

DREAM INDUSTRIAL REIT REPORTS Q1 2020 FINANCIAL RESULTS AND PROVIDES BUSINESS UPDATE

This press 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, May 5, 2020, DREAM INDUSTRIAL REIT (DIR.UN-TSX) or (“Dream Industrial REIT”, the “Trust” or “we”) today announced its financial results for the three months ended March 31, 2020 and provided a business update related to the COVID-19 pandemic. Management will host a conference call to discuss the financial results on May 6, 2020 at 11:00 a.m. (ET).

“Following a great start to 2020, Dream Industrial continues to maintain low leverage as well as a strong and flexible balance sheet to navigate through the challenges presented by the COVID-19 pandemic,” said Brian Pauls, Chief Executive Officer of Dream Industrial REIT. “While we expect some near-term impact from the economic disruption, our strategic initiatives over the past 24 months have resulted in a higher quality portfolio that is considerably more diversified, resulting in increased stability of cash flows over the long-term. Our current tenant mix encompasses a wide array of industries and our portfolio is well positioned to further benefit from continued growth in e-commerce. Our near-term focus is to prudently run the business while preserving our liquidity as we work to keep our employees and tenants safe while operating within safety guidelines. We continue to maintain ample financial flexibility to capitalize on attractive investment opportunities.”

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)	Three months ended	
	March 31, 2020	March 31, 2019
(in thousands of dollars except per Unit amounts)		
Operating results		
Net income (loss)	\$ 42,017	\$ (8,261)
Funds from operations (“FFO”) ⁽¹⁾	27,994	24,951
Net rental income	39,741	31,699
Comparative properties net operating income (“NOI”) ⁽¹⁾	30,525	30,346
Per Unit amounts		
Distribution rate	\$ 0.17	\$ 0.17
FFO – diluted ⁽¹⁾⁽²⁾	\$ 0.17	\$ 0.21
FFO payout ratio – diluted⁽¹⁾	102.3%	83.7%

See footnotes at end.

SELECTED BALANCE SHEET & PORTFOLIO INFORMATION (unaudited)	As at	
	March 31, 2020	December 31, 2019
(in thousands of dollars except per Unit amounts)		
Available liquidity ⁽¹⁾	\$ 215,826	\$ 591,537
Level of debt (net debt-to-assets ratio) ⁽¹⁾	28.2%	23.7%
Net asset value (“NAV”) per Unit ⁽¹⁾	\$ 11.84	\$ 11.76
Total portfolio		
Number of properties	262	209
Investment properties	\$ 2,925,470	\$ 2,428,664
Gross leasable area (“GLA”) (in millions of sq. ft.)	25.8	21.9
Occupancy rate – in-place and committed (period-end)	96.1%	95.8%
Occupancy rate – in-place (period-end)	95.8%	94.9%

See footnotes at end.

BUSINESS UPDATE

“Dream Industrial is well-positioned to perform well operationally and financially with a diversified, high quality, and resilient portfolio, as well as a strong balance sheet with ample liquidity. We have secured commitments representing over 70% of our space expiring in 2020 and nearly 75% of our current portfolio GLA has embedded growth potential through annual contractual rent escalators that average approximately 2% for the entire portfolio,” said Alexander Sannikov, Chief Operating Officer of Dream Industrial REIT. “With significant scale across Canada, the U.S., and Europe, Dream Industrial should benefit from demand drivers for industrial space such as rising e-commerce penetration and increased focus on “re-shoring”. We continue to work with our tenants who are unable to meet their near-term lease obligations in this challenging economic environment while focusing on the long-term stability of our tenant base.”

- **Portfolio diversification** - The Trust’s portfolio is well diversified by geography, asset size, and tenant mix and is comprised of high quality properties located in close proximity to major transportation corridors and/or large population centres. Within our portfolio, tenants representing approximately 40% of annualized base rent are directly involved in e-commerce or actively support e-commerce operations. The Trust’s portfolio is an attractive mix of large bay and small/mid bay industrial properties with approximately 42% of annualized base rent contributed by units that are greater than 100,000 square feet and approximately 15% of annualized base rent contributed by units that are less than 10,000 square feet.
- **Leasing update** – During the first quarter, the Trust transacted 77 leases totalling 0.8 million square feet, with approximately half the leases being transacted subsequent to February 15, 2020. As at March 31, 2020, the Trust has secured lease commitments on new leases and renewals taking occupancy in 2020 totalling 2.5 million square feet, representing over 70% of leases expiring during the year. Approximately 5% of the Trust’s portfolio GLA is set to mature over the remainder of the year.
- **Operational update** - The Trust continues to collaborate with its tenants, lenders, and partners and act in the best interests of its employees and other stakeholders during this crisis. For the month of April, the Trust collected over 90% of gross rents due across the portfolio. In addition, the Trust has over \$20 million in security deposits as well as other payments outstanding to its tenants representing approximately 50% of the Trust’s first quarter net rental income. At the same time, the Trust is prudently managing discretionary expenditures, and has deferred over \$5 million of maintenance capital expenditure projects to 2021.
- **Liquidity update** - The Trust continues to take steps to further bolster its liquidity. As at March 31, 2020, the Trust had \$65.8 million in cash on hand, full availability on its \$150 million revolving credit facility, and unencumbered assets totalling \$842.5 million. The Trust has received a commitment for a US\$250 million unsecured revolving credit facility which will replace the \$150 million secured revolving credit facility. The new facility is expected to close in May, mature in January 2022, bear interest at similar rates for Canadian and U.S. dollar draws, and add the ability to drawdown in euros. With the new unsecured facility, the Trust’s liquidity would increase by approximately \$200 million and unencumbered assets would increase by \$270 million to over \$1.1 billion, representing 38% of the Trust’s investment properties value as at March 31, 2020.

“While the COVID-19 pandemic has severely disrupted the economic environment, Dream Industrial’s balance sheet is at its strongest since the inception of the REIT,” said Lenix Quan, Chief Financial Officer of Dream Industrial REIT. “Our leverage is below 30% and pro forma the closing of the unsecured credit facility, we will have over \$400 million in liquidity from cash-on-hand and undrawn line capacity, with 38% of our assets unencumbered. We retain ample capacity to absorb any unforeseen occupancy losses and maintain the REIT’s distributions for the foreseeable future. We continue to prudently manage our cash flow and allocate capital with the goal of creating long term value for our unitholders.”

QUARTERLY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Net income for the quarter** – For the three months ended March 31, 2020, the Trust recorded net income of \$42.0 million, consisting of net rental income of \$39.7 million, fair value gains to financial instruments of \$57.3 million, partially offset by fair value loss to investment properties of \$36.5 million (of which \$25.5 million attributable to write-off of acquisition related costs) and cumulative other income and expenses of \$18.5 million.
- **Diluted FFO per Unit⁽¹⁾ for the quarter** – Diluted FFO per Unit for the three months ended March 31, 2020 was 17 cents, compared to 21 cents for the three months ended March 31, 2019. FFO per Unit was lower primarily due to lower leverage, higher undeployed cash balances, and higher general and administrative expenses, partially offset by increase in net rental income through acquisitions and organic growth.
- **Net rental income for the quarter** – Net rental income for the three months ended March 31, 2020 was \$39.7 million, representing an increase of \$8.0 million or 25.4% over the prior year comparative quarter. The increase was mainly due to higher net rental income from investment properties acquired in 2020 and 2019 and, to a lesser extent, higher overall comparative properties NOI⁽¹⁾.
- **Comparative properties NOI⁽¹⁾ for the quarter** – Comparative properties NOI for the three months ended March 31, 2020 increased by 0.6% over the prior year comparative quarter primarily due to higher average occupancy and rental rates in Québec, which resulted in comparative properties NOI growth of 8.9% from the region. Partially offsetting the increase was lower average occupancy, free rent on select new tenants, and modestly lower rental rates in Western Canada. In Ontario, comparative properties NOI contracted marginally by 0.6% as strong rental rate growth was muted by lower average occupancy. The lower average occupancy was mainly due to approximately 209,000 square feet of vacancies at two properties in the GTA. The Trust secured a lease for 110,000 square feet at one of the properties which commenced in March 2020, at a rental spread of 14.4% over the prior rate with 3.5% annual contractual growth over the seven-year term. Our comparative properties in the U.S. portfolio which is comprised of seven properties representing 48% of the U.S. portfolio GLA, posted comparative properties NOI growth of 2.3%, led by contractual rent growth and the favourable impact of foreign exchange.
- **Leasing activity** – For the three months ended March 31, 2020, approximately 1.2 million square feet of leases commenced across the Trust's portfolio. The overall retention ratio for the three months ended March 31, 2020 was approximately 90%. As at March 31, 2020, vacant space committed for future occupancy was approximately 82,000 square feet, bringing our overall in-place and committed occupancy to 96.1%.
- **Healthy rental spreads in Ontario and Québec** – In the Trust's Ontario and Québec regions, the rental spreads on new leases and renewals on space occupied in the first quarter of 2020 were 20.0% and 8.3%, respectively, higher than expiring or prior rents. Our focus on driving rental rates higher in these regions has been successful. In Ontario, we have secured 2020 lease commitments totalling approximately 0.8 million square feet at an average rental spread of 23.2% over expiring or prior rents. In the Québec region, we have secured renewal and new lease commitments totalling approximately 0.3 million square feet at an overall average rental spread of 8.0% over expiring or prior rents.
- **Significant portfolio growth** – During the quarter, the Trust completed the previously announced acquisitions of \$157 million of assets in Ontario and Québec and €186 million (\$268 million) of acquisitions in the Netherlands and Germany. These acquisitions added just over 3.9 million square feet of well-located industrial properties in our target markets with over 97% occupancy and a weighted average lease term of over 5 years.

CAPITAL HIGHLIGHTS

KEY PERFORMANCE INDICATORS (unaudited)		
(in thousands of dollars)	March 31, 2020	December 31, 2019
Level of debt (net debt-to-assets ratio) ⁽¹⁾	28.2%	23.7%
Net debt-to-adjusted EBITDAFV (years) ⁽¹⁾	5.3	4.3
Interest coverage ratio (times) ⁽¹⁾	3.9	3.8
Weighted average face interest rate on debt (period-end) ⁽³⁾	3.57%	3.59%
Weighted average remaining term to maturity on debt (years)	5.9	5.5
Unencumbered assets ⁽¹⁾	\$ 842,547	\$ 96,251
Available liquidity ⁽¹⁾	\$ 215,826	\$ 591,537

See footnotes at end.

CONFERENCE CALL

Senior management will host a conference call to discuss the financial results on Wednesday, May 6, 2020 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 8597 927#. 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 press release is a select summary of financial 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. As at March 31, 2020, Dream Industrial REIT owns and operates a portfolio of 262 industrial properties comprising approximately 25.8 million square feet of gross leasable area in key markets across North America and a growing presence in strong European industrial markets. Its objective is to continue to grow and upgrade the quality of its portfolio and to provide attractive overall returns 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) A description of the determination of diluted amounts per Unit can be found in our Management's Discussion and Analysis for the three months ended March 31, 2020, in the section "Non-GAAP measures and other disclosures", under the heading "Weighted average number of Units".
- (3) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt.

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 press 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" section in Dream Industrial REIT's MD&A for the three months ended March 31, 2020.

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 to achieve those objectives; the Trust's expectations relating to the benefits to be realized from demand drivers for industrial space; the Trust's intentions to prudently allocate capital; the Trust's ability to absorb unforeseen occupancy losses; the Trust's ability to maintain its distributions; the Trust's expectations of the extent of rent deferrals and repayment from tenants; and the anticipated timing of closing the unsecured revolving credit facility. 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; employment levels; mortgage and interest rates and regulations; the uncertainties around the timing and amount of future financings; uncertainties surrounding the COVID-19 pandemic; the financial condition of tenants; leasing risks, including those associated with the ability to lease vacant space; rental rates on future leasing; and interest and currency rate fluctuations. 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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