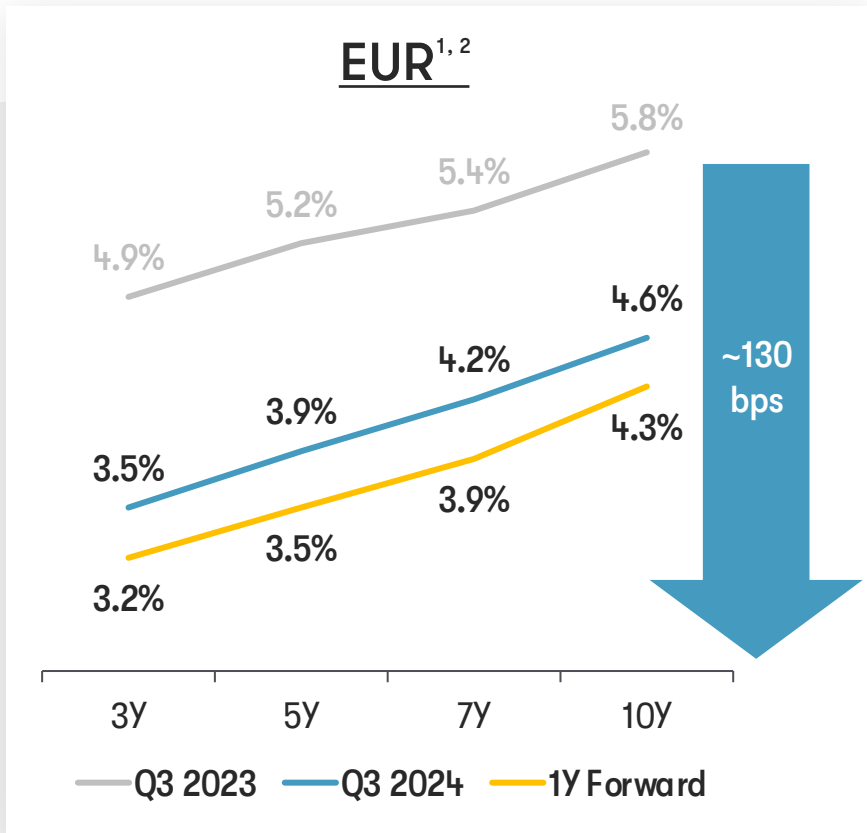


<sup>1</sup> Weighted average face interest rate as at June 30, 2024



# Declining Marginal Cost of Debt

Current marginal cost of 5-year debt: 3.9% in Euro and 4.3% in Cad



Source: Bloomberg, TD Securities, RBC Capital Markets, Sotiabank

<sup>1</sup> Forward looking funding rates are estimated based on 1-year forward curves of respective benchmark rates and current market spreads as at September 27, 2024.

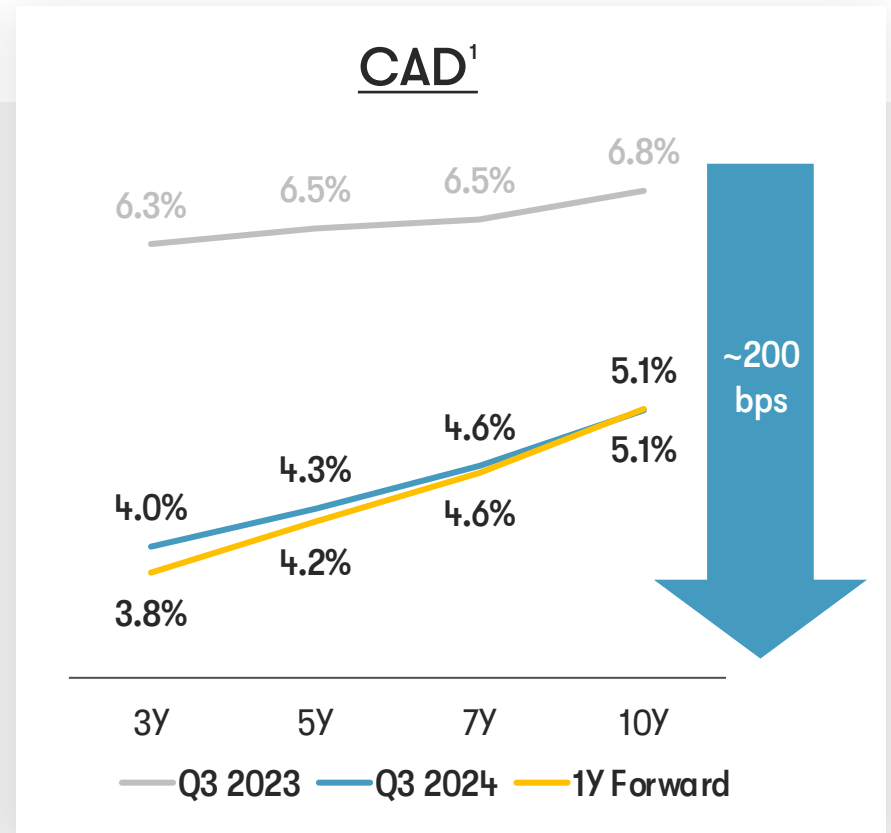
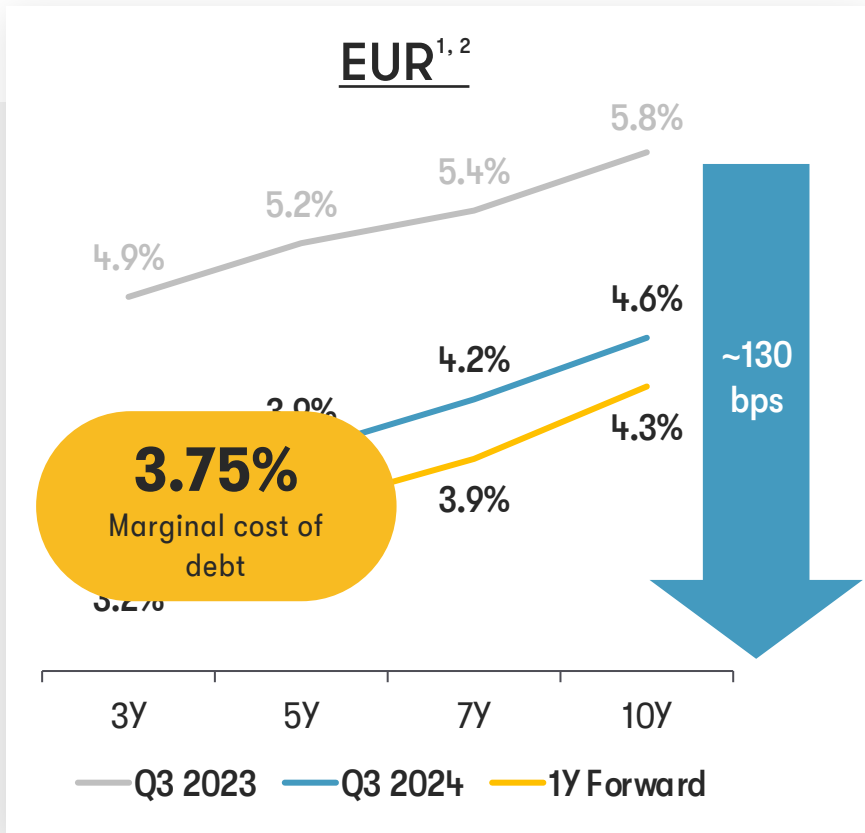
<sup>2</sup> via cross-currency interest rate swaps

Forward curve suggests a further 10 to 40 bps decline



# Declining Marginal Cost of Debt

Current marginal cost of 5-year debt: 3.9% in Euro and 4.3% in Cad



Source: Bloomberg, TD Securities, RBC Capital Markets, Scotiabank

<sup>1</sup> Forward looking funding rates are estimated based on 1-year forward curves of respective benchmark rates and current market spreads as at September 27, 2024.

<sup>2</sup> via cross-currency interest rate swaps

Forward curve suggests a further 10 to 40 bps decline





# By the end of 2026...

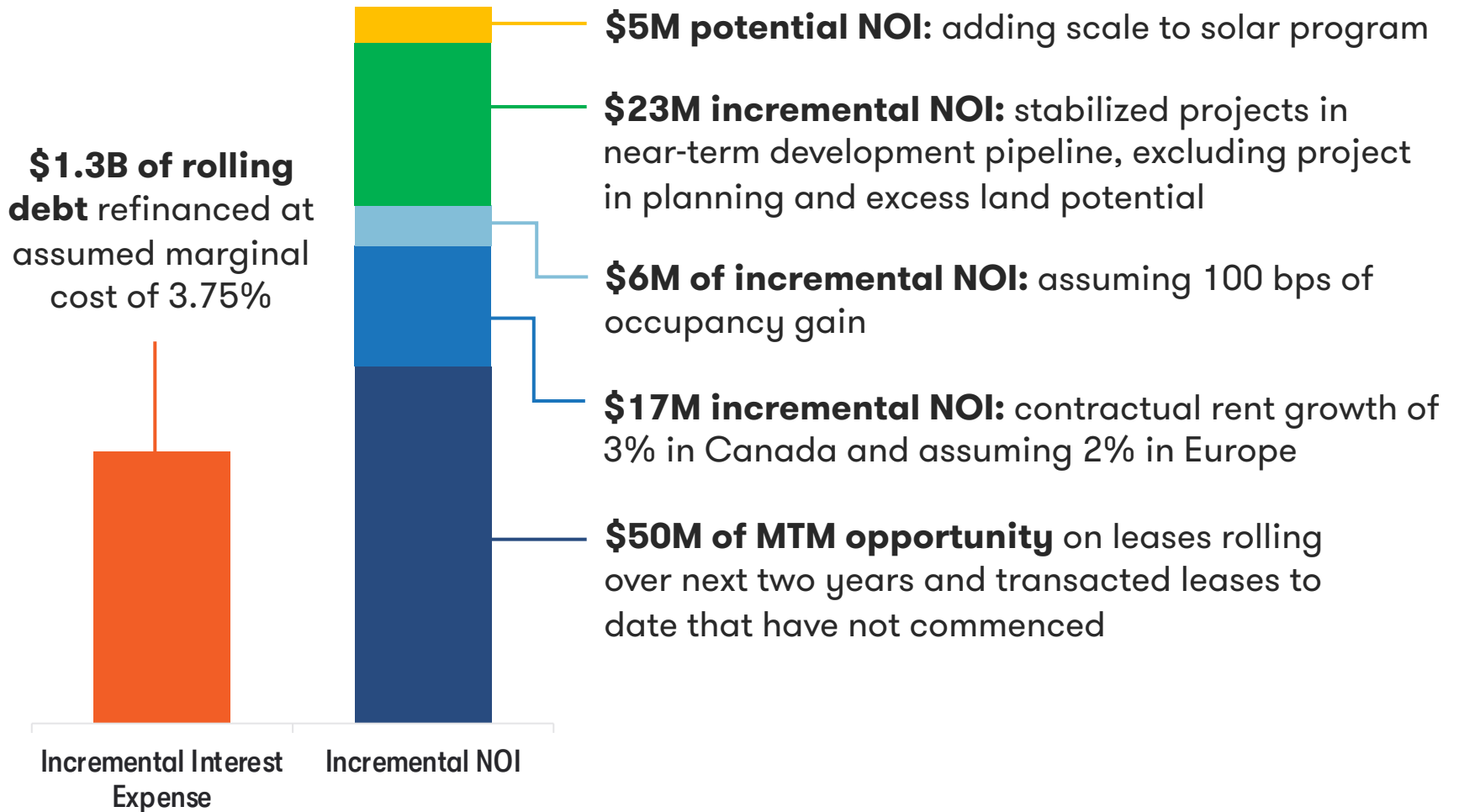
We expect incremental NOI to outpace the incremental interest expense

- \$1.3 billion euro-denominated debt to be refinanced, assume **3.75% current marginal cost of debt**
- + Significant **mark-to-market rent upside** to be realized on lease rollovers
- + Embedded **contractual rent steps** on in-place leases ensures steady growth
- + Opportunity to capture market rents as in-place **occupancy reverts to historical mean**
- + Development pipeline completions add **new logistics space** in predominantly urban markets
- + **Ancillary sources of revenue** provide new avenues of growth



# Incremental NOI Potential vs Interest Expense<sup>1</sup>

Annualized as at the end of 2026

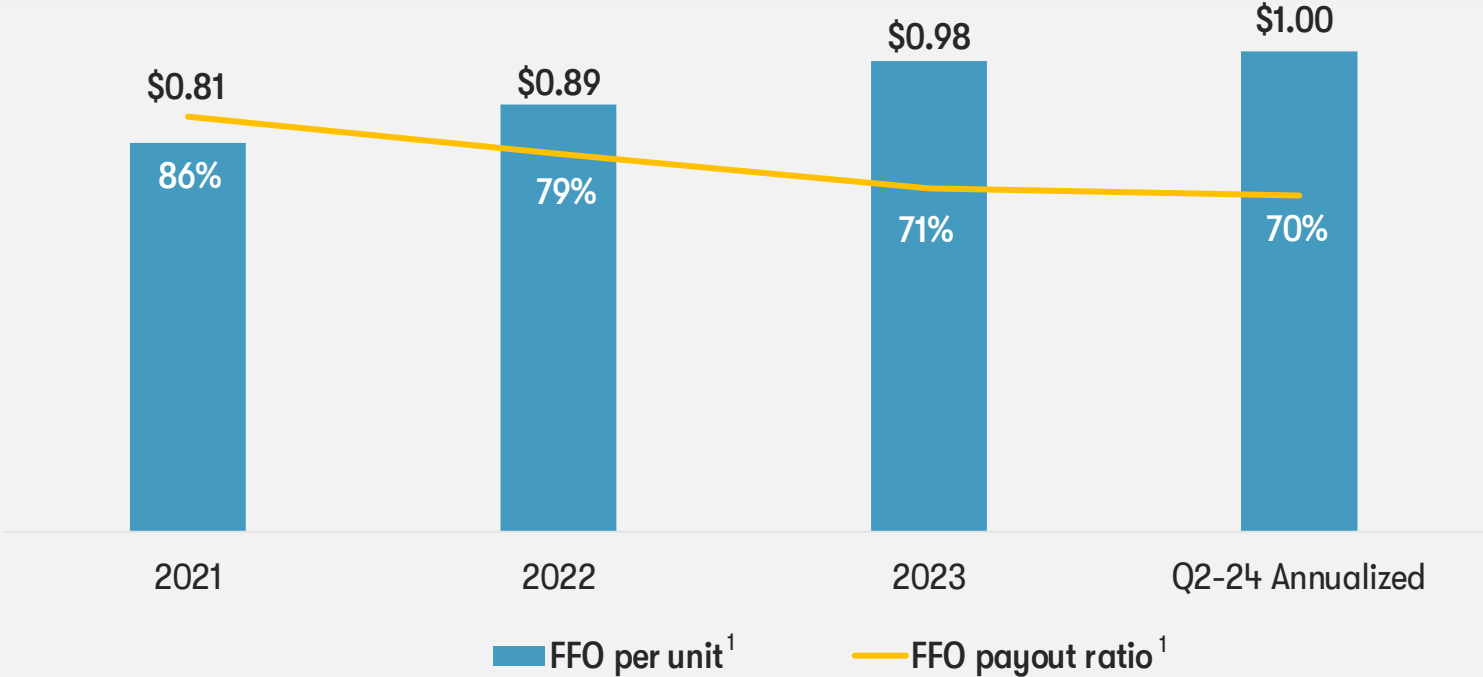


<sup>1</sup> Represents annualized incremental NOI potential and incremental interest expense as at the end of 2026 when compared to Q2 2024 annualized run rate.



# Steady and Well-Covered Distributions

Execution on core strategic pillars have transformed our portfolio and achieved a solid pace of FFO growth



Growing retained free cash flow stream being reinvested into strategic initiatives

<sup>1</sup> FFO per Unit is a non-GAAP financial ratio, and FFO payout ratio is a supplementary financial ratio. For further information, refer to the "Non-GAAP financial measures, ratios and supplementary financial measures" section in this investor presentation.



# Capital Recycling

\$100 million of dispositions completed or in negotiations to date in 2024



## Non-Strategic Assets

- Located in **non-core markets**
- Mark-to-market rent opportunities are already realized
- Realized **cash flow yields at sale price in the 5% range**
- Realized **24% premium** on carrying values

**\$50M+**

Completed dispositions in DIR portfolio in 2024



## Opportunistic User Sales

- Unique to urban industrial class
- Mid-size freestanding buildings (50-125K SF) located primarily in urban markets within the GTA, GMA and GCA
- Typical user premiums are in the **~30%** range on a per square foot basis
- Realized **mark-to-market sale cap rates below 5%\*** with savings in lease-up costs and downtime

**\$65M+**

Dispositions completed or underway within Dream Summit JV in 2024

<sup>1</sup> Mark-to-market sale cap rate defined as the current market rent estimate divided by the sale price per square feet for the building



# Capital Allocation Opportunities

<b>Active Development Projects</b>	\$100M by the end of 2025	10%+ unlevered yields on incremental capital
<b>Future Intensifications &amp; Solar Program</b>	\$100M+ over near to medium term	8%+ unlevered yields on incremental capital
<b>Co-investments in Private Partnerships</b>	\$55M co-invested over the past 12 months	15%+ total returns on capital invested further enhanced by management revenue
<b>Unit Buybacks</b>	Focus on maintaining balance sheet strength, liquidity and flexibility	
<b>Investment Opportunities</b>	Focus on cash flow accretion and enhancing the quality of the portfolio	
<b>Distribution Growth</b>	Focus on growing retained cash flow and continuing to reduce FFO payout ratio	



# Total Return Model

Focus on growth and reinvestment of retained cash flow

**Monthly distribution**

**Well covered with current FFO payout ratio of 70%**



**Growth in retained cash flow**

**Reinvest into accretive initiatives to drive cash flow and NAV growth**



**NAV appreciation**

**Enhancing return on capital and repositioning select assets to their highest and best use**



**Sustainable growth in distributions over time**

**Grow distributions at lower rate than growth in retained cash flow**



- + Supportive industrial fundamentals
- + Improving investment market sentiment
- + Multiple growth drivers within DIR business
- + Higher and better uses
- + Platform with significant scale
- + Opportunities for strategic partnerships with occupiers
- + Strong and flexible balance sheet
- + Robust opportunity set for allocating capital
- + Potential for continued growth and compelling unitholder returns



# Q & A



## Forward Looking Information

This investor presentation may contain forward-looking information within the meaning of applicable securities legislation. Such statements include, but are not limited to, statements with respect to the objectives of Dream Industrial Real Estate Investment Trust (the “REIT”, “DIR”, “Dream Industrial REIT”, “we” and “us”) and strategies to achieve those objectives and the REIT’s operations, business, financial condition, expected financial results and, performance. Forward-looking information generally can be identified by words such as “outlook”, “objective”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “could”, “likely”, “seek”, “strive”, “plan”, “target”, “project”, “forecast”, “budget” or “continue” or similar expressions suggesting future outcomes or events. Specifically, such forward-looking statements in this presentation include statements regarding Canadian investment market trends, including expectations regarding the focus of global institutions, stages of acquisitions and amounts of capital deployed, the role of private investors, and the role of users and the valuations they are willing to pay; European investment market trends, including expectations regarding the continued growth of rents and the outpacing of urban industrial rent growth compared to the overall logistics market; the REIT’s investment strategy; the REIT’s belief that urban industrial warrants premium valuations and supporting rationale; expectations regarding number and type of sites undergoing feasibility studies for powered shell/land and self storage, the markets in which such sites are situated, sites undergoing rezoning and potential to add density, and opportunities for conversion and build-to-suit opportunities for temperature controlled facilities; the REIT’s focus on data centres, including, the means by which REIT intends to focus on data centres, the power potential at sites under feasibility study, related opportunities and downside and asset information for conversion to powered shell; the REIT’s future near-term development spend, total portfolio IPP value and in-place cap and mark-to-market cap implied value (including future development spend); the REIT’s expected growth drivers and its strategy focused on such drivers, including its urban portfolio where the REIT expects embedded upside, development and intensification efforts on the REIT’s near-term development pipeline and advantages in excess density on existing land, sources of ancillary revenue (including solar, EV charging and cell towers) and private capital partnerships (including potential for scalable revenue, as well as property managing, leasing and construction management opportunities and expectations for future run rates based on the REIT’s historical net property management and leasing margins); the mark-to-market rent opportunities embedded within the REIT’s portfolio, including maturing GLA, in-place net rent per square foot, the REIT’s positioning for healthy spreads for rental rate growth on lease roll-over and amount of annualized mark to-market opportunity on lease roll-over; contractual rent escalation, including average annual contractual rent growth on leases, indexation to local CPI, rental steps, and resulting annualized incremental net rental income; the impact of increases in occupancy on gross revenue; the contribution of completed projects on a run-rate basis; expectations regarding the REIT’s pipeline of projects, including size, cost, yield, timing and NOI potential; the REIT’s solar energy projects and pipeline, including capacity, target yield, NOI, location, and opportunities therefrom, including, with respect to additional return enhancements; opportunities from adding EV charging to assets and yield; feasibility studies for the addition of cell towers to assets, potential JV partnership, and yield; the potential to continue growing property management and leasing revenue as the REIT executes on organic NOI growth drivers within its partnerships; expected results driven from the REIT’s occupier focused program; the future funding options provided by the REIT’s investment grade balance sheet, maturing indebtedness and the refinancing thereof, and funding rates; the REIT’s expectation that incremental NOI will outpace the incremental interest expense by 2026 and the factors contributing to such expectation; the REIT’s opportunities for capital recycling and the status of dispositions; the REIT’s capital allocation opportunities; the REIT’s focus on maintaining balance sheet strength, liquidity and flexibility; the REIT’s focus on accretion to retained cash flows and enhancing the quality of its portfolio; the REIT’s focus on growing retained cash flow and continuing to reduce FFO payout ratio; and, the REIT’s focus on growth and reinvestment of retained cash flows and the means by which the REIT plans to accomplish that.

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 REIT’s control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, 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 economic slowdown in the jurisdictions in which we operate and the effect inflation and any such economic slowdown may have on market conditions and lease rates; uncertainties surrounding public health crises and epidemics; 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 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 our current estimates of fair value; and our ability to source and complete accretive acquisitions.

## Forward Looking Information

Although the forward-looking statements contained in this investor presentation 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. Assumptions are based on information currently available to the REIT, including information obtained from third-party sources. While the REIT believes that such third-party sources are reliable sources of information, the REIT has not independently verified the information, the REIT has not ascertained the validity or accuracy of the underlying economic assumptions contained in such information from third-party sources and hereby disclaims any responsibility or liability whatsoever in respect of any information obtained from third-party sources.

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; 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; inflation and interest rates that materially increase beyond current market expectations; valuation assumptions including market rents, leasing costs, vacancy rates, discount rates and cap rates; changes to historically low rates and rising replacement costs in the REIT's operating markets and increases in market rents; availability of equity and debt financing; our continued compliance with the real estate investment trust exemption under the specified investment flow-through trust legislation; and other assumptions and risks and factors described from time to time in the documents filed by the REIT with securities regulators.

These forward-looking statements are based upon the current expectations and beliefs of management and are provided for the purpose of providing additional information about such expectations and beliefs, and readers are cautioned that these statements may not be appropriate for other purposes.

All forward-looking information in this investor presentation speaks as of the date of this presentation, October 1, 2024. The REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in the REIT's filings with securities regulators, including its latest annual information form and management's discussion and analysis. These filings are also available at the REIT's website at [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca).

In this presentation, Dream Industrial REIT presents certain information regarding management's target internal returns. No assurance, representation or warranty is made by any person that management's target internal returns will be achieved and undue reliance should not be put on them.

### Meaning of Certain References

Unless otherwise stated, information about Dream Industrial REIT is presented as at October 1, 2024.

In this presentation, references to the "Dream group of companies" refers to the REIT, Dream Unlimited Corp, Dream Office Real Estate Investment Trust, Dream Impact Trust and Dream Residential Real Estate Investment Trust, references to "Dream Summit Industrial JV" refers to a joint venture between GIC and the REIT in which the REIT has a 10% interest and references to "GTA Land JV" refers to a develop-to-hold joint venture between a subsidiary of the REIT and a sovereign wealth fund.

In this presentation, references to the term "sf" refer to square feet, references to "psf" refer to per square foot and references to the term "GLA" refer to gross leasable area.

This presentation also refers to certain terms commonly used in the real estate industry, such as "weighted average lease term", "yield on cost", "absorption rate" and "weighted average occupancy". The REIT's calculation of such terms are set out below:

"weighted average lease term ("WALT")" is calculated as average lease term weighted by gross leasable area.

"yield on cost ("YoC")" is calculated as Year 1 net rental income divided by total expected costs of the project or investment.

"absorption rate" is calculated as difference in occupied square footage between two periods.

"weighted average occupancy" is calculated as average occupancy weighted by gross leasable area.

"net rent" refers to weighted average in-place and committed base rent.

"yield on incremental capital" is calculated as incremental rental income divided by the incremental invested capital.

## Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures

The Trust's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this investor presentation, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures and ratios, including CP NOI, FFO, 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, interest coverage ratio, available liquidity as well as other measures discussed elsewhere in this investor presentation. The most directly comparable financial measure to CP NOI is net rental income. The most directly comparable financial measure to FFO, a component of FFO per Unit, is net income. Net total debt and total assets (net of cash and cash equivalents) are non-GAAP measures used as components of net total debt-to-total-assets (net of cash and cash equivalents) ratio. The most directly comparable financial measure to net total debt is non-current debt, and the most directly comparable financial measure to total assets (net of cash and cash equivalents) is total assets. Normalized adjusted EBITDAFV, a non-GAAP financial measure, is used as a component of the net total debt-to-normalized adjusted EBITDAFV ratio, and its most directly comparable financial measure is net income. The most directly comparable financial measure to available liquidity is cash and cash equivalents. These non-GAAP financial measures and ratios are not defined by IFRS and do not have a standardized meaning under IFRS. The Trust's method of calculating these non-GAAP financial measures and ratios may differ from other issuers and may not be comparable with similar measures presented by other income trusts. The Trust has presented such non-GAAP financial measures and ratios as management believes they are relevant measures of the Trust's underlying operating and financial performance. Certain additional disclosures such as the composition, usefulness, reconciliation and changes, as applicable, of the non-GAAP financial measures and ratios included in this investor presentation have been incorporated by reference from the management's discussion and analysis of the financial condition and results from operations of the Trust for the three months ended June 30, 2024, dated August 6, 2024 (the "MD&A for Q2 2024") and can be found under the sections "Non-GAAP Financial Measures" and "Non-GAAP Ratios" and respective sub-headings labelled "Comparative properties net operating income ("CP NOI") (constant currency basis)", "Funds from operations ("FFO")", "Diluted FFO per Unit", "Net total debt-to-total assets (net of cash and cash equivalents) ratio", "Net total debt and total assets (net of cash and cash equivalents)", "Net total debt-to-normalized adjusted EBITDAFV ratio (years)", "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV") and Normalized adjusted EBITDAFV – Annualized", "Interest coverage ratio" and "Available Liquidity".

In this investor presentation, the Trust also discloses and discusses certain supplementary financial measures, including unencumbered investment properties, NOI margin and FFO payout ratio. The composition of unencumbered investment properties has been incorporated by reference from the MD&A for Q2 2024 and can be found under the section "Supplementary financial measures and ratios and other disclosures". NOI margin is calculated as net rental income divided by investment properties revenue. FFO payout ratio is calculated as distributions declared per unit divided by FFO per unit for the period.

The MD&A for Q2 2024 is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) under the Trust's profile and on the Trust's website at [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca) under the Investors section.

Non-GAAP financial measures and ratios should not be considered as alternatives to net rental income, net income, cash and cash equivalents, total assets, non-current debt, or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow and profitability.



**Thank  
you**