

DREAM INDUSTRIAL REIT REPORTS Q2 2019 FINANCIAL RESULTS, STRONG INTERNAL GROWTH AND CONTINUED PORTFOLIO TRANSFORMATION

This news release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.

TORONTO, August 6, 2019, DREAM INDUSTRIAL REIT (DIR.UN-TSX) or (“Dream Industrial REIT”, the “Trust” or “we”) today announced its financial results for the three and six months ended June 30, 2019. Management will host a conference call to discuss the financial results on August 7, 2019 at 11:00 a.m. (ET).

“We continue to transform and improve the overall quality of Dream Industrial REIT’s portfolio,” said Brian Pauls, Chief Executive Officer of Dream Industrial REIT. “The sale of our Eastern Canada portfolio provides significant flexibility to pursue attractive opportunities and add further scale in our target markets. At the same time, our focus on driving internal growth has led to strong comparative property NOI growth in all our regions, and we expect this trend to continue going forward.”

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
(in thousands of dollars except per Unit amounts)				
Operating results				
Net income	\$ 84,017	\$ 16,242	\$ 75,756	\$ 61,113
Funds from operations (“FFO”) ⁽¹⁾	27,617	20,125	52,568	41,357
Net rental income	35,185	27,719	66,884	55,366
Comparative properties net operating income (“NOI”) ⁽¹⁾⁽²⁾	27,166	25,940	53,356	51,813
Per Unit amounts				
Distribution rate	\$ 0.17	\$ 0.17	\$ 0.35	\$ 0.35
FFO – diluted ⁽¹⁾⁽³⁾	0.20	0.21	0.41	0.43
FFO payout ratio – diluted⁽¹⁾	87.1%	82.9%	85.6%	80.6%

See footnotes at end.

SELECTED BALANCE SHEET & PORTFOLIO INFORMATION (unaudited)	As at	
	June 30, 2019	December 31, 2018
(in thousands of dollars except per Unit amounts)		
Available liquidity ⁽¹⁾	\$ 95,364	\$ 103,162
Level of debt (net debt-to-assets ratio) ⁽¹⁾	37.4%	43.5%
Net asset value (“NAV”) per Unit ⁽¹⁾	\$ 11.04	\$ 10.54
Total portfolio⁽⁴⁾		
Investment properties	\$ 2,273,401	\$ 2,138,411
Gross leasable area (“GLA”) (in millions of sq. ft.)	21.6	20.2
Occupancy rate – in-place and committed	96.9%	97.1%
Occupancy rate – in-place	96.3%	95.7%

See footnotes at end.

QUARTERLY AND YEAR-TO-DATE FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Net income for the quarter and year-to-date** – For the three and six months ended June 30, 2019, the Trust recorded net income of \$84.0 million and \$75.8 million, respectively, compared to \$16.2 million and \$61.1 million, respectively, for the three and six months ended June 30, 2018. The increase in net income over the respective periods was mainly attributable to higher net rental income from internal growth, growth from acquisitions, and fair value adjustments to investment properties in the Ontario and Québec regions.
- **Diluted FFO per Unit⁽¹⁾⁽³⁾ for the quarter and year-to-date** – Diluted FFO per Unit for the three and six months ended June 30, 2019 was 20 cents and 41 cents, respectively, compared to 21 cents and 43 cents, respectively, for the three and six months ended June 30, 2018. The decline on a per Unit basis over the respective periods was primarily due to lower leverage which was partially offset by higher comparative properties NOI⁽¹⁾⁽²⁾ across all regions and higher net rental income from our acquired properties.
- **Net rental income for the quarter and year-to-date** – Net rental income for the three and six months ended June 30, 2019 was \$35.2 million and \$66.9 million, respectively, representing an increase of \$7.5 million or 26.9% over the prior year comparative quarter, and an increase of \$11.5 million or 20.8% over the prior year comparative six-month period. The increase was mainly due to higher net rental income from investment properties acquired in 2018 and 2019, as well as higher comparative properties NOI⁽¹⁾⁽²⁾ across all regions.
- **Comparative properties NOI⁽¹⁾⁽²⁾ for the quarter and year-to-date** – Comparative properties NOI for the three and six months ended June 30, 2019 was \$27.2 million and \$53.4 million, respectively, representing an increase of \$1.2 million or 4.7% over the prior year comparative quarter, and an increase of \$1.5 million or 3.0% over the prior year comparative six-month period. Comparative properties NOI increased across all regions and was primarily due to an increase in average occupancy and rental rates in Québec, higher rental rates in Ontario and the United States (“U.S.”), as well as higher average occupancy in Western Canada. Within the Trust’s properties located in the Greater Toronto Area, which represented 90.7% of GLA in the Ontario region, comparative properties NOI increased by 5.6% and 5.3%, respectively, over the prior year comparative quarter and the prior year comparative six-month period.
- **Leasing profile** – For the three and six months ended June 30, 2019, approximately 777,000 square feet and 1.4 million square feet of leases commenced over the respective periods, of which 509,000 square feet and 896,000 square feet, respectively, were renewals and relocations. The overall retention ratio for the three and six months ended June 30, 2019 was 82.0% and 79.5%, respectively.

At June 30, 2019, vacant space committed for future occupancy was approximately 146,000 square feet, bringing our overall in-place and committed occupancy to 96.9%. Substantially all of the Trust’s future committed occupancy is scheduled to take occupancy during the remainder of 2019.

- **Continued strength in Ontario and Québec rental spreads** – In the Trust’s Ontario and Québec regions, the rental spreads on new leases and renewals on occupied space for the three months ended June 30, 2019 were 20.2% and 17.8%, respectively, higher than prior rental rates. Our focus on driving rental rates higher in these regions continues to have a positive impact on our operating results. Of the 1.2 million square feet of 2019 lease expiries in the Ontario region, we have secured renewal and new lease commitments totalling 947,000 square feet at an average spread of 15.9% over expiring or prior rents. In the Québec region, of the 756,000 square feet of 2019 lease expiries, we have secured renewal and new lease commitments totalling 722,000 square feet at an average spread of 14.1% over expiring or prior rents.
- **Net asset value (“NAV”) per Unit⁽¹⁾** – NAV per Unit for the quarter ended June 30, 2019 increased by \$0.43, or 4.1%, to \$11.04 from \$10.61 as at March 31, 2019, largely reflecting an increase in investment property values in the Ontario region due to capitalization rate (“cap rate”) compression and higher market rent assumptions and in the Québec region due to positive leasing activity. On a year-over-year basis, our NAV per Unit increased by \$0.99, or 9.9%, to \$11.04 from \$10.05 as at June 30, 2018, mainly due to the same reasons as noted above.

INVESTMENT HIGHLIGHTS

- **Adding scale in target markets** – The Trust continues to add functional, high-quality assets in strong industrial markets within our portfolio. In 2019, the Trust has completed approximately \$350 million of acquisitions at a weighted average going-in cap rate of 5.9%. These acquisitions have added approximately 4.3 million square feet of GLA in the Trust’s target markets in Canada and the U.S.
- **Continuing to high-grade the portfolio** – On July 31, 2019, the Trust completed the previously announced sale of its Eastern Canada portfolio for gross proceeds before transaction costs, closing adjustments, and debt settlement costs of \$271 million. The Eastern Canada portfolio comprised 38 properties totalling approximately 2.8 million square feet.
- **Acquisitions pipeline update** – We continue to pursue investment opportunities in the Trust’s target markets primarily in Canada, with approximately \$300 million of asset acquisitions in the pipeline.

CAPITAL HIGHLIGHTS

Key performance indicators	June 30, 2019	December 31, 2018
Level of debt (net debt-to-assets ratio) ⁽¹⁾	37.4%	43.5%
Net debt-to-adjusted EBITDAFV (years) ⁽¹⁾	6.4	7.2
Interest coverage ratio (times) ⁽¹⁾⁽⁵⁾	3.7	3.3
Weighted average face interest rate on debt (period-end) ⁽⁶⁾	3.69%	3.65%
Weighted average remaining term to maturity on debt (years)	4.4	4.4
Unencumbered assets ⁽¹⁾⁽⁷⁾	\$ 381,108	\$ 194,594
Available liquidity ⁽¹⁾	95,364	103,162

See footnotes at end.

- **Stable and conservative capital structure** – We ended the quarter with level of debt (net debt-to-assets ratio)⁽¹⁾ of 37.4%, net debt-to-adjusted EBITDAFV⁽¹⁾ of 6.4 years and interest coverage ratio⁽¹⁾⁽⁵⁾ of 3.7 times. Our unencumbered assets⁽¹⁾⁽⁷⁾ and available liquidity⁽¹⁾ totalled \$381.1 million and \$95.4 million, respectively, providing additional financial flexibility.
- **Ample financial flexibility** – On April 25, 2019, the Trust completed a public offering of 12.5 million REIT Units at a price of \$11.55 per REIT Unit for gross proceeds of \$144.1 million, including 1.6 million REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. The net proceeds were utilized to fund acquisitions discussed above, partially repay debt, and for general trust purposes.

“Our second quarter operating results were strong and highlighted the continued improvement in our portfolio quality,” said Lenis Quan, Chief Financial Officer of Dream Industrial REIT. “Along with strong comparative property NOI growth, the Trust’s NAV per Unit has increased almost 10% year-over-year, reflecting the strength of our Greater Toronto and Montréal markets and our ability to capture higher rents. Our FFO per Unit is a little lower as we have decreased our leverage by more than 10% since the beginning of 2018 in order to have a stronger balance sheet, with ample financial flexibility to execute on strategies that will generate higher cash flows as well as NAV per Unit growth.”

CONFERENCE CALL

Senior management will host a conference call to discuss the results on Wednesday, August 7, 2019 at 11:00 a.m. (ET). To access the conference call, please dial 1-888-465-5079 in Canada and the U.S. or 416-216-4169 elsewhere and use passcode 7922 847#. To access the conference call via webcast, please go to Dream Industrial REIT's website at www.dreamindustrialreit.ca and click on the link for News & Events, then click on Calendar of Events. A taped replay of the conference call and the webcast will be available for ninety (90) days following the call.

Other information

Information appearing in this news release is a select summary of results. The condensed consolidated financial statements and management's discussion and analysis for the Trust will be available at www.dreamindustrialreit.ca and on www.sedar.com.

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. To date, Dream Industrial REIT owns and operates a portfolio of 210 geographically diversified light industrial properties comprising approximately 21.8 million square feet of gross leasable area in key markets across Canada and the U.S. Its objective is to build upon and grow its portfolio and to provide stable and sustainable cash distributions to its unitholders. For more information, please visit www.dreamindustrialreit.ca.

FOOTNOTES

- (1) FFO, comparative properties NOI, diluted FFO per Unit, diluted FFO payout ratio, available liquidity, level of debt (net debt-to-assets ratio), NAV per Unit, net debt-to-adjusted EBITDAFV, interest coverage ratio and unencumbered assets are non-GAAP measures used by Management in evaluating operating and financial performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.
- (2) Excludes Eastern Canada portfolio in the respective periods.
- (3) A description of the determination of diluted amounts per Unit can be found in our Management's Discussion and Analysis for the three and six months ended June 30, 2019, in the section "Non-GAAP measures and other disclosures", under the heading "Weighted average number of Units".
- (4) Total portfolio excludes assets held for sale in the respective periods.
- (5) Interest coverage ratio has been restated in the comparative period to conform to current period presentation.
- (6) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest-bearing debt.
- (7) Unencumbered assets exclude assets held for sale in the current period.

Non-GAAP Measures

The Trust's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including FFO, comparative properties NOI, diluted FFO per Unit, diluted FFO payout ratio, available liquidity, level of debt (net debt-to-assets ratio), NAV per Unit, net debt-to-adjusted EBITDAFV, interest coverage ratio and unencumbered assets as well as other measures discussed elsewhere in this release. These non-GAAP measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other income trusts. The Trust has presented such non-GAAP measures as Management believes they are relevant measures of the Trust's underlying operating and financial performance. Non-GAAP measures should not be considered as alternatives to net income, net rental income, cash flows generated from (utilized in) operating activities, cash and cash equivalents, total assets, non-current debt, total equity, or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-GAAP measures and other disclosures" in Dream Industrial REIT's MD&A for the three and six months ended June 30, 2019.

Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding our objectives and strategies and plans to expand our presence in our existing and target markets, strategies and plans to generate higher cash flows as well as NAV per Unit growth, expected comparative properties NOI growth in our markets, and the potential acquisition opportunities. 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 Dream Industrial 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; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; interest and currency rate fluctuations; and with respect to the acquisition pipeline, the failure to satisfy or waive customary conditions on closing as well as the risk that the acquired properties may not perform as anticipated. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable, interest rates remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this press release speaks as of the date of this press release. 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 law. Additional information about these assumptions and risks and uncertainties is contained in Dream Industrial REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Industrial REIT's website at www.dreamindustrialreit.ca.

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