



DREAM INDUSTRIAL REIT ANNOUNCES BBB RATING BY DBRS AND NEW C\$200 MILLION EURO-DENOMINATED UNSECURED FINANCING

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, OCTOBER 22 2020, Dream Industrial REIT (TSX: DIR.UN) (“Dream Industrial”, “DIR”, or the “Trust”) announced today that it has been assigned an Issuer Rating of BBB with Stable Trend by DBRS Limited (“DBRS Morningstar”). This is the first time Dream Industrial has been rated by DBRS Morningstar. In its report, DBRS Morningstar noted that the Trust benefits from superior tenant, property and geographic diversification, strong interest coverage and leverage levels commensurate with its rating.

“We are pleased to have achieved this investment grade credit rating from DBRS,” said Brian Pauls, Chief Executive Officer of Dream Industrial REIT. *“We believe the rating from DBRS reflects our continued focus on building a high-quality portfolio, diversifying the business throughout Canada, the United States and Europe and strengthening our balance sheet. This initiative provides opportunities for DIR to access new sources of capital as we continue to execute on our growth strategy.”*

As a result of the BBB rating, the Trust expects to achieve a 25 basis points (“bps”) reduction in the cost of borrowing on its existing US\$250 million revolving credit facility effective the next drawdown, and a 5 bps decrease in its standby fee pricing effective immediately.

Following the C\$188 million in acquisitions recently announced by the Trust on October 20, 2020, the Trust will have acquired over C\$600 million of assets in 2020. In conjunction with growing and upgrading its portfolio, the Trust has commenced the execution of its debt strategy of transitioning its borrowings into Euros, which provides the opportunity to significantly lower financing costs while hedging its currency exposure.

The Trust has received a commitment from a Canadian chartered bank for a US\$150 million (C\$200 million) unsecured term loan. After swapping into Euro-denominated debt the term loan is expected to bear interest at approximately 0.90%. The three-year term loan is expected to close in the fourth quarter of 2020 and bring the Trust’s Euro-denominated debt to approximately 50% of the Trust’s investment properties value in Europe, including the recently announced acquisitions. With leverage below the Trust’s target level, it retains the ability to obtain additional Euro-denominated unsecured debt to fund future acquisitions, repay North American mortgages and any outstanding amounts on the unsecured credit facility. The Trust expects to retain available liquidity of over C\$360 million, between cash-on-hand and undrawn unsecured credit facility capacity, with approximately C\$300 million in acquisition capacity.

“With our portfolio showing resilience during the COVID-19 related disruption, we have resumed the execution of our capital deployment and debt strategy announced earlier in the year,” said Lenis Quan, Chief Financial Officer of Dream Industrial REIT. *“The commencement of our European debt strategy is a unique driver of cash flow per*

unit growth for DIR. Obtaining the investment grade credit rating from DBRS provides us with another tool to execute on our debt strategy. The average interest rate on our total outstanding debt is poised to decline by approximately 10% by year-end 2020 as we obtain Euro-denominated debt, and we expect it to reduce further over time. We have taken significant steps in deploying our strong balance sheet and lowering our cost of debt, which along with robust leasing momentum has materially improved our growth outlook for 2021 and future years.”

About Dream Industrial Real Estate Investment Trust

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. To date, the Trust owns and operates a portfolio of 266 industrial properties comprising approximately 26.6 million square feet of gross leasable area in key markets across North America and a growing presence in strong European industrial markets. The Trust’s 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.

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 interest coverage, available liquidity, leverage also known as level of debt (net debt-to-assets ratio) 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 June 30, 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; expectations regarding the industrial real estate market and the future performance of our portfolio; our ability to access new sources of capital at acceptable rates; our ability to improve our growth outlook for 2021 and future years through acquisitions, lowering our cost of debt, and robust leasing momentum; the strength of our investment pipeline; future acquisition activity and leverage levels; anticipated timing of acquisition closings and the closing of our term loan; expected savings on cost of borrowing; our ability to obtain additional unsecured debt; and our expected liquidity and acquisition capacity. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust’s control, which could cause actual results to differ materially from those 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; uncertainties surrounding the COVID-19 pandemic; the financial condition of tenants and borrowers; mortgage and interest rates and regulations; leasing risks, including those associated with the ability to lease vacant space; rental rates on future leasing; interest and currency rate fluctuations; and competition. Assumptions upon which forward-looking information is based may include, but are not limited to: a gradual recovery and growth of the general economy over the remainder of 2020 and 2021; relatively historically low interest costs; access to equity and debt capital markets to fund, at acceptable costs, future capital requirements and to enable our refinancing of debts as they mature; the availability of investment opportunities for growth



in our target markets; the timing and ability to sell certain properties; the valuations to be realized on property sales relative to current IFRS values; maintaining occupancy levels; and anticipated replacement of expiring tenancies. All forward-looking information in this press release speaks as of the date of this press release. The Trust 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 disclosed in filings with securities regulators filed on SEDAR (www.sedar.com). These filings are also available at the Trust's website at www.dreamindustrialreit.ca.

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