



Dream Industrial REIT

Annual Report 2024



dream industrial REIT

Dream Industrial REIT co-owns and manages a 72 million square foot portfolio of well-located, high quality urban logistics and distribution assets across Canada, Europe and the U.S.

The REIT's objective is to deliver strong total returns to its unitholders through secure distributions as well as growth in net asset value and cash flow per unit underpinned by its high-quality portfolio and an investment grade balance sheet.

Dream Industrial REIT is part of the Dream Industrial platform which comprises the REIT and four private partnerships managed within the Dream Group of Companies.



Letter to Unitholders

Our business underwent a substantial transformation over the past five years; we strengthened the quality of our owned and managed portfolio by selling over \$0.9 billion of non-strategic assets, completing over \$10 billion of acquisitions and building 3.5 million square feet of best-in-class industrial buildings, diversified our tenant base and geographic exposure, launched new private partnerships and strengthened our balance sheet while enhancing our access to capital. During this time, the operating environment was characterized by significant uncertainty including a global pandemic, geopolitical tensions, rising inflation and changing interest rate environment. A key outcome of the transformation we have seen in Dream Industrial REIT’s business is resiliency, allowing us not only to withstand uncertainty but also to continue thriving.

As we look ahead, the economic environment remains uncertain. At the same time, we have multiple drivers of growth embedded in the business, all underpinned by a strong balance sheet with low leverage, ample liquidity and financial flexibility.

The portfolio is well-diversified across key industrial markets in Canada, Western Europe and the U.S. Over 80% of our portfolio consists of urban industrial assets that are well-located and versatile; it is this generic functionality that attracts and retains our 1,500 tenants from a broad array of industries who utilize our assets for a range of activities including warehousing, light assembly and last-mile logistics.

We have several levers to pull to continue growing organically, all of which stem from having an urban portfolio. New supply of urban industrial is limited due to land availability and financial constraints, while the occupier demand remains consistent as a result of structural trends such as e-commerce, supply chain resiliency and nearshoring.

These fundamentals provide for multiple organic growth drivers such as marking rents to market, annual rent escalators built into our leases and overall high occupancy within the portfolio. We also have an active development program. Since starting this program in 2021, we have delivered over one million square feet of high quality, modern product on the REIT’s balance sheet at an attractive yield on cost of over 7%, with additional projects underway and in planning within our near-term pipeline. Ancillary revenue is a recent focus to drive higher returns from our assets. Our solar program now consists of 23 completed projects with 21 MW of capacity, and 60 projects undergoing feasibility or construction. We are also implementing EV charging at several sites and undergoing feasibility for potential cell tower partnerships.

A key differentiator of urban industrial is that often the highest and best use for these assets is not industrial, and as such, there is an ability to reposition the land to accommodate more diverse uses over the long term. We believe the alternate use profile provides upside potential and adds further resilience for this asset class, positioning us well to navigate the current economic environment.

These characteristics of our portfolio are evidenced in our results.

We achieved FFO per unit of \$1.00 in 2024, marking our fourth consecutive year of FFO per unit growth. We increased our average in-place rents by nearly 7% which drove comparative properties NOI growth of 4.6% while facing occupancy and inflationary pressures. Our in-place rents remain over 30% below market in Canada and 7% in Europe, which along with contractual rent growth embedded in our leases and a staggered lease maturity profile, will continue to drive organic growth. We achieved this organic growth while reducing our leverage on net-debt-to-EBITDA basis, and almost doubling our available liquidity compared to 2023.

We advanced our development program during the year with the completion of four projects, adding over 1.6 million square feet of modern

space to our wholly-owned and managed portfolio. Our new projects are designed to be demisable into smaller units to accommodate a wide range of tenant sizes while providing best in-class and functional urban industrial space to our occupiers. We currently have 6 projects totalling 1.2 million square feet underway or in advanced stages of planning across our target markets and we remain on target to achieve our forecasted development yields.

Our private capital partnership strategy remains a key focus for us as we continue to add scale to our industrial platform and grow alongside our private ventures. During the year, we closed on over \$261 million of acquisitions within the Dream Summit JV and Development JV, requiring total equity investment of \$29 million from the REIT. Subsequent to year end, our ventures closed on an additional \$400 million of acquisitions, including a 27.5-acre waterfront site located in Vancouver, marking our entry into one of the tightest markets in Canada. Additionally, we generated more than \$11 million in operating margin from our property management platform, further enhancing returns on our co-investments.

We continued to execute on our capital recycling program, completing nearly \$140 million of dispositions across our wholly-owned portfolio and private ventures to continue high-grading our asset base and free up capital for strategic investments in our target markets.

To support all of our strategic endeavours, we are committed to maintaining a strong and flexible balance sheet. During the year, we issued \$425 million of unsecured debt at an average rate of 4.7%, repaid \$109 million of mortgages and upsized our \$500 million revolving credit facility to \$750 million. DBRS confirmed our BBB credit rating and improved the trends from Stable to Positive. We ended the year with debt-to-EBITDA decreasing to 7.0 times and over \$820 million of available liquidity. We are well-positioned to meet the needs of investing in our business and to address our upcoming debt maturities.

Looking ahead, all of our growth drivers remain intact. We are one of the largest industrial landlords in Canada with 45 million square feet in our owned and managed portfolio, and we are focused on delivering best in class customer solutions and national services for our tenants. Our high-quality urban portfolio is well poised to capture mark-to-market opportunities and drive organic growth. Our development pipeline allows us to continuously add prime assets to our portfolio and our private capital partnerships serve as an additional growth lever. At the same time, we are focused on scaling up new revenue sources and identifying the best and highest uses for our assets, including data centres, cold storage and mixed-use intensification opportunities.

The successful execution of our strategic growth pillars has provided us with stable and growing cash flows which we have strategically reinvested into the business. We believe that the opportunity set for DIR is currently the strongest in its history and we look forward to continue creating value for all our stakeholders.

On behalf of our management team and our Board of Trustees, I would like to thank you for your interest and support of our business.

Sincerely,

“Alexander Sannikov”

Alexander Sannikov
President & Chief Executive Officer

February 18, 2025



At a Glance

Dream Industrial owns and operates a high-quality portfolio totalling 72 million square feet square feet with a focus on urban industrial assets globally. Our full-service, in-house platform is comprised of a dedicated industrial team with over 150 professionals across multiple disciplines.

We focus on creating value for its unitholders through disciplined allocation of capital, unlocking organic NOI and NAV growth through creative asset management strategies and delivering superior operating results.

4.6%

2024 CP NOI growth⁽¹⁾

\$1.00

2024 diluted FFO per Unit⁽²⁾

\$16.79

NAV per Unit⁽³⁾

25%+

Market rent spread

67%

10 year cumulative total return

6.0%

Distribution yield⁽⁴⁾

BBB(mid) with
Positive trend

DBRS issuer rating

36.1%

Net total debt-to total assets (net of cash and cash equivalents) ratio⁽³⁾

7.0x

Net total debt-to-normalized adjusted EBITDAFV ratio (years)⁽³⁾

* All figures as at December 31, 2024.

(1) Comparative properties net operating income ("CP NOI") (constant currency basis) is a non-GAAP financial measure. The most directly comparable financial measure to CP NOI (constant currency basis) is net rental income. For more information, refer to the non-GAAP financial measures section in the MD&A.

(2) Diluted FFO per Unit is a non-GAAP ratio. Diluted FFO per Unit is comprised of FFO (a non-GAAP financial measure) divided by the weighted average number of Units. For more information, refer to the non-GAAP ratios section in the MD&A.

(3) Net asset value ("NAV") per Unit, net total debt-to-total assets (net of cash and cash equivalents) ratio and net total debt-to-normalized adjusted EBITDAFV are non-GAAP ratios. For more information, refer to the non-GAAP ratios section of the MD&A.

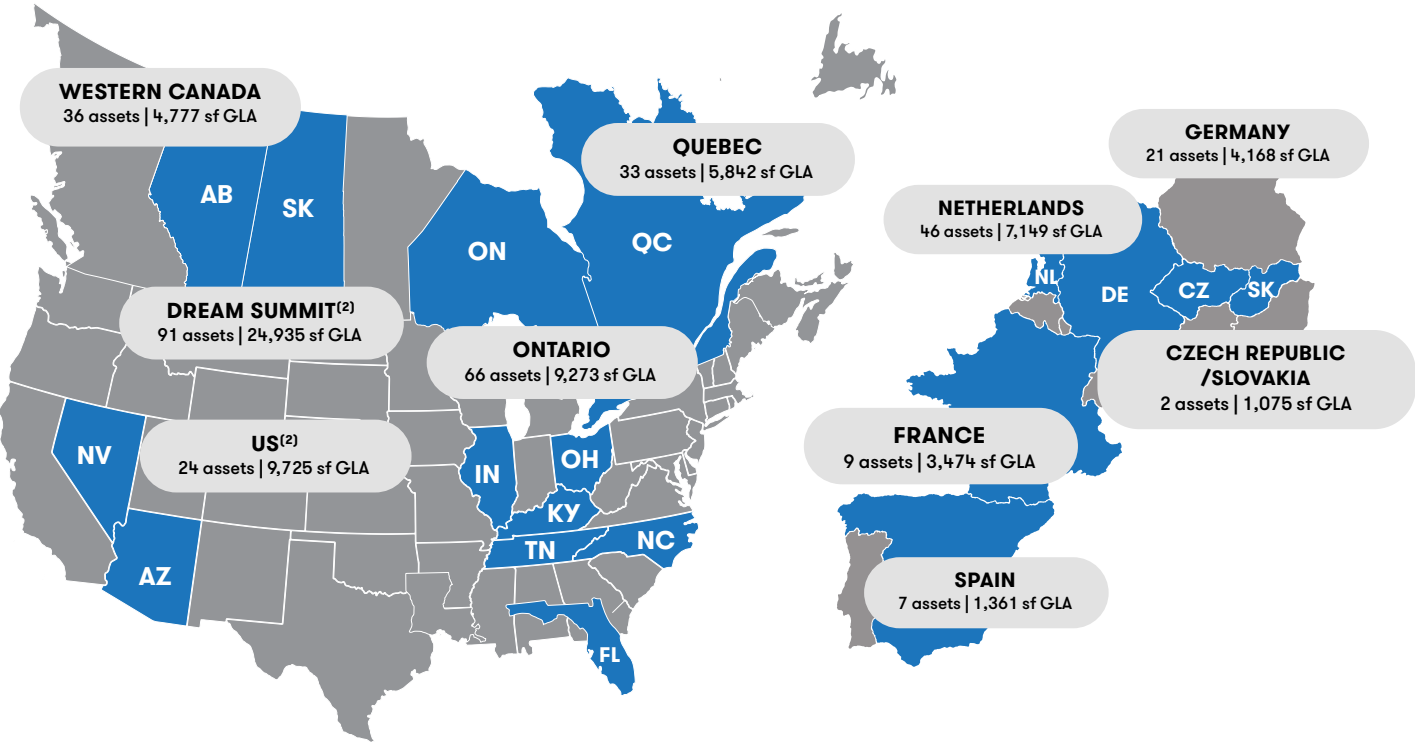
(4) Distribution yield is calculated as annual distribution per unit divided by unit price as of February 14, 2025.



Portfolio Overview

We have well-established relationships in all our local markets and a strong track record of sourcing high-quality and accretive acquisitions with long-term cash flow and NAV growth potential. Our local, on-the-ground teams have built an occupier focused program aimed at driving tenant retention and expanding our geographic reach and scale.

\$7 BILLION WHOLLY-OWNED INVESTMENT PROPERTIES



71.8 million	335	4,090	95.8%
SF total GLA ⁽¹⁾	Assets ⁽¹⁾	Site area ⁽¹⁾	Occupancy ⁽²⁾

(1) Includes the Trust's owned and managed properties as at December 31, 2024.
(2) Includes the Trust's share of equity accounted investments as at December 31, 2024.



Stevinlaan 4
Ede, Netherlands

Resilient Urban Industrial Portfolio

Our urban industrial assets are well-located in or near major population centers and offer exceptional versatility, featuring functional spaces that accommodate a wide range of occupier needs, including warehousing, light assembly, industrial outside storage and last mile logistics.



Veghel, Netherlands

Doornhoek 4040

Doornhoek 4040 is a 118,000 sf logistics asset located in the sub-market of Veghel. This is a function asset built to modern specifications with great connectivity to the A50 motorway and connection to Eindhoven, a major food hub. This asset is fully refrigerated which provides additional repositioning opportunities given the long-term scarcity of cold storage in the immediate area. Feasibility is currently underway for solar panel installations with an initial estimated yield on cost of 7.5%.

75%

Tenant retention ratio⁽¹⁾

1,456

Tenants⁽²⁾

33,000 SF

Average tenant size in wholly-owned portfolio

4.1 years

WALT⁽¹⁾

(1) Excludes investment properties in equity accounted investments as at December 31, 2024
(2) Includes tenants occupying investment properties that are owned and managed as at December 31, 2024.



Industry Exposure by Annualized Gross Rent⁽¹⁾



Use of Space by Annualized Gross Rent⁽¹⁾

(1) Includes tenants occupying investment properties that are owned and managed as at December 31, 2024.

Development

We are committed to adding high-quality brand-new logistics space to our portfolio in predominantly urban markets. Our in-house development team has a track record of delivering best-in-class modern industrial properties globally, with a pipeline that includes 5 million square feet of active projects and an additional 7 million square feet available for expansion or build-to-suit purposes.



Brampton, ON

Brampton Infill Site

This is a shovel-ready site located in Bramalea Business Park with a highly efficient configuration, supporting a 680,000 square foot logistics facility and allowing for approximately 49% site coverage. The site offers strong connectivity to regional and global supply chain in close proximity to 400-series highways, Toronto Pearson Airport and multiple nearby intermodal rail terminals. Our established footprint in the immediate area provides opportunities to capture property management and leasing synergies. Project construction is anticipated to commence in 2026.

Near-Term Development Projects			
	Number of projects	GLA (in thousands of sq. ft.) ⁽¹⁾	Estimated unlevered yield
Total complete/substantially complete	11	2,192	6.7%
Total projects underway	1	389	6.5%
Total projects in planning	5	804	6.0 - 7.0%

(1) Represents total GLA of the projects for new development and redevelopment and incremental GLA for intensification projects.



Ancillary Revenue Sources

Our urban footprint presents significant ancillary revenue opportunities. We are committed to investing in value-add initiatives, further diversifying our portfolio and strengthening our long-term growth strategy.



23

Completed and substantially completed projects

12%

Estimated yield on cost

\$1.5 million

Solar NOI generated in 2024

43,000

Solar panels

21 MW

System capacity of completed and substantially completed projects

37+ MW

System capacity under construction or in feasibility



Private Capital Partnerships

We continue to focus on our private capital partnerships, leveraging our local operating platform to upgrade the quality of our portfolio and generate a growing and recurring property management fee stream.

4

Partnerships

\$8 billion

Total gross asset value

35 million

SF GLA

\$1+ billion

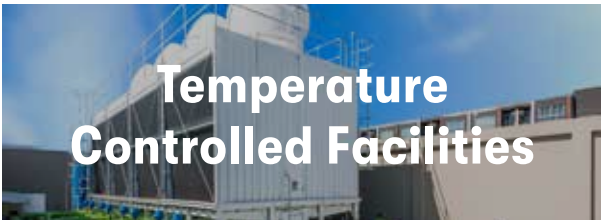
of acquisitions over the past 24 months

\$11+ million

Net property management and leasing fees generated in 2024

Alternative Uses

With their infill locations, our urban industrial assets are candidates for conversion or redevelopment for alternative uses, enhancing the value creation potential of this resilient asset class. We continuously evaluate the highest and best use for our assets to generate strong returns and cash flows.



ESG Highlights

Sustainability Report

See our 2023 Sustainability Report under the Sustainability section of our website at: www.sustainability.dream.ca

Tech Park
The Hague, Netherlands

Environmental

\$850 million

In green bonds have been issued to date, over \$708 million in eligible green projects have been deployed in 2021, 2022 and 2023. Approximately \$200 million in eligible green projects were deployed in 2024 and \$110 million of projects are either underway or in preliminary stages for completion in 2025 and beyond

21 MW

Of system capacity in 23 solar projects that have been completed and substantially completed to date, representing \$25 million in upfront capital investment and generating \$1.5 million in NOI in 2024

900,000 sf

In LEED certifications completed in 2024⁽³⁾

600,000 sf

Of new developments achieved the Canada Green Building Council's Zero Carbon Building Design v2 Certification in 2024

650,000 sf

Of LED upgrades completed in 2024

Social

Platinum Level Green Lease Leader⁽¹⁾

Recognition by the Institute for Market Transformation and the U.S. Department of Energy's Better Buildings Alliance

Governance

Ranked 1st

Of 10 entities in GRESB⁽²⁾ rankings; Northern America, Industrial in the GRESB Public Disclosure results in 2024



(1) Recognition received in 2023.
(2) All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.
(3) Refer to the Sustainability Update on page X for further details.

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Hecto 1-3
Zevenaar, Netherlands

Management's discussion and analysis

All dollar amounts in our tables are presented in thousands of Canadian dollars, except for per square foot amounts, per Unit amounts, or unless otherwise stated.

SECTION I

KEY PERFORMANCE INDICATORS

Performance is measured by these and other key indicators:

	As at	
	December 31, 2024	December 31, 2023
Total portfolio		
Number of assets ⁽¹⁾⁽²⁾	335	344
Investment properties fair value	\$ 7,031,713	\$ 6,924,274
Gross leasable area ("GLA") (in millions of sq. ft.) ⁽²⁾	71.8	71.4
Occupancy rate – in-place and committed (period-end) ⁽³⁾	95.8%	96.2%
Occupancy rate – in-place (period-end) ⁽³⁾	95.3%	96.0%
Average in-place and committed base rent per sq. ft. (period-end) ⁽⁴⁾		
Canadian portfolio	\$ 10.54	\$ 9.54
European portfolio (€)	€ 5.64	€ 5.49
Estimated market rent to in-place and committed base rent spread (%) (period-end) ⁽⁴⁾		
Canadian portfolio	34.0%	46.1%
European portfolio	7.3%	8.6%
Weighted average lease term ("WALT") (years) ⁽⁴⁾	4.1	4.2

	Three months ended		Year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating results				
Net rental income	\$ 91,419	\$ 85,181	\$ 355,432	\$ 334,180
Comparative properties net operating income ("NOI") (constant currency basis) ⁽³⁾⁽⁵⁾	\$ 94,606	\$ 91,604	\$ 351,786	\$ 336,415
Net income	\$ 109,635	\$ (8,817)	\$ 259,611	\$ 104,299
Funds from operations ("FFO") ⁽⁵⁾	\$ 74,490	\$ 69,286	\$ 288,877	\$ 274,634
FFO – diluted per Unit ⁽⁶⁾⁽⁷⁾	\$ 0.26	\$ 0.24	\$ 1.00	\$ 0.98
Distribution rate per Unit	\$ 0.17	\$ 0.17	\$ 0.70	\$ 0.70
FFO payout ratio ⁽⁶⁾	68.8%	72.9%	70.6%	72.1%

	As at	
	December 31, 2024	December 31, 2023
Financing		
Credit rating – DBRS	BBB (mid)	BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio ⁽⁶⁾	36.1%	36.0%
Net total debt-to-normalized adjusted EBITDAFV ratio (years) ⁽⁶⁾	7.0	7.7
Interest coverage ratio (times) ⁽⁶⁾	5.2	6.0
Weighted average face interest rate on debt (period-end) ⁽⁸⁾	2.47%	2.35%
Secured debt as a percentage of total assets ⁽⁹⁾	5.9%	7.4%
Unencumbered investment properties (period-end) ⁽⁹⁾	\$ 5,799,700	\$ 5,401,880
Unencumbered investment properties as a percentage of total investment properties ⁽⁹⁾	82.3%	78.0%
Total assets	\$ 8,122,554	\$ 7,858,340
Cash and cash equivalents	\$ 80,277	\$ 49,916
Available liquidity ⁽⁵⁾	\$ 822,395	\$ 491,868
Capital		
Total equity (per consolidated financial statements)	\$ 4,731,073	\$ 4,574,897
Total equity (including LP B Units) ⁽⁵⁾	\$ 4,888,696	\$ 4,761,215
Total number of Units (in thousands) ⁽¹⁰⁾	291,167	286,590
Net asset value (“NAV”) per Unit ⁽⁶⁾	\$ 16.79	\$ 16.61
Unit price	\$ 11.81	\$ 13.96

- (1) Number of assets comprises a building or a cluster of buildings in close proximity to one another, attracting similar tenants. The number of assets within the Dream Summit JV (defined below) portfolio for the comparative periods following acquisition has been updated to reflect revised cluster definitions within this portfolio.
- (2) Includes the Trust’s owned and managed properties as at December 31, 2024 and December 31, 2023. Managed properties include assets held in a joint venture between GIC and the Trust in which the Trust has a 10% interest (the “Dream Summit JV”) and U.S. assets held in a private U.S. industrial fund (the “U.S. Fund”) for which the Trust provides property management, construction management and leasing services at market rates.
- (3) Includes the Trust’s share of equity accounted investments as at December 31, 2024 and December 31, 2023.
- (4) Excludes the Trust’s share of equity accounted investments in the U.S. Fund and Dream Summit JV as at December 31, 2024 and December 31, 2023.
- (5) Comparative properties NOI (constant currency basis), FFO, available liquidity and total equity (including LP B Units) are non-GAAP financial measures. See the “Non-GAAP Financial Measures” section for additional information.
- (6) Diluted FFO per Unit, FFO payout ratio, net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years), interest coverage ratio (times) and NAV per Unit are non-GAAP ratios. See the “Non-GAAP Ratios” section for additional information.
- (7) See the “Supplementary Financial Measures and Ratios and Other Disclosures” section for additional information about diluted amounts per Unit under the heading “Weighted average number of Units”.
- (8) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt, including the impact of cross-currency interest rate swaps (“CCIRS”) as at year end.
- (9) Secured debt as a percentage of total assets, unencumbered investment properties and unencumbered investment properties as a percentage of total investment properties are supplementary financial measures. See “Supplementary Financial Measures and Ratios and Other Disclosures” for a description of these supplementary financial measures.
- (10) Total number of Units includes 13.3 million LP B Units that are classified as a liability under IFRS Accounting Standards.

BUSINESS UPDATE

Dream Industrial Real Estate Investment Trust (“Dream Industrial REIT”, “REIT”, “DIR” or the “Trust”) ended 2024 with a solid quarter. Leasing momentum for our well-located assets and recently completed developments remained strong since the beginning of 2024 through January 31, 2025 across our wholly-owned portfolio, with 7.3 million square feet of leases signed at an average rental rate spread of 35.6%, outpacing the transacted volume of 4.5 million in the prior year comparative period while achieving consistent rental rate spreads. We ended the year with solid occupancy levels at 95.8% across our portfolio. We continued to execute on our development pipeline this year, adding over 1.6 million square feet of best-in-class industrial product to our owned and managed portfolio during the year. During the quarter, we substantially completed our 650,000 square foot development project in Balzac, Alberta, which has been partially leased with occupancy starting in Q1 2025. We advanced our solar program with the completion of seven projects across Alberta and the Netherlands during the year, and we remain focused on unlocking value through alternative and best uses for our assets. Our execution of growth opportunities

within our portfolio has allowed us to generate strong year-over-year comparative properties NOI (“CP NOI”) (constant currency basis) growth of 3.3%, net rental income growth of 7.3% and FFO per Unit growth of 5.8% for the quarter. For the full year, we have generated CP NOI (constant currency basis) growth of 4.6%, net rental income growth of 6.4% and FFO per Unit growth of 1.9% compared to the prior year.

We continue to grow our property management platform through our private capital partnerships, generating over \$11 million in net property management income for the year. During the year, we completed approximately \$260 million of acquisitions through our joint ventures, and Dream Summit JV closed on an additional \$400 million of acquisitions subsequent to year end, including a 27.5-acre waterfront property marking our entry into the Vancouver market in British Columbia. At the same time, we ramped up our capital recycling with \$140 million of dispositions completed across our wholly-owned portfolio and private ventures.

We continue to maintain significant financial flexibility despite the higher interest rate environment. During 2024, we issued \$200 million of unsecured debt and closed on a €153 million term loan at an average rate of 4.7%. We extended our \$200 million bilateral term loan by two years and increased the size of our credit facility by \$250 million to \$750 million. At the end of the year, our total net debt-to-total assets (net of cash and cash equivalents) ratio was 36.1% and total available liquidity was \$822.4 million (composed of cash and cash equivalents of \$80.3 million and undrawn capacity on our unsecured revolving credit facility of \$742.1 million), positioning us well to address our near-term debt maturities. Our net total debt-to-normalized adjusted EBITDAFV ratio decreased from 7.7x to 7.0x from the prior year. During the quarter, we completed our annual credit review with DBRS Morningstar (“DBRS”) and improved the trends of our Issuer Rating and Debentures’ credit rating at BBB (mid) to Positive from Stable.

Operations update

Continued strong leasing momentum at attractive rental spreads – Since the end of Q3 2024 through to January 31, 2025, we have transacted over 2.9 million square feet of leases across our portfolio at an average rental rate spread of 22.7% over prior or expiring rents.

- In Canada, we signed 1.4 million square feet of leases, achieving an average rental rate spread to expiry of 45.0% and an average annual contractual rent growth of 3.4%.
- In Europe, we signed 1.6 million square feet of leases at an average rental rate spread of 5.6%. All of the leases are fully indexed to local consumer price indices (“CPI”) or have contractual rent steps.

From January 1, 2024 to January 31, 2025, we transacted over 7.3 million square feet of leases across our wholly-owned portfolio. Average rental rate spreads achieved in Canada were 54.7% over 4.5 million square feet of leases signed, reflecting the robust demand for industrial space. In Europe, we signed 2.9 million square feet of leases at an average rental rate spread to expiry of 7.7%. Across the total portfolio, the average rental rate spread was 35.6% over prior or expiring rents.

Overall, the leasing activity across our wholly-owned portfolio and private ventures remained robust in the first quarter of 2025. Subsequent to year end, we have finalized or are in advanced negotiations on over 1.9 million square feet of new leases across our platform or 1.4 million square feet of new leases at our share.

As at December 31, 2024, estimated market rents exceeded the average in-place rent by over 25% across our wholly-owned portfolio.

Solid pace of CP NOI (constant currency basis) growth – CP NOI (constant currency basis) for the three months and year ended December 31, 2024 was \$94.6 million and \$351.8 million, respectively. For the same periods in 2023, CP NOI (constant currency basis) was \$91.6 million and \$336.4 million, respectively. This represents an increase of 3.3% for the three months ended December 31, 2024 and 4.6% for the year ended December 31, 2024, compared to the prior year comparative periods.

The Canadian portfolio posted year-over-year CP NOI (constant currency basis) growth of 4.4% for the three months ended December 31, 2024, driven by 8.5%, 0.8% and 0.2% CP NOI growth in Ontario, Québec and Western Canada, respectively. For the year, CP NOI (constant currency basis) growth was 6.5% compared to 2023, driven by 8.3%, 7.9% and 1.4% CP NOI growth in Ontario, Québec and Western Canada, respectively.

In Europe, year-over-year CP NOI (constant currency basis) increased by 1.8% and 1.7% for the three months and year ended December 31, 2024, respectively. The increase was driven by higher rental rates on new and renewed leases, in addition to CPI indexation.

Healthy occupancy levels – Our in-place and committed occupancy was 95.8% as at December 31, 2024, compared to 95.5% as at September 30, 2024. We continue to be in active discussions with prospective tenants and we expect significant opportunities to capture strong income growth as spaces are leased.

Growing property management and leasing platform – Our private ventures have completed over \$1 billion of acquisitions over the past 20 months. Net property management and leasing income for the three months and year ended December 31, 2024 was \$3.5 million and \$11.2 million, respectively, representing an increase of \$1.1 million or 45.5%, and \$2.1 million or 22.8%, relative to the comparative prior year periods. The increase was mainly driven by organic revenue growth and the increase in scale of the private ventures since 2023.

Continued growth in net rental income for the quarter – Net rental income for the three months and year ended December 31, 2024 was \$91.4 million and \$355.4 million, respectively, representing an increase of \$6.2 million or 7.3%, and \$21.3 million or 6.4%, relative to the comparative prior year periods. For the quarter, year-over-year net rental income increased by 14.4% in Ontario, 7.8% in Québec, 4.0% in Western Canada and 5.2% in Europe, excluding asset held for sale and disposed investment properties. The increase was mainly driven by strong CP NOI (constant currency basis) growth in 2024, early lease renewals and lease-up at our development projects.

Acquisitions update – During the quarter, the develop-to-hold joint venture with a sovereign wealth fund (the “Development JV”) completed the acquisition of a 32-acre infill site located in Brampton, Ontario, for a total gross purchase price of \$80 million (\$20 million at our share). Subsequent to year end, the Dream Summit JV completed the acquisition of \$400 million (\$40 million at our share) of assets located across Canada. We expect these acquisitions to add over \$1 million of incremental revenue to our property management and leasing platform on a run-rate basis.

The Brampton site in the Development JV is shovel-ready with a highly efficient configuration, supporting a 680,000 square foot logistics facility designed to accommodate multiple users. The site offers strong connectivity to regional and global supply chains in close proximity to 400-series highways, Toronto Pearson Airport and multiple nearby intermodal rail terminals. Project construction is anticipated to commence in 2026.

In January 2025, the Dream Summit JV acquired a 27.5-acre waterfront industrial site in Vancouver, British Columbia, that combines 210,000 square feet of existing buildings with a large footprint of industrial outside storage (“IOS”) leased to a wide range of location-dependent tenants. The total gross purchase price was \$143 million (\$14.3 million at our share). This asset is strategically located in an established North Vancouver industrial node with strong access and proximity to major trucking and shipping infrastructure. The site accommodates a diverse range of users, including self-storage, parking, infrastructure, warehousing and marine industrial, with current in-place rents that are well below market. The high demand and low supply dynamic are complemented by the relatively low maintenance capital expenditure requirements of IOS.

In February 2025, the Dream Summit JV closed on a portfolio of seven assets totalling 998,000 square feet in the Greater Toronto Area (“GTA”) for a total gross purchase price of \$258 million (\$25.8 million at our share). The portfolio features a mix of single and multi-tenant buildings, situated along the Highway 401 corridor providing excellent access to the GTA as well as Ottawa and Montréal. With relatively low site coverage and over 21 acres of excess land, the portfolio offers upside opportunities through a combination of sales and IOS activation, as well as intensification or redevelopment potential.

Dispositions update – During the fourth quarter, we completed the disposition of two non-strategic assets totalling 102,000 square feet in Canada and the Netherlands for total gross proceeds of \$21.7 million, representing an average premium of 16% over carrying value. Subsequent to the quarter, we disposed of a non-strategic asset totalling 69,000 square feet located in the Netherlands for total gross proceeds of \$11.4 million.

Since the beginning of 2024, we completed over \$80 million of dispositions across our portfolio at an average 12% premium to carrying value. Additionally, the Dream Summit JV completed over \$65 million of dispositions at an average price of over \$360 per square foot.

Development update – Over the past twelve months, we completed or substantially completed over 1.6 million square feet of development projects in Canada at an unlevered yield of 6.3%. During the quarter, we substantially completed our 650,000 square foot greenfield project in Balzac, Alberta, which is approximately 45% leased.

We continue to see expansion requirements from our existing tenants. Subsequent to year end, we have entered into an agreement on a build-to-suit expansion and refurbishment of an existing 289,000 square foot building in our Dutch portfolio with an expected 7% unlevered yield on cost. We would be adding over 120,000 square feet of high-quality distribution space to the property, improving the asset’s sustainability via the installation of solar roof panels and extending the existing tenant’s

lease by an additional ten years, permitting the consolidation of the tenant's European distribution operations entirely within our portfolio at this site.

Furthermore, one of our private ventures has recently entered into a 10-year lease renewal with one of the largest global automotive groups at our 343,000 square foot facility in the GTA. As part of the renewal, the building will be expanded by over 100,000 square feet leveraging the site's significant excess land component.

Our wholly-owned excess land portfolio comprises over 180 acres facilitating build-to-suit and expansion requirements of our tenants.

Value-add initiatives update – We have made significant progress towards our solar program with rooftop solar panel installations across 23 sites in Canada and the Netherlands, representing 21 megawatts ("MW") of renewable power generation. We have deployed approximately \$25 million into these projects achieving an estimated unlevered yield on cost of 12%.

We are presently under construction on one site and conducting feasibility on 59 projects in Canada, the Netherlands, France, Germany and Spain, translating into over \$67 million of potential additional investment volume over the near term.

Additionally, we continue to advance our strategy to secure additional power at several sites across our portfolio to increase optionality for our assets. To date, the Trust has submitted power upgrade applications for four sites in the GTA with total requested additional capacity of approximately 200 MW.

Capital strategy – We continue to maintain significant financial flexibility as we execute on our strategic initiatives. Our proportion of secured debt is 5.9% of total assets and represents 16.2% of total debt (a non-GAAP financial measure; see the "Non-GAAP Financial Measures" section for additional information). Our unencumbered asset pool totalled \$5.8 billion as at December 31, 2024, representing 82.3% of our investment properties value as at December 31, 2024.

During the quarter, we completed our annual review with DBRS Morningstar, improving our credit ratings' trends to Positive from Stable, and confirming our Issuer Rating and credit rating of our Debentures at BBB (mid).

We ended Q4 2024 with available liquidity of \$822.4 million, including \$80.3 million of cash and cash equivalents, and an additional \$250 million that could be exercised through the accordion on our unsecured credit facility. Our net total debt-to-normalized adjusted EBITDAFV ratio decreased by nearly 1 turn to 7.0x from 2023, and our net total debt-to-total assets (net of cash and cash equivalents) ratio was 36.1% as at December 31, 2024, compared to 36.0% as at December 31, 2023.

Sustainability update

We continue to increase the number of green building certifications in our portfolio. In 2024, we achieved Leadership in Energy and Environmental Design ("LEED") certifications for 900,000 square feet, including our Blaise-Pascal property in Montréal, Québec, which achieved LEED Gold Core and Shell certification for the 120,000 square foot expansion area; our 750,000 square foot Marie-Curie Boulevard property in Montréal, Québec, which achieved LEED v4.1 Gold, Building Operations and Maintenance: Existing Buildings Re-certification; and a 30,000 square foot building in Sunridge Park in Calgary, Alberta, which achieved LEED v4.1 Silver, Building Operations and Maintenance: Existing Buildings. In early 2025, we achieved LEED Silver Core and Shell certification on our 343,000 square foot new development in Balzac, Alberta. We currently have three green building certifications underway, representing 1.2 million square feet.

In 2024, our developments at Courtnepark, Mississauga, and Water Street, Whitby, representing 600,000 square feet, achieved the Canada Green Building Council's ("CaGBC") Zero Carbon Building Design v2 Certification, which is intended to guide the design of new buildings so they can achieve zero carbon operations.

In 2024, we retrofitted over 650,000 square feet of properties with LED lighting to reduce energy consumption. In addition to upgrading lighting on lease expiry, we continue to proactively approach larger tenants to identify opportunities to upgrade lighting in the medium term.

In alignment with our green financing strategy, we continue to achieve sustainable targets and allocate capital to green initiatives. The performance targets of a €69 million sustainability-linked loan ("SLL") were met in early 2024, resulting in a reduction to the interest rate of the loan, which will generate annual interest savings of up to 6 basis points ("bps"). To date, \$846 million of net proceeds from Green Bonds have been issued, with \$708 million deployed in 2021, 2022 and 2023. Approximately \$200 million in eligible projects were deployed in 2024, and \$110 million of projects are either underway or in preliminary stages for completion in 2025 and beyond.

During the quarter, we achieved a ranking of 1st of 10 Entities for Northern America, Industrial in the GRESB Public Disclosure results for 2024 that were released in the quarter. The comparison group ranking is driven by achieving Level “A” in the GRESB Public Disclosure Level, compared to the Global Average and the Comparison Group Average of Level “B”. We achieved a score of 98, which increased by 8 points from 2023.

Solar program

In 2024, we continued to progress on our solar panel program and have established capital investments in clean power across Canada and Europe. Due to the increased demands of electrification, we have identified renewable energy produced through our solar panels as an initiative that aligns with our sustainability goals and produces attractive returns. As a result, tenants are able to purchase the solar electricity generated by our solar panels at a guaranteed rate with escalations, assisting in tenants’ electricity needs, or we sell the power to the grid at a fixed rate. In the Netherlands, we sell power to the grid at a subsidized minimum rate or we lease the solar panels to tenants as an additional source of rental revenues. NOI generated from our solar program across Canada and Europe totalled \$1.5 million during the year ended December 31, 2024.

We are accelerating the growth of our solar program by penetrating new markets like Ontario, Germany, France and Spain, while simultaneously scaling operations in established markets such as Alberta and the Netherlands. During the year, we advanced our solar program with the completion of seven projects across Alberta and the Netherlands. Over the near term, we have identified a total of 37 MW of additional solar generation potential in our portfolio, including 1.3 MW of system capacity currently under construction.

The following table provides key highlights of our solar program for completed and substantially completed projects as at December 31, 2024:

	December 31, 2024
Number of projects	23
Solar panels installed globally	43,000
System capacity of projects	21 MW
Estimated cost of projects	\$ 25,000
Estimated yield on cost of projects ⁽¹⁾	12%

(1) Represents operating income relative to total capital expenditures after subsidies.

BASIS OF PRESENTATION

Our discussion and analysis of the financial position and results of operations of Dream Industrial REIT should be read in conjunction with the audited consolidated financial statements of Dream Industrial REIT and the accompanying notes for the year ended December 31, 2024. The annual consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The Canadian dollar is the functional and reporting currency for purposes of preparing the consolidated financial statements.

The chief operating decision maker, determined to be the President and Chief Executive Officer (“CEO”) of the Trust, also considers the performance of assets held for sale (except for those where we will continue to retain an interest) and disposed properties separately from the investment properties in the geographic segments, and discontinued operations, as applicable, separately from the segmented income in the geographic segments.

This management’s discussion and analysis (“MD&A”) is dated as at February 18, 2025. For simplicity, throughout this discussion, we may make reference to the following:

- “REIT Units”, meaning units of the Trust, excluding Special Trust Units;
- “LP B Units” and “subsidiary redeemable units”, meaning the Class B limited partnership units of Dream Industrial LP; and
- “Units”, meaning REIT Units and LP B Units.

When we use terms such as “we”, “us” and “our”, we are referring to Dream Industrial REIT and its subsidiaries.

Estimated market rents disclosed throughout the MD&A are management’s estimates at a point in time and are subject to change based on future market conditions.

FORWARD-LOOKING DISCLAIMER

Certain information herein contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation, including but not limited to statements relating to: the Trust's objectives and strategies to achieve those objectives; the Dream Summit JV, including the status of new leases and renewals, development pipeline, incremental revenue from new acquisitions, and our intention to advance projects over time; the opportunities provided by private capital partnerships and associated expected revenue growth; debt maturities, repayments and the refinancing thereof; our ability to execute on our strategic capital deployment opportunities; the Trust's goal of delivering strong total returns to our unitholders through secure distributions as well as growth in net asset value and cash flow per unit underpinned by our high-quality portfolio and an investment grade balance sheet; the Trust's expectations relating to the benefits to be realized from demand drivers for industrial space; the commencement of certain leases, the average spread thereof, the status of leasing discussions, lease maturities and opportunities to capture strong income growth as spaces are leased; the Trust's focus on unlocking and creating additional value through alternative and best uses of assets, including urban industrial assets; the continuous evaluation of the Trust's assets to generate strong returns and cash flows; opportunities for ancillary revenue, including investments and benefits therefrom; the aims of the Trust's occupier focused program; acquisition criteria; the Trust's objective to unlock organic NOI and NAV growth and the means by which it seeks to accomplish such growth; the Trust's ability to achieve strong rental growth over time through inclusion of contractual annual rate escalators to its leases and as it sets rents on expiring leases as market rents continue to increase across the Trust's operating markets, and the expected increase of comparative properties NOI as a result thereof; opportunities to capture synergies; the expectation that short-term leases generally have lower costs than long-term leases; expectations regarding tenant prospects; our development and acquisition pipelines and opportunities provided therefrom; potential dispositions and the details thereof; our development joint venture (the "Development JV") with a sovereign wealth fund, site potential and the intention of the Development JV to hold properties following stabilization; expectations regarding cash flow and cash distributions, and the expected variations of income and other metrics; expectations regarding the timing of execution of the Trust's acquisition strategy and asset recycling and redevelopment of capital raised from equity offerings; the Trust's intention and ability to fund any potential distribution shortfalls with cash and cash equivalents on hand and with the amounts available on the unsecured revolving credit facility; any potential future suspension and subsequent reinstatement of the Distribution Reinvestment Program and Unit Purchase Plan; the Trust's strategy of growing and upgrading the quality of its portfolio by investing in target markets; statements regarding the current or expected quality and opportunities in respect of the Trust's assets, including assets under development or redevelopment; the Trust's portfolio strategy and commitments, and its goal to acquire mid- to large-bay properties in the GTA, Greater Montréal Area and major Western European markets and to increase scale in existing sub-markets in Canada, and expected benefits thereof; the Trust's long-term growth goals through its retained interest in the U.S. Fund, and expected benefits thereof; the expectation that services provided to the U.S. Fund will generate a fee income stream; the pro forma composition of our portfolio after the completion of the acquisitions and potential development opportunities, including the GLA to be added to the Trust's portfolio following the acquisitions or expansions; our debt strategy, including in respect of our leverage ratio, liquidity levels, borrowing costs, foreign currency hedging and our unencumbered investment properties pool; our development, expansion, value-add capital improvements and refurbishments, and redevelopment plans, including benefits thereof and timing of construction commencement and completion, intensification, and the expansion potential of the Trust's portfolio, including the expected increase in site density resulting from intensification projects, and other details regarding such projects and plans; anticipated development yields, including unlevered yields, development costs, contribution of net operating income of projects, completion timelines and the Trust's total assets it expects to have under active development; expected occupancy; the implementation of environmental, social and governance ("ESG") and sustainability initiatives, including the achievement of sustainability targets and allocation of capital to green initiatives and expansion of renewable and clean power platforms and expected benefits therefrom; the pipeline of our green building certifications; the use of Green Bonds proceeds; the Trust's green financing strategy and anticipated benefits therefrom; the feasibility and completion of eligible green projects, including our green project pipeline; the feasibility, implementation, results, yield and other expected benefits, capital commitments, and completion timelines in respect of the Trust's solar power projects; the Trust's conservative financial policy and expected flexibility and strength of its balance sheet; expectations regarding our credit rating and sources of debt; the Trust's portfolio and management strategy and expected benefits to be derived thereof, and expectations that its relationships will provide advantages in respect of acquisitions; the amount by which market rents exceed in-place rents and the outlook for rental rate growth; changes in accounting policies; the sufficiency of our liquidity and capital resources to fulfill the Trust's ongoing obligation; the Trust's beliefs, plans, estimates, projections and intentions; and similar statements concerning anticipated future events, future growth and future leasing activity, including those associated with user demand relative to supply of quality industrial product in the Trust's operating markets, increasing scale in the Trust's existing sub-markets and adding to its large urban logistics clusters, the ability to lease vacant space and rental rates on future leases, results of

operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, rent collection, future maintenance and development plans, capital investments, financing, income taxes, litigation, and the real estate industry in general. Forward-looking statements generally can be identified by words such as “outlook”, “objective”, “strategy”, “may”, “will”, “would”, “can”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “could”, “likely”, “plan”, “schedule”, “timeline”, “forecast”, “potential”, “seek”, “target”, “project”, “budget”, “continue”, “indicate”, “prospect”, and positive and negative variations or similar expressions suggesting future outcomes or events. 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 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; risks related to the imposition of duties, tariffs and other trade restrictions and their impacts; 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.

Although the forward-looking statements contained in this MD&A 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. 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; that no duties, tariffs or other trade restrictions will negatively impact the Trust; 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 will not 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 Trust’s operating markets and increases in market rents; availability of equity and debt financing; our continued compliance with the real estate investment trust (“REIT”) exemption under the specified investment flow-through trust (“SIFT”) legislation; and other assumptions and risks and factors described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of February 18, 2025. 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 applicable law. Additional information about these assumptions, risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at www.dreamindustrialreit.ca.

BACKGROUND

Dream Industrial REIT is an owner, manager and operator of a global portfolio of well-located, diversified industrial properties. As at December 31, 2024, we have an interest in and manage a portfolio which comprises 335 assets (542 buildings) totalling approximately 71.8 million square feet of GLA in key markets across Canada, Europe and the U.S. Our goal is to deliver strong total returns to our unitholders through secure distributions as well as growth in net asset value and cash flow per unit underpinned by our high-quality portfolio and an investment grade balance sheet. Dream Industrial REIT is an unincorporated open-ended real estate investment trust. Our REIT Units are listed on the Toronto Stock Exchange (“TSX”) under the trading symbol “DIR.UN”.

OUR STRATEGY

Dream Industrial REIT owns and operates a diversified portfolio of distribution, urban logistics and light industrial properties across key markets in Canada, Europe and the U.S. We are committed to:

- owning and operating a high-quality portfolio of industrial assets in markets with strong operating fundamentals;
- investing in our key markets in industrial assets offering long-term cash flow and NAV growth prospects;
- maximizing the value of our industrial assets through innovative asset management strategies;
- providing compelling total returns to our unitholders, anchored by sustainable cash distributions; and
- integrating sustainability at the corporate and property levels.

Resilient high-quality industrial portfolio

We own and operate a high-quality portfolio with a focus on urban industrial assets across our key markets in Canada, Europe and the U.S. Our urban industrial assets are well-located in or near major population centres and offer exceptional versatility, featuring functional spaces that accommodate a wide range of occupier needs, including warehousing, light assembly, industrial outside storage and last mile logistics.

With their infill locations, urban industrial assets are often candidates for conversion or redevelopment for alternative uses. This, combined with constrained land availability, enhances the value creation potential of this resilient asset class. As such, we continuously evaluate the highest and best use for our assets to generate strong returns and cash flows, including residential and mixed-use intensification, self-storage projects and data centre conversions.

Vertically integrated platform

Together with our asset manager, Dream Unlimited Corp., we are a vertically integrated operator, developer and asset manager providing a diverse range of expertise including investments, financing, asset management, property management, development and construction, leasing and marketing, sustainability services, and financial, legal, and tax compliance and reporting. Our full-service, in-house platform is comprised of a dedicated industrial team with over 150 professionals across multiple disciplines operating out of ten regional offices across our key markets.

We have well-established relationships in all our local markets and a strong track record of sourcing high-quality and accretive acquisitions with long-term cash flow and NAV growth potential. Our local, on-the-ground teams have built an occupier focused program aimed at driving tenant retention and expanding our geographic reach and scale.

Continuous portfolio optimization

We regularly evaluate and benchmark each individual asset in our portfolio, assessing historical and future performance as well as value growth potential. We identify opportunities to recycle assets within our portfolio and reinvest the proceeds into higher quality assets that are less management and capital intensive.

When evaluating potential acquisitions, we consider a variety of criteria, including expected cash flow returns; replacement cost of the asset; their location, functionality and appeal to future tenants; the sustainability attributes of the asset and how the asset complements our existing portfolio; and per Unit accretion.

Active asset management

Our objective is to unlock organic NOI and NAV growth through creative asset management strategies. We actively manage our assets to optimize performance, maintain value, and attract and retain tenants. We strive to ensure that our assets are the most attractive, efficient and cost-effective premises for our tenants. In addition, our portfolio presents significant ancillary revenue opportunities. We are actively investing in value-add initiatives including solar energy, EV charging infrastructure and cell towers, further diversifying our portfolio and strengthening our long-term growth strategy.

Strategic private partnerships

Through our private capital partnerships, we are able to leverage our local operating platforms and generate recurring revenue from property management and leasing services. We expect the revenue from this business to grow as the underlying cash flows in these partnerships grow, both organically and through active asset management.

Conservative financial policy

We operate our business in a disciplined manner with a focus on maintaining a strong balance sheet and liquidity position. We seek to maintain a conservative leverage, naturally hedge foreign currency investments and build up a high-quality unencumbered investment properties pool, while reducing borrowing costs and preserving liquidity.

Focus on ESG

We recognize that investing in sustainability is a key driver of creating long-term value for our stakeholders. Our approach to sustainability aims to uncover opportunities to enhance asset value while generating attractive returns, incorporate energy management initiatives into capital expenditures, increase energy efficiency throughout our portfolio and lower operational costs.

To reflect the continued integration of ESG across our business and to ensure that non-financial considerations such as ESG objectives are included alongside financial considerations, our sustainability practices focus on: (i) increased data collection, verification and disclosure; (ii) communicating our strategy to reach net zero; and (iii) incorporating energy management initiatives into our capital expenditure planning. Our social initiatives encompass three key areas: (i) commitment to the development of employees through continuous learning and the promotion of healthy workplaces and lifestyles; (ii) active commitment to the community and local charitable organizations; and (iii) commitment to tenant satisfaction and engagement. Our governance highlights include: (i) a diverse and experienced Board of Trustees with a majority of independent trustees; (ii) strong governance and transparency in all aspects of our business; and (iii) governance policies ensuring formal oversight and accountability of ESG matters at the Board level.

SECTION II

OUR ASSETS

Dream Industrial REIT owns, manages and operates a portfolio of 335 assets (542 industrial buildings) totalling approximately 71.8 million square feet of GLA in key markets across Canada, Europe and the U.S. as at December 31, 2024.

Across our regions, our portfolio consists of distribution, urban logistics and light industrial buildings:

- **Distribution buildings** are highly functional large-bay buildings located in close proximity to major transportation corridors. Most tenants at these buildings have e-commerce operations or are in the third-party logistics industry.
- **Urban logistics buildings** are small- to mid-bay buildings located in close proximity to major population centres and are ideally suited to meet last-mile distribution needs. They are typically multi-let with shorter lease terms and lower average tenant size.
- **Light industrial buildings** have a large footprint and are typically single-tenant. Tenants have typically invested significant capital at these properties and have signed long-term leases or have taken occupancy for a long period of time.

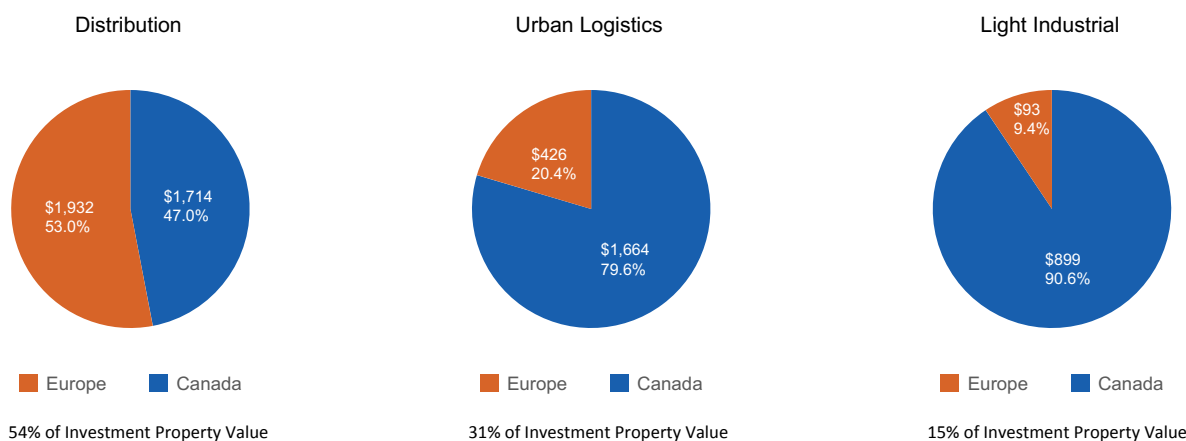
Focused portfolio strategy

In Canada, our focus is on mid- to large-bay properties primarily in the GTA and the Greater Montréal Area, where we expect to benefit from increased user demand relative to supply of quality industrial product, and where in-place rental rates are generally below market rental rates and the outlook for rental rate growth is robust. We are also targeting to increase scale in our existing sub-markets and to add to our large urban logistics clusters.

In Europe, our goal is to acquire mid- to large-bay properties in major Western European markets. Across these markets there is growing demand for urban logistics space, increased user demand relative to supply of quality industrial product, attractive going-in capitalization rates and upside potential from growth in market rents.

In the U.S., we will continue to pursue long-term growth alongside institutional partners through our retained interest in the U.S. Fund. This structure allows us to continue to grow in U.S. industrial markets, improving overall portfolio quality and diversification while maintaining an enhanced geographic mix. A subsidiary of the Trust provides property management, accounting, construction management and leasing services to the U.S. Fund. This is expected to provide us with a fee income stream as the U.S. Fund scales in U.S. industrial markets.

As at December 31, 2024, our investment property value (excluding the U.S. portfolio, Dream Summit JV, Development JV and properties under development) by building type allocated by region is as follows⁽¹⁾:



(1) All dollar amounts in these charts are presented in millions.

Key property statistics by building type as at December 31, 2024 are summarized in the table below:

	December 31, 2024			
	Distribution	Urban logistics	Light industrial	Total
Number of assets ⁽¹⁾⁽²⁾	215	79	41	335
Number of buildings ⁽²⁾	316	161	65	542
Total GLA (thousands of sq. ft.) ⁽²⁾	53,361	12,001	6,417	71,779
Owned GLA (thousands of sq. ft.) ⁽³⁾	25,860	11,124	5,167	42,151
Site area (in acres) ⁽²⁾	2,954	742	394	4,090

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another attracting similar tenants.

(2) Includes the Trust's owned and managed properties as at December 31, 2024.

(3) Includes the Trust's share of equity accounted investments as at December 31, 2024.

Development strategy

We continue to build and execute on a development pipeline across our target markets. Our development program consists of three key pillars:

1) Intensification of excess land on income-producing properties – *Capitalize on opportunities to add high-quality GLA to existing properties and maximize site coverage.* We have the unique opportunity to add high-quality GLA through the expansion of existing sites across our predominantly urban portfolio in North America and Europe. We continuously evaluate intensification opportunities across our portfolio from technical and financial feasibility perspectives. To date, we have added 0.7 million square feet of excess density to our current income-producing assets, achieving an unlevered yield on cost of 7.6%. We currently estimate that our excess land portfolio of 180 acres provides opportunities to add approximately 3 million square feet of high-quality industrial space over time, with a target yield on cost of over 8% on incremental capital.

2) Greenfield development – *Target the acquisition of developable land, industrial zoned or designated industrial, for speculative development in core markets.* We have delivered 1.3 million square feet of greenfield developments to date in the GTA and Calgary markets with an estimated 6.3% yield on cost. This quarter, we closed on the purchase of a 0.2 million square foot development, at our share, within the Development JV.

3) Redevelopment of existing properties – *Identify existing, well-located assets for redevelopment with the goal of achieving higher density and rents.* We currently have 0.6 million square feet over two projects in the GTA that were identified as redevelopment candidates. The first project was delivered in H1 2024, is fully leased and achieved a 6.5% yield on cost for a state of the art, functional urban industrial asset. We are currently under construction of our second 0.4 million square foot redevelopment project, which is scheduled to be complete in H2 2025.

Our development program includes our wholly-owned assets as well as projects housed within our private partnerships.

We hold a 25% interest in the Development JV formed in 2022 with a sovereign wealth fund holding the remaining 75% interest. The Development JV is focused on well-located development sites in the GTA and other select markets within the Greater Golden Horseshoe Area ("GGHA") to build high-quality, best-in-class industrial assets with the intention to hold the properties following stabilization. During the quarter, the Development JV completed the acquisition of a 32-acre land parcel located in Brampton, Ontario, for a total gross purchase price of \$80 million (\$20 million at our share). This site can support a 680,000 square foot logistics facility with targeted construction commencement in the first half of 2026.

We hold a 10% interest in the Dream Summit JV, which has exposure to approximately 2.8 million square feet of developments made up of greenfield projects, intensifications and redevelopments. This development pipeline comprises 1.5 million square feet of projects underway as well as 1.3 million square feet of projects in advanced stages of pre-construction, mainly located in the GTA and Greater Montréal Area. We intend to continue advancing these projects over time.

Development pipeline

We have 3.4 million square feet of development projects in various stages of completion, construction and planning, which are discussed in more detail below.

Completed/substantially complete projects

We started our development program in 2021 and have to-date delivered over 1 million square feet of high-quality industrial product. These projects are fully leased and generate a 7.1% yield on cost. In addition, we have 1.1 million square feet of substantially completed projects to date which are approximately 43% leased as at December 31, 2024.

(in millions of dollars)

Location	Region	GLA (in thousands of sq. ft.) ⁽¹⁾	Cost incurred ⁽²⁾	Estimated cost to complete ⁽³⁾	Total estimated cost	Construction start	Construction completion	Estimated unlevered yield ⁽⁴⁾	Current objective
Complete									
The Hague, Netherlands	Europe	65	\$ 14.7	\$ —	\$ 14.7	H2 2021	H1 2022	6.2%	Intensification
100 East Beaver Creek, Richmond Hill	Ontario	43	6.0	—	6.0	H2 2021	H2 2022	11.3%	Intensification
401 Marie-Curie Boulevard, Montréal - Phase 1 & 2	Québec	228	31.1	—	31.1	H1 2021	H2 2022	8.2%	Intensification
Dresden, Germany	Europe	241	30.6	—	30.6	H1 2021	H2 2022	6.8%	Intensification
Blaise Pascal, Montréal	Québec	120	20.0	—	20.0	H1 2022	H1 2023	8.4%	Intensification
Terrebonne	Québec	29	7.3	—	7.3	H2 2022	H2 2023	5.3%	Intensification
Abbotside, Caledon	Ontario	154	40.2	0.2	40.4	H1 2022	H1 2023	7.1%	New development
Mississauga	Ontario	209	71.7	—	71.7	H1 2023	H1 2024	6.5%	Redevelopment
Total complete		1,089	\$ 221.6	\$ 0.2	\$ 221.8			7.1%	
Substantially complete									
Balzac	Alberta	343	\$ 56.6	\$ 6.1	\$ 62.7	H2 2022	H1 2024	6.1%	New development
Cambridge ⁽⁵⁾	Ontario	110	21.1	4.0	25.1	H2 2022	H1 2024	6.6%	New development
Balzac	Alberta	650	91.7	14.4	106.1	H2 2023	H2 2024	6.1%	New development
Total complete/ substantially complete		2,192	\$ 391.0	\$ 24.7	\$ 415.7			6.7%	

(1) Represents total GLA of new development and redevelopment projects and incremental GLA for intensification projects.

(2) Includes cost of land purchased or reclassified from income-producing properties for new development projects as well as associated closing costs. For redevelopment projects, includes fair value of the respective properties.

(3) The cost to complete represents our best estimates as at December 31, 2024.

(4) The unlevered yield is calculated by dividing the estimated NOI by the total estimated development project costs.

(5) The respective GLA and estimated costs shown in the table reflect our 25% share of the Development JV.

During the quarter, we substantially completed our 650,000 square foot development project in Balzac, Alberta, and leased up 296,000 square feet with a 10-year lease, with occupancy commencing in Q1 2025 at a starting rent of \$9.75 per square foot and 2.3% annual contractual rent steps. At our other 343,000 square foot development project in Balzac, Alberta, we leased up an additional 27,000 square feet, increasing the lease-up for the project to 52%, with occupancy commencing in Q1 2025 at a starting rent of \$12.00 per square foot and 3.0% annual contractual rent steps.

Projects underway

We have one project currently under construction consisting of a 0.4 million square foot redevelopment in GTA East. This project consists of two high-quality, well-located and easily demisable buildings that we expect to garner strong prospective demand as the project approaches completion, which is scheduled for H2 2025.

(in millions of dollars)

Location	Region	GLA (in thousands of sq. ft.) ⁽¹⁾	Cost incurred ⁽²⁾	Estimated cost to complete ⁽³⁾	Total estimated cost	Construction start	Construction completion	Estimated unlevered yield ⁽⁴⁾	Current objective
Underway									
Whitby	Ontario	389 \$	80.2 \$	18.5 \$	98.7	H2 2023	H2 2025	6.5%	Redevelopment
Total underway		389 \$	80.2 \$	18.5 \$	98.7			6.5%	

(1) Represents total GLA of redevelopment projects.

(2) For redevelopment projects, includes fair value of the respective properties.

(3) The cost to complete represents our best estimates as at December 31, 2024.

(4) The unlevered yield is calculated by dividing the estimated NOI by the total estimated development project costs.

Projects in planning

We have 0.8 million square feet of projects at our share that are in advanced stages of planning across Canada and Europe. Overall, we expect all of our current projects to be completed by early 2027 and generate an attractive overall estimated unlevered yield on cost ranging between 6.0%–7.0%.

(in millions of dollars)

Location	Region	GLA (in thousands of sq. ft.) ⁽¹⁾	Cost incurred ⁽²⁾	Estimated cost to complete ⁽³⁾	Estimated unlevered yield ⁽⁴⁾	Current objective
Projects in planning						
Brampton ⁽⁵⁾	Ontario	211 \$	23.9			New development
Montréal	Québec	264	42.8			Redevelopment
Brampton ⁽⁵⁾	Ontario	171	20.0			New development
Bodegraven, Netherlands	Europe	116	—			Intensification
Tech Park, Netherlands	Europe	42	—			Intensification
Total planning		804 \$	86.7 \$	125–135	6.0%–7.0%	

(1) Represents total GLA of new development and redevelopment projects and incremental GLA for intensification projects.

(2) Includes cost of land purchased or reclassified from income-producing properties for new development projects as well as associated closing costs. For redevelopment projects, includes fair value of the respective properties.

(3) The cost to complete represents our best estimates as at December 31, 2024.

(4) The unlevered yield is calculated by dividing the estimated NOI by the total estimated development project costs.

(5) The respective GLA and estimated costs shown in the table reflect our 25% share of the Development JV.

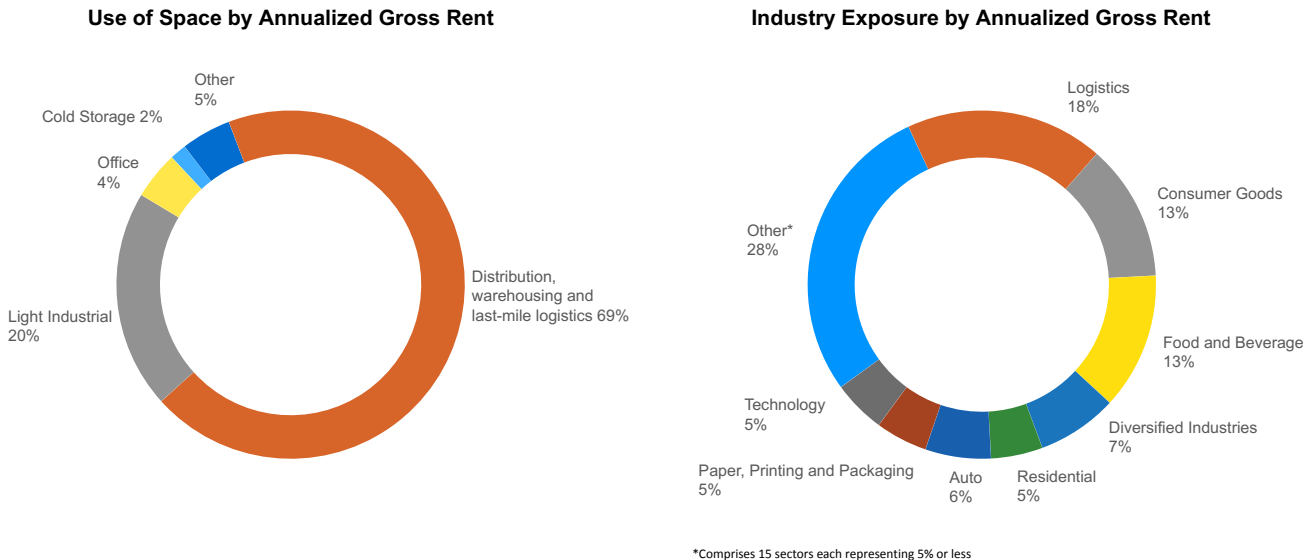
Subsequent to year end, we have entered into an agreement on a build-to-suit expansion and refurbishment of an existing 289,000 square foot building in our Dutch portfolio with an expected 7% unlevered yield on cost, adding over 120,000 square feet of high-quality distribution space to the property.

Development projects that are completed or substantially completed from a construction standpoint are transferred from properties held for development to income-producing properties for financial reporting purposes and included in our property and occupancy metrics upon reaching practical completion as defined in our audited consolidated financial statements.

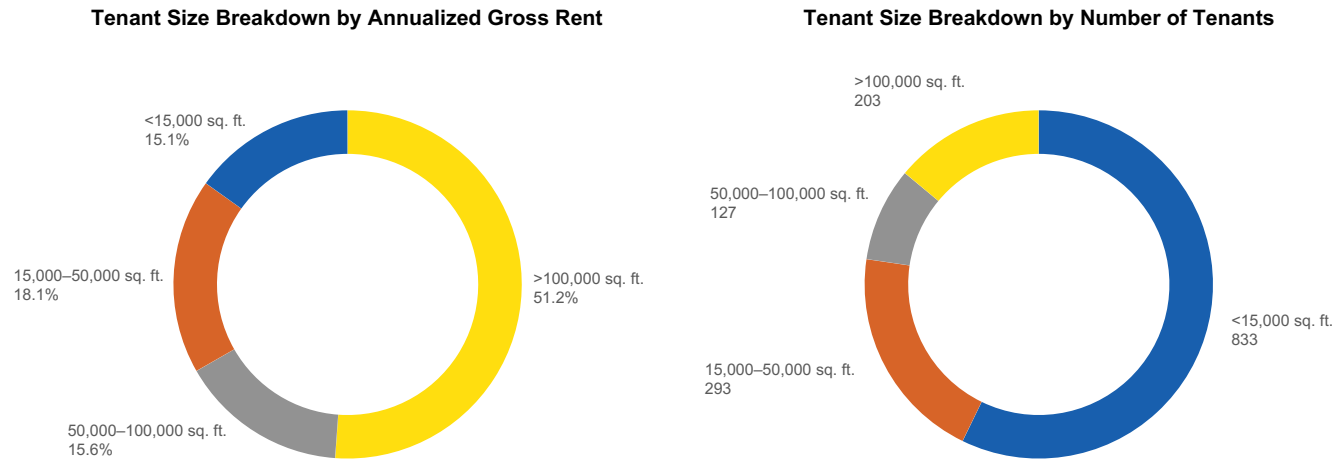
Tenant base profile

Our portfolio comprises primarily functional distribution and warehousing space occupied by tenants from various industries, with no single industry accounting for more than 19% of annualized gross rent. As at December 31, 2024, we had approximately 1,500 tenants (including those tenants occupying investment properties that are owned and managed).

The following charts show the industries in which our tenants operate based on annualized gross rental revenue, as at December 31, 2024:



The following charts show the tenant size breakdown by annualized gross rental revenue, and the tenant size breakdown by number of tenants, as at December 31, 2024:



Approximately 85% of our annualized gross rental revenue was derived from 623 tenants, each occupying over 15,000 square feet with an average size of approximately 107,685 square feet. The remaining annualized gross rental revenue was derived from 833 smaller tenants primarily located in the urban logistics assets.

The following table outlines the contributions to our annualized gross rental revenue of our top ten tenants (including equity accounted investments) as at December 31, 2024. Our top ten tenants have a WALT of 4.2 years.

Rank	Tenant	Use of space	Gross rental revenue	Thousands of sq. ft.
1.	Auchan	Distribution & warehousing	2.6%	1,577
2.	ID Logistics	Distribution & warehousing	1.3%	840
3.	Drakkar Logistique	Distribution & warehousing	1.1%	341
4.	ESM Ertl Systemlogistik	Distribution & warehousing	0.9%	472
5.	Robert Transport	Distribution & warehousing	0.9%	432
6.	Kuehne + Nagel	Distribution & warehousing	0.9%	489
7.	KIK (Tengelmann Group)	Distribution & warehousing	0.9%	597
8.	Tayco	Distribution & warehousing	0.8%	217
9.	DHL	Distribution & warehousing	0.8%	661
10.	Amazon	Distribution & warehousing	0.8%	384
Total			11.0%	6,010

Our portfolio is well diversified, with no single tenant representing more than 3% of gross rental revenue.

Each asset (also known as an investment property) comprises a building or a cluster of buildings in close proximity to one another, attracting similar tenants. Many of our buildings form parts of larger clusters and business parks. As part of our asset management strategy, we approach these clusters as single assets for the purposes of capital allocation, leasing and property management initiatives.

The table below summarizes the grouping of buildings into property clusters by region as at December 31, 2024 and December 31, 2023:

	December 31, 2024				December 31, 2023			
	Number of buildings ⁽¹⁾	Number of assets ⁽¹⁾⁽⁴⁾	Owned GLA ⁽²⁾	Total GLA ⁽¹⁾	Number of buildings ⁽¹⁾	Number of assets ⁽¹⁾⁽⁴⁾	Owned GLA ⁽²⁾	Total GLA ⁽¹⁾
			(thousands of sq. ft.)	(thousands of sq. ft.)			(thousands of sq. ft.)	(thousands of sq. ft.)
Ontario	104	66	9,273	9,273	103	65	9,064	9,064
Québec	46	33	5,842	5,842	48	35	6,157	6,157
Western Canada	74	36	4,777	4,777	80	42	5,068	5,068
Canadian portfolio	224	135	19,892	19,892	231	142	20,289	20,289
European portfolio	98	85	17,227	17,227	102	90	17,409	17,409
Total before equity accounted investments	322	220	37,119	37,119	333	232	37,698	37,698
Dream Summit JV portfolio⁽³⁾	182	91	2,414	24,935	172	88	2,334	24,025
U.S. portfolio	38	24	2,618	9,725	38	24	2,527	9,725
Total portfolio	542	335	42,151	71,779	543	344	42,559	71,448

(1) Includes the Trust's owned and managed properties as at December 31, 2024 and December 31, 2023.

(2) Includes the Trust's share of equity accounted investments as at December 31, 2024 and December 31, 2023.

(3) A 10% interest in the Dream Summit JV was acquired on February 17, 2023.

(4) The number of assets within the Dream Summit JV portfolio for the comparative period following acquisition have been updated to reflect revised cluster definitions within this portfolio.

OUR OPERATIONS

The following key performance indicators influence our cash generated from operating activities.

Total portfolio in-place and committed occupancy

The following table details our total portfolio in-place and committed occupancy by region:

	Total portfolio		
	December 31,	September 30,	December 31,
(percentage)	2024	2024	2023
Ontario	96.3	96.6	96.4
Québec	93.4	94.4	94.3
Western Canada	94.8	94.4	97.6
Canadian portfolio	95.1	95.4	96.1
European portfolio	96.8	95.7	96.3
Total before equity accounted investments	95.9	95.6	96.2
Dream Summit JV portfolio⁽¹⁾	95.1	94.7	97.7
U.S. portfolio⁽¹⁾	95.4	95.4	95.6
Total portfolio⁽¹⁾	95.8	95.5	96.2

(1) Includes our share of equity accounted investments as at December 31, 2024, September 30, 2024 and December 31, 2023.

Our in-place and committed occupancy, excluding the U.S. portfolio and Dream Summit JV, includes lease commitments totalling approximately 130,000 square feet for space that is being readied for occupancy but for which rental revenue is not yet recognized.

Our in-place and committed occupancy remained strong at 95.8% as at December 31, 2024, compared to 95.5% as at September 30, 2024 and 96.2% as at December 31, 2023.

In-place and committed occupancy in Ontario was 96.3% as at December 31, 2024, compared to 96.6% as at September 30, 2024 and 96.4% as at December 31, 2023. Occupancy remained relatively flat in Ontario due to new leases and renewals offset by uncommitted expiries.

In-place and committed occupancy in Québec was 93.4% as at December 31, 2024, compared to 94.4% as at September 30, 2024 and 94.3% as at December 31, 2023. The decrease was due to expected transitory vacancies where estimated market rents exceed expiring rent.

In-place and committed occupancy in Western Canada was 94.8% as at December 31, 2024, compared to 94.4% as at September 30, 2024 and 97.6% as at December 31, 2023. The increase from the prior quarter was due to new leases and renewals at our properties across Calgary and Edmonton at an average rental rate spread of over 6% to expiring rent.

In-place and committed occupancy in Europe was 96.8% as at December 31, 2024, compared to 95.7% as at September 30, 2024 and 96.3% as at December 31, 2023. The increase from the prior quarter was mainly due to leasing up a vacancy in Spain where we signed a lease for approximately 174,000 square feet.

In-place and committed occupancy in the Dream Summit JV was 95.1% as at December 31, 2024, compared to 94.7% as at September 30, 2024 and 97.7% as at December 31, 2023.

In-place and committed occupancy in the U.S. was 95.4% as at December 31, 2024, compared to 95.4% as at September 30, 2024 and 95.6% as at December 31, 2023.

Canadian and European portfolios occupancy continuity

The following tables detail the changes in in-place and committed occupancy across our Canadian and European portfolios (excluding the U.S. portfolio and Dream Summit JV) for the three months and year ended December 31, 2024:

	Three months ended December 31, 2024					
	Canadian portfolio		European portfolio		Total portfolio	
	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA
Occupancy (in-place and committed) at beginning of period	19,069	95.4%	16,565	95.7%	35,634	95.6%
Vacancy committed for future occupancy	(116)	(0.6%)	(6)	—%	(122)	(0.4%)
Occupancy (in-place) at beginning of period	18,953	94.8%	16,559	95.7%	35,512	95.2%
Occupancy related to disposed properties and asset held for sale ⁽¹⁾	(89)		(82)		(171)	
Occupancy (in-place) at beginning of period – adjusted	18,864	94.8%	16,477	95.6%	35,341	95.2%
Natural expiries and relocations	(872)	(4.4%)	(62)	(0.4%)	(934)	(2.6%)
Early terminations	(34)	(0.2%)	—	—%	(34)	(0.1%)
New leases	195	1.0%	200	1.2%	395	1.1%
Renewals and relocations	639	3.3%	52	0.3%	691	1.9%
Occupancy (in-place) at period-end	18,792	94.5%	16,667	96.7%	35,459	95.5%
Vacancy committed for future occupancy	124	0.6%	6	0.1%	130	0.4%
Occupancy (in-place and committed) at period-end	18,916	95.1%	16,673	96.8%	35,589	95.9%

(1) The asset held for sale relates to a property in Netherlands, Europe, which was sold in January 2025.

	Year ended December 31, 2024					
	Canadian portfolio		European portfolio		Total portfolio	
	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA
Occupancy (in-place and committed) at beginning of period	19,491	96.1%	16,758	96.3%	36,249	96.2%
Vacancy committed for future occupancy	(79)	(0.4%)	—	—%	(79)	(0.3%)
Occupancy (in-place) at beginning of period	19,412	95.7%	16,758	96.3%	36,170	95.9%
Occupancy related to development ⁽¹⁾	209		—		209	
Occupancy related to acquired properties and remeasurements	1		2		3	
Occupancy related to disposed properties and asset held for sale ⁽²⁾	(359)		(156)		(515)	
Impact of property reclassifications and dispositions ⁽³⁾		1.1%		0.1%		0.7%
Occupancy (in-place) at beginning of period – adjusted	19,263	96.8%	16,604	96.4%	35,867	96.6%
Natural expiries and relocations	(2,926)	(14.7%)	(2,079)	(12.1%)	(5,005)	(13.5%)
Early terminations	(418)	(2.1%)	(229)	(1.4%)	(647)	(1.7%)
New leases	814	4.1%	666	3.9%	1,480	4.0%
Renewals and relocations	2,059	10.4%	1,705	9.9%	3,764	10.1%
Occupancy (in-place) at period-end	18,792	94.5%	16,667	96.7%	35,459	95.5%
Vacancy committed for future occupancy	124	0.6%	6	0.1%	130	0.4%
Occupancy (in-place and committed) at period-end	18,916	95.1%	16,673	96.8%	35,589	95.9%

(1) This relates to the development project in Mississauga, Ontario, which was fully leased for occupancy in Q3 2024.

(2) The asset held for sale relates to a property in Netherlands, Europe, which was sold in January 2025.

(3) This includes a property in Montréal, Québec, that moved to development.

The overall tenant retention ratio across our Canadian and European portfolios for the three months and year ended December 31, 2024 was 74.0% and 75.2%, respectively (2023 – 88.6% and 80.4%, respectively). Tenant retention ratio is calculated as the ratio of total square feet of renewed and relocated space over natural expiries and relocations.

Canadian and European portfolios new lease, renewal and relocation spreads

The following table details the new lease, renewal and relocation spreads for deals transacted from October 1, 2024 to January 31, 2025 across our Canadian and European portfolios (excluding the U.S. portfolio, Dream Summit JV and Development JV):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread ⁽¹⁾
Ontario	185	85.7%
Québec	532	51.2%
Western Canada	641	12.1%
Canadian portfolio	1,358	45.0%
European portfolio	1,558	5.6%
Total portfolio	2,916	22.7%

(1) Rental rate spread (%) is calculated as the ratio of rental rate spread (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.). Rental rate spread (per sq. ft.) is calculated as the difference between the weighted average new, renewal and relocation rate and the weighted average prior and expiring rate. Rental rate spread excludes deals on leased space that has been vacant since acquisition.

The following table details the new lease, renewal and relocation spreads for deals transacted from January 1, 2024 to January 31, 2025 across our Canadian and European portfolios (excluding the U.S. portfolio, Dream Summit JV and Development JV):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread ⁽¹⁾
Ontario	1,386	90.0%
Québec	1,729	57.3%
Western Canada	1,354	11.7%
Canadian portfolio	4,469	54.7%
European portfolio	2,878	7.7%
Total portfolio	7,347	35.6%

(1) Rental rate spread (%) is calculated as the ratio of rental rate spread (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.). Rental rate spread (per sq. ft.) is calculated as the difference between the weighted average new, renewal and relocation rate and the weighted average prior and expiring rate. Rental rate spread excludes deals on leased space that has been vacant upon acquisition.

From October 1, 2024 to January 31, 2025, we transacted approximately 2.9 million square feet of leasing activity compared to 1.3 million square feet in the prior comparative period, representing an increase in leasing volume of 122%. From January 1, 2024 to January 31, 2025, we transacted 7.3 million square feet of leasing activity compared to 4.5 million square feet of leasing activity in the prior comparative period, representing an increase in leasing volume of 64%. Rental rate spreads were approximately 86% and 51% for the quarter, and approximately 90% and 57% for the year, in Ontario and Québec, respectively, reflecting the robust demand for industrial space in those regions.

Along with capturing significant rental rate growth, we are systematically adding contractual annual rental rate escalators to our leases that allow for consistently rising CP NOI over time. The contractual annual rental growth rates for leases transacted in our Canadian portfolio for the three months and year ended December 31, 2024 were 3.4% and 3.3%, respectively. Currently, the average contractual annual rental rate growth embedded in our Canadian portfolio equates to approximately 3.1%. In our European portfolio, approximately 85% of the leases are indexed to local CPI with the remainder of the portfolio having contractual rent steps.

Canadian and European portfolios rental rates

Average in-place and committed base rent is contractual base rent excluding recoveries and recoverable tenant inducements.

The following table details the average in-place and committed base rent by region for our Canadian and European portfolios (excluding the U.S. portfolio, Dream Summit JV and Development JV):

Canadian and European portfolios	Average in-place and committed base rent (per sq. ft.)		
	December 31, 2024	September 30, 2024	December 31, 2023
Ontario	\$ 11.56	\$ 11.34	\$ 10.25
Québec	9.81	9.58	8.86
Western Canada	9.40	9.25	9.08
Canadian portfolio	\$ 10.54	\$ 10.33	\$ 9.54
European portfolio (€)	€ 5.64	€ 5.64	€ 5.49

As at December 31, 2024, the average in-place and committed base rent for our Canadian portfolio was \$10.54 per square foot, compared to \$10.33 per square foot as at September 30, 2024 and \$9.54 per square foot as at December 31, 2023. The year-over-year growth of 10.5% in the Canadian portfolio was driven by lease renewals and future lease commitments, capturing strong positive rental rate spreads in all regions.

As at December 31, 2024, the average in-place and committed base rent for our European portfolio was €5.64 per square foot, compared to €5.64 per square foot as at September 30, 2024 and compared to €5.49 per square foot as at December 31, 2023. The year-over-year growth of 2.7% in the European portfolio was attributable to positive rental rate spreads and the indexation of rents to local CPI.

The following table compares the average in-place and committed base rent per square foot with our estimated market rent per square foot by region for our Canadian and European portfolios (excluding the U.S. portfolio, Dream Summit JV and Development JV) as at December 31, 2024:

Canadian and European portfolios	December 31, 2024			
	Average in-place and committed base rent (per sq. ft.)	Estimated market rent (per sq. ft.)	Estimated market rent/average in-place and committed base rent	WALT (years)
Ontario	\$ 11.56	\$ 16.46	42.4%	3.6
Québec	9.81	14.00	42.7%	4.6
Western Canada	9.40	9.65	2.7%	3.5
Canadian portfolio	\$ 10.54	\$ 14.12	34.0%	3.9
European portfolio	€ 5.64	€ 6.05	7.3%	4.5
Total portfolio (excluding the U.S. portfolio, Dream Summit JV and Development JV)			25.4%	4.1

Estimated market rent represents management's best estimate of the base rent that would be achieved in a new arm's length lease in the event that a unit becomes vacant after a reasonable marketing period, with an inducement and lease term appropriate for the particular space. Market rent by property is reviewed regularly by our leasing and portfolio management teams. Market rents may differ by property or by unit and depend upon a number of factors. Some of the factors considered include the condition of the space, the location within the building, the amount of office build-out for the units, the lease term and a normal level of tenant inducements. Market rental rates are also compared quarterly against recent comparable lease deals in each market and quarterly independent external appraisal information, if applicable. The current estimated market rents are at a point in time, with no allowance for increases in future years, and are subject to change based on future market conditions in the respective regions.

As a result of when leases are executed, there is typically a lag between estimated market rents and average in-place and committed base rent.

Canadian and European portfolios lease maturity profile, net of lease commitments

The following table details our Canadian and European portfolios lease maturity profile by region, net of renewals and new leases completed (excluding the U.S. portfolio, Dream Summit JV and Development JV) as at December 31, 2024.

Canadian and European portfolios (in thousands of sq. ft.)	Vacancy, net of commitments	2025	2026	2027	2028	2029	2030+	Total
Ontario	345	1,030	1,620	1,425	1,652	1,007	2,194	9,273
Québec	384	817	1,059	862	765	772	1,183	5,842
Western Canada	247	705	743	676	691	849	866	4,777
Canadian portfolio	976	2,552	3,422	2,963	3,108	2,628	4,243	19,892
European portfolio	554	912	2,731	1,444	2,348	2,306	6,932	17,227
Canadian and European portfolios total GLA	1,530	3,464	6,153	4,407	5,456	4,934	11,175	37,119
Percentage of Canadian and European total GLA	4.1%	9.3%	16.6%	11.9%	14.7%	13.3%	30.1%	100.0%

Over the next two years, we have approximately 9.6 million square feet of GLA maturing. Around 6.0 million square feet of this space is located in Canada, of which approximately 76% is located in Ontario and Québec, where the average market rent is 76% and 49% higher than the in-place rent, respectively. In Europe, we have 3.6 million square feet of GLA maturing where the average market rent is more than 18% higher than the in-place rent.

The following table details the weighted average in-place and committed base rents per square foot for expiring leases for our Canadian and European portfolios by region (excluding the U.S. portfolio, Dream Summit JV and Development JV) as at December 31, 2024. The base rents presented in this table are subject to adjustments for rent escalations and CPI indexation in future periods or fixed rate renewal options, as applicable.

Canadian and European portfolios	Weighted average in-place and committed base rent (per sq. ft.)					
	2025	2026	2027	2028	2029	2030+
Ontario	\$ 8.75	\$ 9.70	\$ 11.75	\$ 13.98	\$ 13.83	\$ 11.25
Québec	8.72	9.89	9.94	12.20	9.74	8.89
Western Canada	9.60	9.50	9.67	9.68	9.27	8.83
Canadian portfolio	\$ 8.97	\$ 9.72	\$ 10.75	\$ 12.59	\$ 11.15	\$ 10.10
European portfolio	€ 5.04	€ 5.18	€ 6.13	€ 5.86	€ 5.57	€ 6.03

Canadian and European portfolios lease expiry profile for 2025

The following table details our Canadian and European portfolios lease maturity profile for 2025, net of renewals and net of committed new leases on vacant space (excluding the U.S. portfolio, Dream Summit JV and Development JV).

Canadian and European portfolios (in thousands of sq. ft.)	Ontario	Québec	Western Canada	Canadian portfolio	European portfolio	Total
2025 expiries (as at December 31, 2024)	(1,553)	(1,684)	(925)	(4,162)	(1,909)	(6,071)
Expiries committed for renewals	523	867	220	1,610	997	2,607
Expiries, net of committed renewals	(1,030)	(817)	(705)	(2,552)	(912)	(3,464)
Commitment as a % of expiries	33.7%	51.5%	23.8%	38.7%	52.2%	42.9%
Current vacancies	(420)	(388)	(292)	(1,100)	(560)	(1,660)
Current vacancies committed for future occupancy	75	4	45	124	6	130
Current vacancies, net of commitments for future occupancy	(345)	(384)	(247)	(976)	(554)	(1,530)

Net rental income

Net rental income is defined by us as total investment properties revenue less investment properties operating expenses.

For a detailed discussion about investment properties revenue and operating expenses for the three months and years ended December 31, 2024 and December 31, 2023, refer to the section “Our Results of Operations”.

	Three months ended December 31,				Year ended December 31,			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Ontario	\$ 28,606	31%	\$ 25,004	29%	\$ 106,915	30%	\$ 95,447	29%
Québec	14,140	16%	13,121	16%	56,288	16%	51,840	16%
Western Canada	11,752	13%	11,301	13%	45,450	13%	43,505	13%
Canadian portfolio	54,498	60%	49,426	58%	208,653	59%	190,792	58%
European portfolio	33,178	36%	31,536	37%	131,790	37%	128,034	38%
Dream Summit JV and Development JV portfolios	5,841	6%	5,549	7%	22,770	6%	18,192	5%
U.S. portfolio	4,679	5%	4,433	5%	18,423	5%	16,839	5%
Net property management and other income	3,478	4%	2,390	3%	11,189	3%	9,113	2%
Net rental income from disposed properties and asset held for sale ⁽¹⁾	265	0%	1,829	2%	3,800	1%	6,241	2%
Less: Net rental income from equity accounted investments	(10,520)	(11%)	(9,982)	(12%)	(41,193)	(11%)	(35,031)	(10%)
Net rental income	\$ 91,419	100%	\$ 85,181	100%	\$ 355,432	100%	\$ 334,180	100%

(1) We have adjusted the amounts in prior periods related to disposed properties for comparative purposes. These amounts exclude disposed properties and assets held for sale from equity accounted investments.

Net rental income for the three months and year ended December 31, 2024 increased by \$6.2 million, or 7.3%, and \$21.3 million, or 6.4% over the prior year comparative periods, respectively. The increase was mainly driven by the impact of CP NOI (constant currency basis) growth in 2024, increase in straight-line rent driven by early lease renewals, contributions from the lease-up at our development projects, as well as higher net property management fees.

Comparative properties NOI (constant currency basis)

CP NOI (constant currency basis) is a non-GAAP financial measure used by management in evaluating the performance of properties fully owned by the Trust in the current and prior year comparative periods, using a constant currency basis. CP NOI (constant currency basis) is lower during periods of free rent to reflect that there is no cash rent received. For accounting purposes, free rent is recorded and amortized within straight-line rent. See the “Non-GAAP Financial Measures” section for additional information about this non-GAAP financial measure.

The tables below detail the CP NOI (constant currency basis) and other items to assist in understanding the impact each component has on net rental income for the three months and years ended December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023	Three months ended		Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
			Change in \$	Change in %			
Ontario	\$ 26,274	\$ 24,213	\$ 2,061	8.5%	(0.8%)	9.8%	9,064
Québec	13,826	13,718	108	0.8%	(4.8%)	9.0%	5,842
Western Canada	11,635	11,617	18	0.2%	(3.1%)	4.6%	4,777
Canadian portfolio	51,735	49,548	2,187	4.4%	(2.5%)	8.6%	19,683
European portfolio (constant currency basis)	33,128	32,539	589	1.8%	(1.6%)	3.5%	17,227
Dream Summit JV	5,041	4,903	138	2.8%			
U.S. portfolio (constant currency basis)	4,702	4,614	88	1.9%			
CP NOI (constant currency basis)	94,606	91,604	3,002	3.3%	(2.1%)	6.6%	36,910
Impact of foreign currency translation on CP NOI	—	(842)	842				
NOI from acquired and disposed properties – Dream Summit JV	512	260	252				
Net property management and other income	3,478	2,390	1,088				
Straight-line rent	3,545	1,728	1,817				
Amortization of lease incentives	(994)	(736)	(258)				
Lease termination fees and other	(281)	(298)	17				
Bad debt provisions	(1,062)	(650)	(412)				
NOI from properties transferred from/to properties held for development ⁽¹⁾	1,870	(195)	2,065				
NOI from disposed properties and asset held for sale	265	1,902	(1,637)				
Less: NOI from equity accounted investments	(10,520)	(9,982)	(538)				
Net rental income	\$ 91,419	\$ 85,181	\$ 6,238	7.3%			

(1) Approximately 15% of the substantially complete project in Cambridge, Ontario, held within the Development JV is leased with rent having commenced in Q4 2024.

	December 31, 2024	December 31, 2023	Change in \$	Change in %	Year ended Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
Ontario	\$ 100,185	\$ 92,540	\$ 7,645	8.3%	(2.1%)	12.0%	8,910
Québec	55,710	51,618	4,092	7.9%	(2.3%)	11.0%	5,842
Western Canada	46,287	45,635	652	1.4%	(2.3%)	4.0%	4,777
Canadian portfolio	202,182	189,793	12,389	6.5%	(2.2%)	9.8%	19,529
European portfolio (constant currency basis)	131,616	129,381	2,235	1.7%	(2.8%)	4.9%	17,183
U.S. portfolio (constant currency basis)	17,988	17,241	747	4.3%			
CP NOI (constant currency basis)	351,786	336,415	15,371	4.6%	(2.5%)	8.3%	36,712
Impact of foreign currency translation on CP NOI	—	(2,713)	2,713				
NOI from acquired properties – Europe	412	171	241				
NOI from acquired and disposed properties – Dream Summit JV	22,718	18,192	4,526				
Net property management and other income	11,189	9,113	2,076				
Straight-line rent	10,074	6,941	3,133				
Amortization of lease incentives	(3,584)	(3,074)	(510)				
Lease termination fees and other	(162)	117	(279)				
Bad debt provisions	(3,188)	(2,171)	(1,017)				
NOI from properties transferred from/to properties held for development	3,580	(21)	3,601				
NOI from disposed properties and asset held for sale	3,800	6,241	(2,441)				
Less: NOI from equity accounted investments	(41,193)	(35,031)	(6,162)				
Net rental income	\$ 355,432	\$ 334,180	\$ 21,252	6.4%			

For the three months ended December 31, 2024, CP NOI (constant currency basis) was \$94.6 million, compared to \$91.6 million in the prior year comparative quarter, representing an increase of \$3.0 million or 3.3%. For the year ended December 31, 2024, CP NOI (constant currency basis) was \$351.8 million, compared to \$336.4 million in the prior year, representing an increase of \$15.4 million or 4.6%. Excluding the impact of expansions, the year-over-year CP NOI (constant currency basis) growth for the entire portfolio would have amounted to 3.3% and 4.3% for the three months and year ended December 31, 2024, respectively.

For the three months ended December 31, 2024, CP NOI (constant currency basis) in Ontario increased by \$2.1 million or 8.5%, compared to the prior year comparative quarter, primarily due to an increase in the average in-place base rent of 9.8%, which was primarily driven by increased rental spreads on new and renewed leases, in addition to the impact of our completed development in Caledon. For the year ended December 31, 2024, CP NOI (constant currency basis) in Ontario increased by \$7.6 million or 8.3%, compared to the prior year, mainly due to increases in the average in-place base rent of 12.0%.

For the three months ended December 31, 2024, CP NOI (constant currency basis) in Québec increased by \$0.1 million or 0.8%, compared to the comparative prior year quarter. For the year ended December 31, 2024, CP NOI (constant currency basis) in Québec increased by \$4.1 million or 7.9%, compared to the prior year. This was primarily due to an increase in the average in-place base rent of 9.0% and 11.0% for the three months and year ended December 31, 2024 compared to the prior year comparative periods, respectively, driven by increases in rental spreads on new and renewed leases and contractual rent escalations.

For the three months ended December 31, 2024, CP NOI (constant currency basis) in Western Canada increased by 0.2%, compared to the comparative prior year quarter. For the year ended December 31, 2024, CP NOI (constant currency basis) in Western Canada increased by \$0.7 million or 1.4%, compared to the prior year due to an increase in average in-place rental rates of 4.0%.

For the three months ended December 31, 2024, CP NOI (constant currency basis) in Europe increased by \$0.6 million or 1.8%, compared to the comparative prior year quarter, primarily attributable to CPI increases and higher rental rates on renewals and new leases. For the year ended December 31, 2024, CP NOI (constant currency basis) in Europe increased by \$2.2 million or

1.7%, compared to the prior year due to the impact of CPI indexation on leases on the overall European portfolio and higher rental rates on new and renewed leases.

For the three months ended December 31, 2024, CP NOI (constant currency basis) for the Dream Summit JV increased by \$0.1 million or 2.8%, compared to the prior year comparative quarter, primarily due to increased rental spreads on new and renewed leases and contractual rent escalations.

For the three months ended December 31, 2024, CP NOI (constant currency basis) in the U.S. increased by \$0.1 million or 1.9%, compared to the prior year comparative quarter, mainly driven by increased rental spreads on renewed leases and contractual rent escalations. For the year ended December 31, 2024, CP NOI (constant currency basis) in the U.S. increased by \$0.7 million or 4.3%, compared to the prior year for similar reasons as discussed above.

For the three months and year ended December 31, 2024, we earned net property management and other income from the U.S. Fund, Dream Summit JV and Development JV totalling \$3.5 million and \$11.2 million, respectively. This represents an increase of \$1.1 million compared to the comparative prior year quarter from capturing higher rents on lease rollovers in the managed portfolios and an increase of \$2.1 million compared to the prior year primarily as a result of managing the Dream Summit JV for only half the quarter in Q1 2023 (when the transaction closed), increased fees from capturing higher rents on lease rollovers in the managed portfolios, as well as acquisitions completed in 2023 and 2024.

OUR RESULTS OF OPERATIONS

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Investment properties revenue	\$ 119,505	\$ 110,918	\$ 466,218	\$ 437,601
Investment properties operating expenses	(28,086)	(25,737)	(110,786)	(103,421)
Net rental income	91,419	85,181	355,432	334,180
Other income				
Share of net income from equity accounted investments	22,431	1,441	42,982	4,941
Interest income and other	1,045	209	5,360	572
	23,476	1,650	48,342	5,513
Other expenses				
General and administrative	(7,952)	(8,376)	(31,830)	(32,148)
Interest:				
Debt and other financing costs ⁽¹⁾	(17,804)	(15,520)	(70,130)	(54,379)
Subsidiary redeemable units	(2,336)	(2,336)	(9,344)	(10,557)
	(28,092)	(26,232)	(111,304)	(97,084)
Fair value adjustments and net loss on transactions and other activities				
Fair value adjustments to investment properties	(9,076)	(43,944)	(24,765)	(66,689)
Fair value adjustments to financial instruments	38,417	(27,695)	13,338	(68,059)
Net loss on transactions and other activities	(3,428)	(2,131)	(11,668)	(4,762)
	25,913	(73,770)	(23,095)	(139,510)
Income before income taxes	112,716	(13,171)	269,375	103,099
Current and deferred income tax (expense) recovery, net	(3,081)	4,354	(9,764)	1,200
Net income	\$ 109,635	\$ (8,817)	\$ 259,611	\$ 104,299
Other comprehensive income (loss)				
Items that will be reclassified subsequently to net income:				
Unrealized (loss) gain on foreign currency translation of foreign operations	\$ (22,389)	\$ 44,708	\$ 39,360	\$ 21,837
Unrealized loss on hedging instruments	(2,342)	(46,419)	(33,236)	(42,816)
Share of other comprehensive gain (loss) from equity accounted investments	19,751	(6,160)	25,424	(6,554)
	(4,980)	(7,871)	31,548	(27,533)
Comprehensive income (loss)	\$ 104,655	\$ (16,688)	\$ 291,159	\$ 76,766

(1) For the three months and year ended December 31, 2024, the mark-to-market amortization netted against interest expense on debt and other financing costs was \$51 and \$436, respectively (for the three months and year ended December 31, 2023 – \$166 and \$1,706, respectively).

Investment properties revenue

Investment properties revenue includes base rent from investment properties, recovery of operating costs, property taxes and capital expenditures from tenants, property management and leasing fees from the U.S. Fund, Dream Summit JV and Development JV, the impact of straight-line rent adjustments, lease termination fees, and other adjustments.

Investment properties revenue for the three months ended December 31, 2024 increased by \$8.6 million or 7.7%, when compared to the prior year comparative quarter. The increase was mainly driven by organic growth in the portfolio (+\$7.0 million) and higher property management fees (+\$1.6 million).

Investment properties revenue for the year ended December 31, 2024 increased by \$28.6 million or 6.5%, when compared to the prior year. The increase was mainly driven by organic growth in the portfolio (+\$24.1 million) and higher property management fees (+\$4.3 million).

Investment properties operating expenses

Investment properties operating expenses comprise recoverable operating costs and property taxes as well as certain expenses that are not recoverable from tenants. Operating expenses fluctuate with changes in occupancy levels, expenses that are seasonal in nature, and the level of repairs and maintenance incurred during the period.

Investment properties operating expenses for the three months ended December 31, 2024 increased by \$2.3 million, or 9.1%, over the prior year comparative quarter. The increase was driven by growth in the existing portfolio (+\$2.0 million) and higher property management expenses (+\$0.5 million).

Investment properties operating expenses for the year ended December 31, 2024 increased by \$7.4 million, or 7.1%, over the prior year. The increase was driven by growth in the existing portfolio (+\$5.4 million) and higher property management expenses (+\$2.2 million).

General and administrative (“G&A”) expenses

The following table summarizes our G&A expenses for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Asset management fee	\$ (3,646)	\$ (3,666)	\$ (14,698)	\$ (14,428)
Professional fees and general corporate expenses ⁽¹⁾	(3,352)	(3,864)	(12,853)	(13,779)
Deferred compensation expense	(954)	(846)	(4,279)	(3,941)
Total	\$ (7,952)	\$ (8,376)	\$ (31,830)	\$ (32,148)

(1) Includes professional fees, corporate management and overhead related costs, public reporting costs, and Board of Trustees’ fees and expenses.

G&A expenses for the three months ended December 31, 2024 decreased by \$0.4 million, or 5.1%, mainly due to lower general corporate expenses and legal fees compared to prior year. For the year ended December 31, 2024, G&A expenses decreased by \$0.3 million or 1.0% compared to the prior year, mainly due to business tax refunds received relating to prior years, partially offset by higher asset management fees from acquisitions completed in 2023 and 2024, and higher deferred compensation expense due to the higher number of grants in 2024 compared to the prior year.

Share of net income from equity accounted investments

Share of net income from equity accounted investments represents our share of net income pickup from our investments in an associate, the U.S. Fund, and two joint ventures, the Dream Summit JV and the Development JV.

Net income from the U.S. Fund mainly comprises net rental income, interest expense on debt, G&A expenses, and fair value adjustments to investment properties and debt. Net income from our investment in the U.S. Fund may vary year-over-year or quarter-over-quarter due to fluctuations in fair value adjustments to investment properties and debt, and changes in our ownership levels. For the three months and year ended December 31, 2024, our share of net income (loss) from the U.S. Fund was \$5.1 million and \$17.1 million, respectively (for the three months and year ended December 31, 2023 – \$(4.3) million and \$4.9 million, respectively). Net income from the U.S. Fund for the three months ended December 31, 2024 increased over the prior year comparative period primarily due to fair value adjustments on the U.S. Fund’s net assets. Net income from the U.S. Fund for the year ended December 31, 2024 increased over the prior year primarily due to an increase in fair value adjustments and higher net rental income.

Net income from the Dream Summit JV mainly comprises net rental income, interest expense on debt, G&A expenses and fair value adjustments to investment properties. For the three months and year ended December 31, 2024, our share of net income (loss) from the Dream Summit JV was \$11.9 million and \$20.5 million, respectively (for the three months and year ended December 31, 2023 – \$4.2 million and \$(1.5) million, respectively). Net income from the Dream Summit JV for the three months ended December 31, 2024 increased compared to the prior year comparative period mainly due to fair value adjustments to investment properties. Net income from the Dream Summit JV for the year ended December 31, 2024 increased over the prior year primarily due to fair value adjustments to investment properties and higher net rental income, partially offset by higher interest expense.

For the three months and year ended December 31, 2024, our share of net income from the Development JV was \$5.4 million and \$5.3 million, respectively (for the three months and year ended December 31, 2023 – \$1.5 million and \$1.5 million, respectively). The increase is due to fair value adjustments to investment properties.

Interest expense on debt and other financing costs

Interest expense on debt and other financing costs increased by \$2.3 million and \$15.8 million for the three months and year ended December 31, 2024, respectively, when compared to the prior year comparative periods. The increase was primarily driven by higher interest rates and higher average debt outstanding in connection with funding our investment in the Dream Summit JV mid-Q1 2023, mortgage refinancings that took place in the second half of 2023 and the \$400 million Series F Debentures, partially offset by lower borrowings on our unsecured revolving credit facility and mortgage maturities in the current year.

Fair value adjustments to investment properties

Refer to the "Investment Properties" section under the heading "Fair value adjustments to investment properties" for a discussion of fair value changes to investment properties for the three months and year ended December 31, 2024.

Fair value adjustments to financial instruments

The fair value adjustments to subsidiary redeemable units and deferred trust units are dependent on the change in the Trust's unit price, and the adjustments may vary significantly year-over-year.

The fair value measurements of the interest rate swaps ("IRS") are calculated using external data provided by qualified professionals based on the present value of the estimated future cash flows determined using observable yield curves, and the adjustments may vary significantly year-over-year.

The following table summarizes our fair value adjustments to financial instruments for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Remeasurement of carrying value of subsidiary redeemable units	\$ 35,101	\$ (14,948)	\$ 28,695	\$ (43,466)
Remeasurement of carrying value of deferred trust units	5,187	(1,934)	4,237	(4,028)
Remeasurement of IRS	232	(8,710)	(11,182)	(12,153)
Amortization of fair value adjustments to CCIRS	(2,103)	(2,103)	(8,412)	(8,412)
Total	\$ 38,417	\$ (27,695)	\$ 13,338	\$ (68,059)

Net (loss) income on transactions and other activities

The following table summarizes our net (loss) income on transactions and other activities for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Internal leasing costs	\$ (1,779)	\$ (1,396)	\$ (6,142)	\$ (4,620)
Foreign exchange gain (loss)	331	(140)	(1,590)	1,249
Transaction costs on acquisitions and dispositions	(1,214)	(498)	(2,611)	(1,316)
Other	(766)	(97)	(1,325)	(75)
Total	\$ (3,428)	\$ (2,131)	\$ (11,668)	\$ (4,762)

Current and deferred income tax (expense) recovery

The following table summarizes our current and deferred income tax expense for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Current income tax expense	\$ (701)	\$ (348)	\$ (2,588)	\$ (2,632)
Deferred income tax (expense) recovery	(2,380)	4,702	(7,176)	3,832
Deferred and current income tax (expense) recovery, net	\$ (3,081)	\$ 4,354	\$ (9,764)	\$ 1,200

Current income tax expense for the three months ended December 31, 2024 increased by \$0.4 million compared to the comparative prior year period due to lower tax depreciation in the Netherlands. For the year ended December 31, 2024, current tax expense remained consistent with the prior year.

Deferred income tax (expense) recovery for the three months and year ended December 31, 2024 increased by \$7.1 million and \$11.0 million, respectively, compared to the prior year comparative periods, primarily due to changes in fair value adjustments to investment properties.

Other comprehensive income (loss)

Other comprehensive income (loss) comprises unrealized gain (loss) on foreign currency translation, unrealized gain (loss) on hedging instruments and unrealized gain (loss) on foreign currency translation from our equity accounted investments. The unrealized gain (loss) on foreign currency translation may vary significantly year-over-year depending on the value of the Canadian dollar relative to the euro and the U.S. dollar. The unrealized gain (loss) on hedging instruments may vary significantly year-over-year depending on the fair value adjustments on the CCIRS designated as hedges.

Funds from operations (“FFO”) and diluted FFO per Unit

FFO is a non-GAAP financial measure and diluted FFO per Unit is a non-GAAP ratio. FFO is further defined and reconciled to net income, which is its most directly comparable financial measure, in the “Non-GAAP Financial Measures” section. Diluted FFO per Unit is a non-GAAP ratio and is calculated as FFO (a non-GAAP financial measure) divided by the weighted average number of Units, a supplementary financial measure. See the “Supplementary Financial Measures and Ratios and Other Disclosures” section for additional information about diluted amounts per Unit, under the heading “Weighted average number of Units”.

FFO and diluted FFO per Unit for the three months and years ended December 31, 2024 and December 31, 2023 are shown in the table below:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net income	\$ 109,635	\$ (8,817)	\$ 259,611	\$ 104,299
FFO	\$ 74,490	\$ 69,286	\$ 288,877	\$ 274,634
Weighted average number of Units (in thousands)	291,299	286,736	289,668	280,784
FFO per Unit – diluted	\$ 0.26	\$ 0.24	\$ 1.00	\$ 0.98
Net income per Unit – diluted	\$ 0.38	\$ (0.03)	\$ 0.90	\$ 0.37

Diluted FFO per Unit for the three months and year ended December 31, 2024 was \$0.26 and \$1.00, respectively, representing a 5.8% and 1.9% increase, respectively, when compared to the comparative prior periods. The increase year-over-year is primarily driven by CP NOI (constant currency basis) growth, acquisitions during 2023 including the Dream Summit JV and increases in property management income, partially offset by higher interest expense.

Related party transactions

From time to time, Dream Industrial REIT and its subsidiaries enter into transactions with related parties that are generally conducted on a cost recovery basis or under normal commercial terms.

Agreements with Dream Asset Management Corporation (“DAM”)

The Trust is party to (i) an amended and restated asset management agreement (the “North American AMA”) with DAM in respect of its North American portfolio; and (ii) an asset management agreement (the “European AMA”) with a subsidiary of DAM in respect of its European portfolio. Pursuant to these agreements, DAM provides certain asset management services to the Trust and its subsidiaries. The agreements provide the Trust and DAM the opportunity to agree on additional services to be provided to the Trust for which DAM is to be reimbursed on a cost recovery basis.

Both the North American AMA and European AMA provide for an incentive fee and Incentive Distribution based on FFO per Unit, as defined in the agreements, in excess of the FFO hurdle amount. Both the North American hurdle and European hurdle were initially set at \$0.95 per Unit as of January 1, 2020 and increase annually by 50% of the increase in the CPI as defined in the North American and European AMAs (\$1.04 as of December 31, 2024).

Disposition gains in the FFO per Unit calculations used for determining the incentive fee and Incentive Distribution are based on the actual disposition value, or fair value in the case of a termination of the agreement in accordance with its terms, of the Trust’s North American and European investment properties, respectively, at the applicable date, relative to their historic purchase price.

As at December 31, 2024, we recorded an incentive fee payable of \$0.6 million (2023 – \$nil) under the terms of the North American AMA, mainly resulting from disposition gains of \$17.1 million from nine investment properties sold for \$68.5 million, including our share of two dispositions in our joint ventures, during the year ended December 31, 2024.

As at December 31, 2024, the fair value of the LP Class B Units held by DAM Europe was \$nil (2023 – \$nil) and no Incentive Distribution has been paid or is payable by the Trust to DAM Europe.

In the event that all of the Trust's investment properties were sold or both the North American AMA and the European AMA were terminated, based on the investment properties value of \$7.0 billion reported as at December 31, 2024, and based on the Trust's actual financial results for the trailing twelve months, the estimated overall incentive fee payable would have been \$292.4 million. The actual incentive fee payable, if any, would be calculated as of each fiscal year end and based on the Trust's actual financial results for the year ending December 31.

The amount of the North American incentive fee payable by the Trust, the Incentive Distribution and the redemption price of the LP Class B Units on any date will be contingent upon various factors, including, but not limited to, changes in Dream Industrial REIT's FFO (as defined in the North American AMA) and changes in the European FFO, movements in the fair value of investment properties, acquisitions and dispositions, future foreign exchange rates, and changes in the total number of outstanding Units of the Trust.

The following table summarizes our fees paid to DAM and its affiliates for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Incurred under the North American AMA and European AMA:				
Asset management fee (included in G&A expenses)	\$ (3,646)	\$ (3,666)	\$ (14,698)	\$ (14,428)
Asset management fee (included in investment properties)	(254)	(140)	(794)	(443)
Capital expenditures fee (included in investment properties)	(1,421)	(1,986)	(4,900)	(6,662)
Acquisition fee (included in investment properties and equity accounted investments)	(200)	(102)	(382)	(3,848)
Incentive fee (included in net loss on transactions and other activities)	(592)	—	(592)	—
Expense reimbursements related to financing arrangements	(162)	(182)	(602)	(549)
Total costs incurred under the North American AMA and European AMA	\$ (6,275)	\$ (6,076)	\$ (21,968)	\$ (25,930)
Total costs reimbursed under the Shared Services and Cost Sharing Agreement	\$ (556)	\$ (412)	\$ (1,972)	\$ (1,767)

Agreements with Dream Office Real Estate Investment Trust ("Dream Office REIT")

The following table summarizes the costs reimbursed to Dream Office REIT for the three months and years ended December 31, 2024 and December 31, 2023 pursuant to the terms of the Services Agreement:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Total costs reimbursed under the Services Agreement	\$ (2,115)	\$ (2,172)	\$ (8,233)	\$ (8,238)

As discussed in "Our Equity", subsidiaries of Dream Office REIT are the holders of 100% of the outstanding LP B Units. Generally, each subsidiary redeemable unit entitles the holder to a distribution equal to distributions declared on our REIT Units. In our consolidated financial statements, distributions paid and payable on LP B Units are included as interest expense.

The following table summarizes our distributions and interest paid and payable to subsidiaries of Dream Office REIT for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Interest paid and payable to Dream Office REIT on subsidiary redeemable units	\$ (2,336)	\$ (2,336)	\$ (9,344)	\$ (10,557)
Distributions paid and payable to Dream Office REIT on REIT Units	(33)	(33)	(132)	(1,902)
Interest and distributions paid and payable to Dream Office REIT	\$ (2,369)	\$ (2,369)	\$ (9,476)	\$ (12,459)

Agreements with PAULS Corp, LLC (“PAULS Corp”)

Effective June 13, 2024, PAULS Corp is no longer a related party of Dream Industrial REIT. Our fees paid and costs reimbursed to an affiliate of PAULS Corp under the sub-property management agreement for the six months ended June 30, 2024 amount to \$264 (for the year ended December 31, 2023 – \$429).

Agreements and transactions with the associate and joint ventures

The following table summarizes our fees earned from the associate and joint ventures for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Total fees earned under the Property Management Agreements ⁽¹⁾	\$ 5,647	\$ 3,788	\$ 19,632	\$ 15,343

(1) Amounts include management fees, construction fees, leasing fees, and cost recovery for property management and accounting related to the U.S. Fund, Dream Summit JV and Development JV.

SECTION III

INVESTMENT PROPERTIES

Dream Industrial REIT’s investment properties comprise income-producing properties, properties under development and land held for development. Our income-producing properties make up a large majority of the investment property portfolio. Properties under development include greenfield development or redevelopment projects for which planning and permitting are complete, construction has commenced, and, if applicable, the existing property has been destabilized. Land held for development includes land parcels acquired for the purpose of constructing industrial income-producing properties, where no development activities are underway except for planning and other pre-development work.

Investment properties continuity

Changes in the value of our investment properties, excluding asset held for sale, by region for the three months and year ended December 31, 2024 are summarized in the following tables:

							Three months ended
	September 30, 2024	Property acquisitions, dispositions and asset held for sale	Building improvements, lease incentives and initial direct leasing costs	Fair value adjustments	Non-cash accounting adjustments ⁽²⁾	Income- producing properties transferred to/from properties held for development	December 31, 2024
Ontario	\$ 2,433,610	\$ —	\$ 5,630	\$ (4,888)	\$ 1,569	\$ —	\$ 2,435,921
Québec	1,195,765	(20,300)	2,278	(4,431)	1,285	—	1,174,597
Western Canada	661,006	—	4,119	1,379	(282)	—	666,222
Canadian portfolio	4,290,381	(20,300)	12,027	(7,940)	2,572	—	4,276,740
European portfolio	2,489,737	(15,162)	7,613	(1,136)	(24,397)	—	2,456,655
Total income-producing properties	6,780,118	(35,462)	19,640	(9,076)	(21,825)	—	6,733,395
Properties held for development⁽¹⁾	277,032	—	21,286	—	—	—	298,318
Total investment properties	\$ 7,057,150	\$ (35,462)	\$ 40,926	\$ (9,076)	\$ (21,825)	\$ —	\$ 7,031,713

(1) Included in properties held for development are development costs, pre-development costs and capitalized interest.

(2) Included in non-cash accounting adjustments are amortization and write-offs of lease incentives, change in straight-line rent and foreign currency translation adjustments of the European portfolio totalling \$(24,434).

							Year ended
	January 1, 2024	Property acquisitions, dispositions and asset held for sale	Building improvements, lease incentives and initial direct leasing costs ⁽¹⁾	Fair value adjustments	Non-cash accounting adjustments ⁽²⁾	Income- producing properties transferred to/from properties held for development ⁽³⁾	December 31, 2024
Ontario	\$ 2,348,875	\$ —	\$ 15,779	\$ (13,889)	\$ 4,359	\$ 80,797	\$ 2,435,921
Québec	1,217,394	(20,300)	12,243	3,270	3,582	(41,592)	1,174,597
Western Canada	684,270	(41,585)	13,027	11,604	(1,094)	—	666,222
Canadian portfolio	4,250,539	(61,885)	41,049	985	6,847	39,205	4,276,740
European portfolio	2,441,624	(23,944)	18,386	(29,798)	50,387	—	2,456,655
Total income-producing properties	6,692,163	(85,829)	59,435	(28,813)	57,234	39,205	6,733,395
Properties held for development⁽¹⁾	232,111	—	101,364	4,048	—	(39,205)	298,318
Total investment properties	\$ 6,924,274	\$ (85,829)	\$ 160,799	\$ (24,765)	\$ 57,234	\$ —	\$ 7,031,713

(1) Included in properties held for development are development costs, pre-development costs and capitalized interest.

(2) Included in non-cash accounting adjustments are amortization and write-offs of lease incentives, change in straight-line rent and foreign currency translation adjustments of the European portfolio totalling \$50,251.

(3) For the year ended December 31, 2024, one income-producing property was transferred to property held for development due to redevelopment activities and one property was transferred from property held for development to income-producing property.

Significant assumptions used in the valuation of investment properties

The fair value of the investment properties as at December 31, 2024 and December 31, 2023 represents our best estimate based on internally and externally available information as at the end of the reporting period.

We value our investment properties using both the direct cap rate method and the discounted cash flow method. The results of both methods are evaluated by considering the range of values calculated under both methods on a property-by-property basis.

The significant valuation metrics used in the cap rate method are stabilized cap rates. The following table summarizes stabilized cap rates by region as at December 31, 2024 and December 31, 2023:

	December 31, 2024		Total portfolio ⁽¹⁾ December 31, 2023	
	Range (%)	Weighted average (%) ⁽²⁾	Range (%)	Weighted average (%) ⁽²⁾
Stabilized cap rates				
Ontario	5.25–9.00	6.05	5.50–8.75	6.01
Québec	5.25–7.25	6.25	5.75–7.50	6.30
Western Canada	5.50–7.75	6.53	6.00–8.00	6.58
Canadian portfolio	5.25–9.00	6.18	5.50–8.75	6.19
European portfolio⁽³⁾	4.80–8.85	5.96	4.50–8.50	5.84
Total portfolio	4.80–9.00	6.10	4.50–8.75	6.06

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

(2) Weighted average percentage based on investment property fair value.

(3) Excludes asset held for sale as at December 31, 2024.

The significant valuation metrics used in the discounted cash flow method as at December 31, 2024 and December 31, 2023 are set out in the table below:

	December 31, 2024		Total portfolio ⁽¹⁾ December 31, 2023	
	Range (%)	Weighted average (%) ⁽²⁾	Range (%)	Weighted average (%) ⁽²⁾
Discount rate	5.80–10.40	7.30	5.25–10.00	7.14
Terminal cap rate	5.05–9.25	6.42	4.50–9.00	6.27

(1) Excludes asset held for sale, properties held for development and investment properties acquired during the respective quarter as applicable.

(2) Weighted average percentage based on investment property fair value.

We believe other valuation metrics, such as implied weighted average cap rates by region, will enable users to better understand how specific operating metrics, such as in-place rents versus market rents, and in-place versus in-place and committed occupancy levels in the respective regions, may impact our values. The implied weighted average cap rate is determined using the annualized year ended December 31, 2024 net rental income by property, excluding the net rental income of properties acquired and properties disposed during the quarter, as applicable. Net rental income used in calculating the implied average cap rate also excludes the impact of lease termination fees and other rental income, bad debt provisions, and the amortization of lease incentives.

Investment property value per square foot by region is another valuation metric that enables users to compare the transacted value per square foot in similar markets during the period.

The following table summarizes the implied weighted average cap rate and value per square foot by region as at December 31, 2024 and December 31, 2023:

	Total portfolio ⁽¹⁾			
	December 31, 2024		December 31, 2023	
	Implied cap rate (%)	Value per sq. ft.	Implied cap rate (%)	Value per sq. ft.
Ontario	4.80	\$ 259	4.36	\$ 256
Québec	5.19	206	4.46	202
Western Canada	7.43	138	7.58	134
Canadian portfolio	5.31	\$ 215	4.91	\$ 209
European portfolio (value per sq. ft. in €)	5.48	€ 94	5.35	€ 94
Total portfolio (value per sq. ft. in \$)	5.37	\$ 180	5.07	\$ 176

(1) Excludes asset held for sale, properties held for development and investment properties acquired and disposed of during the respective quarter, as applicable.

Acquisitions

There were no acquisitions completed during the year ended December 31, 2024 in our wholly-owned portfolio, but we continued to expand our portfolio through our joint ventures, where we acquired four assets totalling \$262 million (\$38 million at our share). Subsequent to the year ended December 31, 2024, the Dream Summit JV completed the acquisition of \$400 million (\$40 million at our share) of assets located across Canada.

On February 17, 2023, pursuant to the Dream Industrial Summit JV transaction, we acquired Dream Summit Industrial Management Corp. (“DSIM”, formerly Summit Industrial Income Management Corp.) for nominal consideration. DSIM assists a subsidiary of the Trust in providing property management and leasing services to the Dream Summit JV at market rates. A subsidiary of DAM is the asset manager of the Dream Summit JV and we pay fees on our interest in the Dream Summit JV under the North American AMA.

For the year ended December 31, 2023, we acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling \$5.0 million.

Dispositions

The following dispositions were completed during the year ended December 31, 2024:

	Fair value of investment properties ⁽¹⁾	Date disposed
Innsbruckweg 40–140, Rotterdam, Netherlands ⁽²⁾	\$ 4,833	June 18, 2024
Regina properties (various) ⁽³⁾	41,585	June 24, 2024
Klompemakerstraat 3–5, Ridderkerk, Netherlands ⁽²⁾	3,949	July 15, 2024
9090–9100 Boulevard Cavendish, St-Laurent	20,300	October 30, 2024
Kanaal Zuid 92, Apeldoorn, Netherlands ⁽²⁾	1,406	December 16, 2024
Total	\$ 72,073	

(1) Fair value of investment properties was as at the respective disposition date.

(2) Dispositions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction date.

(3) This disposition comprised six investment properties that were owned in Regina, Saskatchewan.

As partial consideration for the sale of the six Regina properties during the prior quarter, we entered into a vendor take-back secured loan (“VTB loan”) with the purchaser for a principal amount of \$29.1 million, with the remainder of the sale proceeds settled in cash. The VTB loan matures in July 2026 and bears a fixed rate of interest at 6.5% per annum.

For the year ended December 31, 2023, we disposed of investment properties located in the Netherlands totalling \$6.9 million.

Asset held for sale

As at December 31, 2024, we classified an investment property in Europe totalling \$13.8 million as asset held for sale. The investment property net of the ground lease liability of \$2.3 million was \$11.5 million or €7.7 million as at December 31, 2024. Subsequent to the year ended December 31, 2024, this investment property net of the ground lease was disposed of for total gross proceeds of \$11.4 million or €7.7 million. As at December 31, 2023, there were no investment properties classified as assets held for sale.

Capital expenditures

We invest capital in our investment properties to help ensure optimal building performance, improve the experience of our tenants and reduce operating costs. In order to retain desirable rentable space and to generate adequate revenue over the long term, we must maintain or, in some cases, improve each property's condition to meet market demand. This also includes capital expenditures for the purposes of greenfield development, redevelopment and expansion activities.

Recoverable capital expenditures are recovered from tenants in accordance with their leases over the useful life of the building improvements. Recoverable amounts include an imputed interest charge and management fee.

Non-recoverable capital expenditures are not recovered from tenants and are costs incurred to repair or maintain the property's structural condition and upgrade properties to our operating standards.

Development capital expenditures are discretionary in nature and incurred to increase GLA and/or significantly improve the functionality of a property. These can include expenditures related to greenfield development, expansions, pre-development work on projects and redevelopment projects. Development capital expenditures include pre-development costs, direct construction costs, leasing costs, tenant improvements, borrowing costs, and overhead including applicable salaries and direct costs of internal staff directly attributable to the projects. During the quarter, we continued to allocate capital to our development pipeline with approximately 1.2 million square feet of projects currently underway or in advanced stages of planning.

Value-add capital expenditures are not recovered from tenants and include additions of solar panels and upgrades such as LED lighting retrofits as part of our ESG initiatives, which are completed on certain properties and are expected to increase our ability to attract tenants and obtain higher rental rates. In addition, value-add capital expenditures include capital allocated to refurbishing existing assets with the goal of achieving higher rent from current or prospective tenants:

- In Europe, one solar project is currently under construction.
- In Western Canada, one solar project was in the final stages of testing in the quarter and became fully operational and revenue producing in January 2025.

The following table summarizes total capital expenditures incurred during the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Recoverable capital expenditures	\$ 2,200	\$ 3,881	\$ 13,120	\$ 20,411
Non-recoverable capital expenditures	4,394	7,838	9,046	13,351
Recoverable and non-recoverable capital expenditures	6,594	11,719	22,166	33,762
Development capital expenditures	2,067	964	5,300	14,976
Value-add capital expenditures	4,898	4,470	13,118	9,981
Capital expenditures on income-producing properties⁽¹⁾	\$ 13,559	\$ 17,153	\$ 40,584	\$ 58,719
Capital expenditures on properties held for development⁽²⁾	19,248	38,757	92,860	125,314
Total capital expenditures	\$ 32,807	\$ 55,910	\$ 133,444	\$ 184,033

(1) For the three months and year ended December 31, 2024, excludes capitalized interest of \$5 and \$182, respectively (for the three months and year ended December 31, 2023, excludes capitalized interest of \$192 and \$447, respectively).

(2) For the three months and year ended December 31, 2024, excludes capitalized interest of \$2,039 and \$8,505, respectively (for the three months and year ended December 31, 2023, excludes capitalized interest of \$2,350 and \$6,140, respectively).

Total capital expenditures for the three months and year ended December 31, 2024 decreased by \$23.1 million and \$50.6 million, respectively, compared to the prior year comparative periods. Recoverable capital expenditures for the year ended December 31, 2024 decreased compared to the prior year due to the completion of a larger roofing upgrade initiative in 2023 to increase the energy efficiency of our roofs to align with our sustainability initiatives. Development capital expenditures on our income-producing properties decreased due to the completion of two expansion projects in Québec in the first half of 2023. We have incurred higher value-add capital expenditure work relating to solar panels in Western Canada and Europe. Development capital expenditures on our properties held for development have decreased in 2024 as four projects were substantially completed in the past year. We continue to execute on the development projects as described within this MD&A.

Lease incentives and initial direct leasing costs

Lease incentives include costs incurred to make leasehold improvements to tenant spaces and cash allowances. Initial direct leasing costs include leasing fees and related costs and broker commissions incurred in negotiating and arranging tenant leases. Lease incentives and initial direct leasing costs are dependent upon asset type, lease terminations and expiries, the mix of new leasing activity compared to renewals, portfolio growth and general market conditions. Short-term leases generally have lower costs than long-term leases.

The following table summarizes leasing incentives and leasing costs reported for the three months and years ended December 31, 2024 and December 31, 2023, and includes costs attributable to leases that commenced in the respective periods. Due to the timing of the signing of lease agreements, certain costs, such as lease commissions, may be incurred in advance of lease commencement.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Lease incentives and initial direct leasing costs	\$ 6,075	\$ 3,503	\$ 18,668	\$ 10,418

Lease incentives and initial direct leasing costs for the three months and year ended December 31, 2024 increased by \$2.6 million and \$8.3 million, respectively, compared to the prior year comparative periods, primarily driven by early renewals of a few larger tenants and a higher volume of leases transacted during the year.

Valuations of externally appraised investment properties

For the year ended December 31, 2024, 80 investment properties were valued by qualified external valuation professionals representing 24.5% of total investment property values, excluding acquired properties (for the year ended December 31, 2023 – 74 investment properties were externally appraised representing 20.9% of total investment property values, excluding acquired properties).

Fair value adjustments to investment properties

For the three months ended December 31, 2024, we recorded a fair value loss to investment properties of \$9.1 million, which was primarily driven by fair value losses in Ontario and Québec. Europe and Western Canada remained flat.

For the year ended December 31, 2024, we recorded a fair value loss to investment properties of \$24.8 million, which was primarily driven by fair value losses in Europe and Ontario. In Canada, we recorded fair value gains in Western Canada and Québec.

OUR FINANCING

Debt strategy

Our debt strategy involves maintaining a conservative leverage ratio and building up a high-quality unencumbered investment properties pool, while optimizing borrowing costs, preserving liquidity and hedging our foreign currency exposure. We are focused on improving our overall cost of capital and the risk profile of our business by maintaining an investment grade credit rating and diversifying our sources of debt through a combination of secured and unsecured debt.

Debt summary

Our discussion of debt includes CCIRS. However, pursuant to IFRS Accounting Standards, CCIRS are included in “Derivatives and other non-current assets” in the consolidated financial statements.

	As at	
	December 31, 2024	December 31, 2023
Financing metrics and other information		
Credit rating – DBRS	BBB (mid)	BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio ⁽¹⁾	36.1%	36.0%
Net total debt-to-normalized adjusted EBITDAFV ratio (years) ⁽¹⁾	7.0	7.7
Interest coverage ratio (times) ⁽¹⁾	5.2	6.0
Weighted average face interest rate on debt (period-end) ⁽²⁾	2.47%	2.35%
Weighted average remaining term to maturity on debt (years)	2.4	2.7
Non-current debt	\$ 2,098,543	\$ 2,537,090
Total assets	\$ 8,122,554	\$ 7,858,340
Interest expense on debt and other financing costs ⁽³⁾	\$ 70,130	\$ 54,379
Total debt ⁽⁴⁾	\$ 2,956,018	\$ 2,839,753
Unsecured debt ⁽⁵⁾	\$ 2,476,509	\$ 2,257,354
Secured debt as a percentage of total assets ⁽⁴⁾	5.9%	7.4%
Unencumbered investment properties (period-end) ⁽⁵⁾	\$ 5,799,700	\$ 5,401,880
Unencumbered investment properties as a percentage of investment properties ⁽⁵⁾	82.3%	78.0%
Cash and cash equivalents	\$ 80,277	\$ 49,916
Available liquidity (period-end) ⁽⁴⁾	\$ 822,395	\$ 491,868

(1) Net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years) and interest coverage ratio (times) are non-GAAP ratios. See the “Non-GAAP Ratios” section for additional information.

(2) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt, including the impact of CCIRS as at period-end.

(3) Represents the financial results per consolidated financial statements for the years ended December 31, 2024 and December 31, 2023.

(4) Total debt and available liquidity are non-GAAP financial measures. See the “Non-GAAP Financial Measures” section for additional information.

(5) Unsecured debt, secured debt as a percentage of total assets, unencumbered investment properties and unencumbered investment properties as a percentage of investment properties are supplementary financial measures. See the “Supplementary Financial Measures and Ratios and Other Disclosures” section for additional information.

Liquidity and capital resources

Dream Industrial REIT’s primary sources of capital are cash generated from operating activities, draws on the unsecured revolving credit facility, mortgage financing and refinancing, and equity and debt issuances. Our primary uses of capital include the payment of distributions, property acquisitions, costs of attracting and retaining tenants, recurring property maintenance, major property improvements, development projects, debt principal repayments and interest payments.

Scheduled principal repayments that are due within one year total \$2.7 million, and debt maturities that are due within one year total \$869.5 million. The debt maturities are typically refinanced or repaid with cash on hand or with proceeds from debt issuances or term facilities with terms between three and ten years. With our balanced debt maturity schedule, undrawn unsecured revolving credit facility of \$742.1 million plus the \$250 million accordion option, cash and cash equivalents of \$80.3 million and unencumbered investment properties pool of \$5.8 billion, we have sufficient liquidity and capital resources as at December 31, 2024 to fulfill our ongoing obligations. In addition, we maintained a strong and flexible balance sheet with secured and unsecured debt representing only 5.9% and 30.5% of our total assets (which are supplementary financial measures and ratios) and our net total debt-to-total assets (net of cash and cash equivalents) ratio (a non-GAAP ratio) was 36.1% as at December 31, 2024.

In November 2024, DBRS improved the trends on our credit ratings to Positive from Stable and confirmed both our Issuer Rating and our Debentures’ credit rating (defined below) at BBB (mid).

Financing activities

Mortgages

During the year ended December 31, 2024, we repaid one mortgage in Canada and five mortgages in Europe at maturity totalling \$108.9 million with a weighted average face interest rate of 1.81% per annum.

During the year ended December 31, 2023, we discharged one mortgage and repaid an additional eight mortgages in Europe totalling \$164.3 million with a face interest rate of 1.26% per annum, by utilizing our unsecured revolving credit facility. Additionally, we closed on \$231.1 million of new mortgages and refinanced \$99.0 million of mortgages in Europe with weighted average face and effective interest rates of 4.93% and 5.20% per annum, respectively. The proceeds were used to repay the drawdown on the unsecured revolving credit facility.

€153 million Unsecured Term Loan

On June 13, 2024, we closed on an unsecured term loan (the “€153M Unsecured Term Loan”) maturing on June 13, 2027 with two one-year extension options to be exercised at our discretion, subject to certain conditions. The €153M Unsecured Term Loan bears interest at the Euro Interbank Offered Rate (“EURIBOR”) plus spread. On the same day, we entered into an IRS agreement, maturing on June 13, 2029, to fix the floating interest rate to 4.014%. The proceeds were used to repay the euro leg of the Series B Debentures’ CCIRS that matured on June 17, 2024 and to fund European mortgage repayments.

\$200 million Unsecured Term Loan

On February 14, 2023, we closed on an unsecured term loan (the “\$200M Unsecured Term Loan”) with an equivalent principal amount of \$200 million maturing on February 14, 2026 with a one-year extension option. The \$200M Unsecured Term Loan bears interest at the Canadian Overnight Repo Rate Average (“CORRA”) plus spread or Canadian prime rate plus spread on Canadian dollar draws, or the Federal Reserve Bank of New York (“SOFR”) plus spread or base rate plus spread on U.S. dollar draws.

We fully drew down a principal amount of US\$145 million (equivalent to \$200 million) and entered into a CCIRS arrangement, maturing on March 15, 2028, to swap the U.S. dollar proceeds to Canadian dollars and to fix the floating interest rate to 4.848%. On July 26, 2024, we extended the maturity of our \$200M Unsecured Term Loan to March 15, 2028, which is co-terminus with the related CCIRS.

Unsecured revolving credit facility

In August 2024, we upsized our \$500 million unsecured revolving credit facility to \$750 million, and extended the maturity date from August 9, 2028 to August 13, 2029, while maintaining the \$250 million accordion option. The unsecured revolving credit facility bears interest at the CORRA rates plus spread or Canadian prime rate plus spread on Canadian dollar draws, the SOFR plus spread or the U.S. prime rate plus spread on U.S. dollar draws, or the EURIBOR plus spread on euro draws.

Replacement of CDOR with CORRA

The administrator of the Canadian Dollar Offered Rate (“CDOR”) ceased publication of CDOR on June 28, 2024, and the Canadian financial benchmark was replaced by the CORRA. The fallback provisions of the unsecured revolving credit facility, the \$200M Unsecured Term Loan and the US\$250 million unsecured term loan have been appropriately updated to transition from CDOR to CORRA for Canadian drawdowns, effective June 28, 2024. The change had no economic impact on any debt and related derivatives pertaining to the Trust.

The amounts available and drawn under the revolving credit facility as at December 31, 2024 are as follows:

						December 31, 2024	
	Maturity date		Borrowing capacity	Letters of credit amount	Principal outstanding	Amounts available to be drawn	
Unsecured revolving credit facility ⁽¹⁾	August 13, 2029	\$	750,000	\$	7,882	\$	—
						\$	742,118

(1) The unsecured revolving credit facility has the ability to be drawn in Canadian dollars, U.S. dollars and euros. At December 31, 2024, there was no principal amount outstanding.

As at December 31, 2023, \$50.0 million was drawn on the unsecured revolving credit facility, which was fully repaid during Q1 2024, in addition to letters of credit outstanding totalling \$8.0 million.

Debentures

We have the following outstanding debentures, all rated BBB (mid) by DBRS: the \$450 million 1.662% Series A Debentures due 2025, the \$400 million 2.057% Series C Debentures due 2027 (Series C Green Bonds), the \$250 million 2.539% Series D Debentures due 2026 (Series D Green Bonds), the \$200 million 3.968% Series E Debentures due 2026 (Series E Green Bonds), and the \$400 million 5.383% Series F Debentures due 2028 (collectively, the “Debentures”) and the Series C Green Bonds, the Series D Green Bonds and the Series E Green Bonds (collectively, the “Green Bonds”).

The Debentures issued are direct senior unsecured obligations of the Trust and are ranked equally and rateably with all other unsecured and unsubordinated indebtedness of the Trust, except to the extent prescribed by law.

\$400 million Series F Debentures

The \$200 million Series F Debentures were issued at a price equal to \$1,000 per \$1,000 principal amount, bear interest at a rate of 5.383% per annum and will mature on March 22, 2028. Interest is payable on the \$200 million Series F Debentures on March 22 and September 22 of each year commencing on September 22, 2023. The \$200 million Series F Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. The original \$200 million Series F Debentures were reopened and the Trust issued an additional \$200 million on January 4, 2024 at an issuance price of \$1,004.51 per \$1,000 principal amount (plus accrued interest from September 22, 2023), which bear interest at a rate of 5.383% per annum and will mature on March 22, 2028. The Series F Debentures reopening has the same terms and conditions, and constitutes part of the same series, as the original \$200 million aggregate principal amount of the Series F Debentures issued by the Trust on March 22, 2023. Total financing costs related to the \$400 million Series F Debentures offering totalled \$2.7 million.

\$200 million Series B Debentures

On June 14, 2024, we unwound the CCIRS relating to the Series B Debentures that was maturing on June 17, 2024. The euro leg notional of €136 million was repaid using proceeds from the €153M Unsecured Term Loan and we received the Canadian dollar leg notional of \$200 million. On June 17, 2024, we used the \$200 million proceeds from the CCIRS to repay the Series B Debentures at maturity.

IRS and CCIRS arrangements

We lower our overall cost of borrowings and hedge our euro currency exposure by entering into CCIRS arrangements by replacing higher interest rate Canadian debt with lower interest rate euro equivalent debt.

The following table summarizes our IRS and CCIRS arrangements outstanding as at December 31, 2024 and December 31, 2023:

	Fair value as at December 31, 2024		Fair value as at December 31, 2023	
Fair value through other comprehensive income				
Assets ⁽¹⁾	\$	49,402	\$	30,981
Liabilities ⁽²⁾		(36,470)		(23,367)
Fair value through profit or loss				
Assets ⁽³⁾		2,446		6,813
Liabilities		(11,390)		(4,601)

(1) As at December 31, 2024, \$41,221 is due to mature in the next twelve months and is included in “Prepaid expenses and other assets” in the consolidated financial statements (December 31, 2023 – \$1,751 was due to mature in the next twelve months and is included in “Prepaid expenses and other assets” in the consolidated financial statements).

(2) As at December 31, 2024, \$22,289 is due to mature in the next twelve months and is included in “Amounts payable and accrued liabilities” in the consolidated financial statements (December 31, 2023 – \$nil).

(3) As at December 31, 2024, \$296 is due to mature in the next twelve months and is included in “Prepaid expenses and other assets” in the consolidated financial statements (December 31, 2023 – \$1,148 was due to mature in the next twelve months and is included in “Prepaid expenses and other assets” in the consolidated financial statements).

IRS and CCIRS

The table below summarizes the effects of the weighted average face interest rate (including and excluding CCIRS) by type of debt as at December 31, 2024 and December 31, 2023:

	December 31, 2024		As at December 31, 2023	
	Weighted average face interest rate (including CCIRS)	Weighted average face interest rate (excluding CCIRS)	Weighted average face interest rate (including CCIRS)	Weighted average face interest rate (excluding CCIRS)
Mortgages	4.20%	4.20%	3.78%	3.78%
Unsecured term loans	2.78%	5.33%	2.32%	6.86%
Unsecured debentures	1.83%	3.03%	1.73%	3.08%
Unsecured revolving credit facility	—%	—%	6.89%	6.89%
Total	2.47%	3.84%	2.35%	3.98%

Debt maturity profile

Our current debt maturity profile is well staggered over the next five years. We manage our maturity schedule by limiting maturity exposure in any given year while mitigating interest rate risk. When the market conditions are favourable, we extend loan terms and fix interest rates. For the maturities in 2025, all \$850.5 million are euro-equivalent debt.

The following is the debt maturity profile by type of debt as at December 31, 2024. Of the total debt of \$2,979.4 million, \$2,289.1 million is euro equivalent debt and the balance of \$690.3 million is Canadian dollar equivalent debt.

	Unsecured term loans and revolving credit facility			Debentures		Mortgages			Total	
	Amount	Weighted average interest rate ⁽⁹⁾		Amount	Weighted average interest rate ⁽⁹⁾	Amount	Weighted average interest rate	Scheduled principal repayments	Amount	Weighted average interest rate ⁽⁹⁾
2025 ⁽¹⁾	\$ 359,725	0.78%	\$	450,000	0.40%	\$ 59,750	1.05%	\$ 2,700	\$ 872,175	0.60%
2026 ⁽²⁾	—	—%		450,000	1.21%	—	—%	2,798	452,798	1.22%
2027 ⁽³⁾	—	—%		400,000	0.55%	—	—%	2,900	402,900	0.55%
2028 ⁽⁴⁾	208,024	4.85%		400,000	5.38%	356,237	4.88%	3,005	967,266	5.08%
2029 ⁽⁵⁾	228,398	4.01%		—	—%	39,830	3.17%	1,687	269,915	3.87%
2030 ⁽⁶⁾	—	—%		—	—%	14,239	4.03%	63	14,302	4.03%
Total	\$ 796,147	2.78%	\$	1,700,000	1.83%	\$ 470,056	4.20%	\$ 13,153	\$ 2,979,356	2.47%
Fair value of CCIRS ⁽⁷⁾									(12,932)	
Unamortized financing costs									(11,063)	
Unamortized fair value adjustments									657	
Total debt⁽⁸⁾									\$ 2,956,018	
Fair value of CCIRS ⁽⁷⁾									12,932	
Less: Current debt									(870,407)	
Non-current debt (per consolidated financial statements)									\$ 2,098,543	

(1) The debt balance due in 2025 includes an unsecured term loan of \$359,725 or €241,546 maturing in November 2025, Series A Debentures of \$450,000 or €296,973 maturing in December 2025, and European mortgages of \$59,750 or €40,025 maturing in February 2025.

(2) The debt balance due in 2026 includes Series E Debentures of \$200,000 or €143,926 maturing in April 2026, and Series D Debentures of \$250,000 or €174,544 maturing in December 2026.

(3) The debt balance due in 2027 includes Series C Debentures of \$400,000 or €271,499 maturing in June 2027.

(4) The debt balance due in 2028 includes an unsecured term loan of \$208,024 or US\$144,573 maturing in March 2028, Series F Debentures of \$400,000 maturing in March 2028, European mortgages of \$341,188 or €228,556 maturing in September 2028, and a Canadian mortgage of \$15,049 maturing in December 2028.

(5) The debt balance due in 2029 includes an unsecured term loan of \$228,398 or €153,000 maturing in June 2029 and a Canadian mortgage of \$39,830 maturing in August 2029.

(6) The debt balance due in 2030 includes a Canadian mortgage of \$14,239 maturing in January 2030.

(7) As at December 31, 2024, the CCIRS were in a net asset position, with \$8,181 in "Derivatives and other non-current assets", \$41,221 in "Prepaid expenses and other assets", \$14,181 in "Derivatives and other non-current liabilities" and \$22,289 in "Amounts payable and accrued liabilities" in the consolidated financial statements.

(8) Total debt is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information.

(9) The total weighted average interest rate includes the net fair value of CCIRS relating to unsecured term loans of \$13,274 and debentures of \$(342).

Commitments and contingencies

Dream Industrial REIT and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on our consolidated financial statements.

As at December 31, 2024, our remaining contractual commitments related to construction and development projects amounted to \$17.8 million (December 31, 2023 – \$96.5 million).

As at December 31, 2024, our contractual commitment of capital contributions to the U.S. Fund is US\$9.7 million (December 31, 2023 – US\$9.7 million).

OUR EQUITY

Total equity

Our total equity⁽¹⁾ includes LP B Units, which are economically equivalent to REIT Units. However, pursuant to the IFRS Accounting Standards, the LP B Units are classified as a liability in our consolidated financial statements.

	December 31, 2024		December 31, 2023	
	Number of Units	Amount	Number of Units	Amount
REIT Units and unitholders' equity	277,819,984	\$ 3,399,261	273,243,349	\$ 3,339,660
Retained earnings	—	1,256,934	—	1,191,907
Accumulated other comprehensive income	—	74,878	—	43,330
Total equity per consolidated financial statements	277,819,984	4,731,073	273,243,349	4,574,897
Add: LP B Units	13,346,572	157,623	13,346,572	186,318
Total equity (including LP B Units)⁽¹⁾	291,166,556	\$ 4,888,696	286,589,921	\$ 4,761,215
NAV per Unit⁽²⁾		\$ 16.79		\$ 16.61

(1) Total equity (including LP B Units) is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information.

(2) NAV per Unit is a non-GAAP ratio. See the "Non-GAAP Ratios" section for additional information.

Total equity as per the consolidated financial statements as at December 31, 2024 was \$4.7 billion, remaining largely consistent with the \$4.6 billion reported as at December 31, 2023. The increase of \$156.2 million was mainly generated from net income of \$259.6 million, other comprehensive income of \$31.5 million and the Distribution Reinvestment Plan ("DRIP") of \$54.1 million, net of distributions of \$194.6 million during the year ended December 31, 2024.

NAV per Unit as at December 31, 2024 increased to \$16.79 from \$16.61 at December 31, 2023, primarily due to an increase in net income and accumulated other comprehensive income balances.

Our Declaration of Trust authorizes the issuance of an unlimited number of two classes of Units: REIT Units and Special Trust Units.

The Special Trust Units may be issued only to holders of LP B Units, are not transferable separately from the LP B Units and are used to provide voting rights with respect to Dream Industrial REIT to persons holding LP B Units. The LP B Units are held by wholly-owned subsidiaries of Dream Office REIT. Both the REIT Units and the Special Trust Units entitle the holder to one vote for each Unit at all meetings of the unitholders. The LP B Units are exchangeable on a one-for-one basis for REIT Units at the option of the holder. The LP B Units and corresponding Special Trust Units together have economic and voting rights equivalent in all material respects to REIT Units.

The table below summarizes Dream Office REIT's ownership of the Trust as at December 31, 2024 and December 31, 2023:

	December 31, 2024		December 31, 2023	
Number of REIT Units held by Dream Office REIT	192,735		192,735	
Number of LP B Units held by Dream Office REIT	13,346,572		13,346,572	
Total number of Units held by Dream Office REIT	13,539,307		13,539,307	
Dream Office REIT's percentage ownership of the Trust	4.7%		4.7%	

During the year ended December 31, 2023, Dream Office REIT exchanged 5,205,283 LP B Units to REIT Units in connection with the secondary bought deal offering that was completed on May 16, 2023.

Continuity of equity

The following table summarizes the changes in our outstanding equity:

	REIT Units	LP B Units	Total Units
Total Units outstanding as at January 1, 2024	273,243,349	13,346,572	286,589,921
REIT Units issued pursuant to DRIP	4,134,465	—	4,134,465
REIT Units issued pursuant to Deferred Unit Incentive Plan (“DUIP”) and Unit Purchase Plan	442,170	—	442,170
Total Units outstanding as at December 31, 2024	277,819,984	13,346,572	291,166,556
Percentage of all Units	95.4%	4.6%	100.0%
REIT Units issued pursuant to DRIP	749,830	—	749,830
Total Units outstanding as at February 14, 2025	278,569,814	13,346,572	291,916,386
Percentage of all Units	95.4%	4.6%	100.0%

Secondary offering of REIT Units and exchange of subsidiary redeemable units

On May 8, 2023, we filed a prospectus supplement to its final base shelf prospectus dated November 26, 2021 to qualify the distribution of REIT Units by Dream Office REIT (“the Selling Unitholder”), and on May 16, 2023, we closed on a secondary bought deal offering, along with the Selling Unitholder, 12,500,000 REIT Units at a price of \$14.20 per Unit, for gross total proceeds of \$177.5 million (the “Offering”). All proceeds were paid to the Selling Unitholder. We did not receive any proceeds of the Offering.

In connection with the Offering, the Selling Unitholder exercised its option to exchange 5,205,283 subsidiary redeemable units of Dream Industrial LP, a subsidiary of the Trust, for REIT Units on a one-for-one basis, and a corresponding number of Special Trust Units were automatically redeemed for a nominal amount and cancelled on exchange of such subsidiary redeemable units. The exchange of the subsidiary redeemable units to REIT Units was recorded based on the May 5, 2023 closing price of the Units on the TSX of \$14.22 for a total of \$74.0 million. As at December 31, 2024, 13,346,572 subsidiary redeemable units and Special Trust Units were issued and outstanding.

Short form base shelf prospectus

On September 6, 2023, we filed and obtained a receipt for a final short form base shelf prospectus dated September 5, 2023 that is valid for a 25-month period, during which time we may offer and issue, from time to time, REIT Units, Subscription Receipts and debt securities, or any combination thereof. No REIT Units have been issued under the short form base shelf prospectus dated September 5, 2023.

As at December 31, 2024, \$635.0 million of REIT Units have been issued under the short form base shelf prospectus dated November 26, 2021, which has expired and been replaced with the short form base shelf prospectus dated September 5, 2023.

At-the-market equity program (“ATM Program”)

On September 6, 2023, we filed a prospectus supplement to the final short form base shelf prospectus dated September 5, 2023, which qualified us to issue REIT Units up to an aggregate sale price of \$250 million to the public from time to time at prevailing market prices, directly on the TSX or on other marketplaces to the extent permitted.

During the year ended December 31, 2024, there were no issuances under the ATM Program.

During the year ended December 31, 2023, we issued 7,510,426 REIT Units under the ATM Program dated November 30, 2021 at a weighted average price of \$14.27 per REIT Unit for gross proceeds of \$107.1 million. Total costs related to the issuance of these REIT Units amounted to \$2.1 million and were charged directly to unitholders’ equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to \$105.0 million.

DRIP

The DRIP allows holders of REIT Units or subsidiary redeemable units, other than unitholders who are resident of or present in the U.S., to elect to have all cash distributions from the Trust reinvested in additional Units. Unitholders under the DRIP are eligible to receive a bonus distribution of Units equal to 3% of the cash distribution reinvested.

Distribution policy

Dream Industrial REIT's Declaration of Trust provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust. The Board of Trustees and management also review the FFO payout ratio (a non-GAAP ratio) as a metric for evaluating the Trust's distribution capacity.

We currently pay monthly distributions of \$0.05833 per REIT Unit, or \$0.70 per REIT Unit on an annual basis. Similar to other non-GAAP measures such as total equity (including LP B Units), our discussion of distributions includes LP B Units, which are economically equivalent to REIT Units. However, pursuant to IFRS Accounting Standards, the LP B Units are classified as a liability in our consolidated financial statements.

The following table summarizes the total distributions paid and payable on REIT Units for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Distributions paid in cash on REIT Units	\$ (36,088)	\$ (33,794)	\$ (140,252)	\$ (134,389)
Paid by way of reinvestment in REIT Units ⁽¹⁾	(12,756)	(14,308)	(54,065)	(52,007)
Less: Payable at September 30, 2024/2023 and December 31, 2023/2022	16,138	15,874	15,938	14,968
Add: Payable at December 31, 2024/December 31, 2023	(16,205)	(15,938)	(16,205)	(15,938)
Total distributions paid and payable on REIT Units (per consolidated financial statements)	\$ (48,911)	\$ (48,166)	\$ (194,584)	\$ (187,366)

(1) Excludes REIT Units issued under the DRIP for LP B Units.

The following table summarizes the total distributions (a non-GAAP financial measure) on REIT Units and subsidiary redeemable units and DRIP participation rate (a non-GAAP ratio) for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31, 2024		Three months ended December 31, 2023		Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Distributions reinvested less 3% bonus distribution ⁽¹⁾ (DRIP participation rate) ⁽²⁾	\$ 12,060	23.8%	\$ 13,873	27.7%	\$ 51,673	25.6%	\$ 51,561	26.3%
Distributions paid in cash ⁽¹⁾	38,697	76.2%	36,212	72.3%	150,432	74.4%	144,847	73.7%
Total distributions excluding 3% bonus distribution	50,757	100.0%	50,085	100.0%	202,105	100.0%	196,408	100.0%
3% bonus distribution	490		417		1,823		1,515	
Total distributions⁽¹⁾	\$ 51,247		\$ 50,502		\$ 203,928		\$ 197,923	

(1) Distributions reinvested less 3% bonus distribution, distributions paid in cash and total distributions are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information.

(2) DRIP participation rate is a non-GAAP ratio. See the "Non-GAAP Ratios" section for additional information.

Cash flows from operating activities less interest and other financing costs paid on debt and total distributions (a non-GAAP financial measure)

In any given period, actual cash flows generated from operating activities less interest and other financing costs paid on debt may differ from total distributions (a non-GAAP financial measure), primarily due to fluctuations in non-cash working capital and the impact of leasing costs, which fluctuate with lease maturities, renewal terms, the type of asset being leased and when tenants fulfill the terms of their respective lease agreements. These seasonal fluctuations or the unpredictability of when leasing costs are incurred are funded with our cash and cash equivalents on hand and, if necessary, with our existing demand revolving credit facility. As a result of these factors, we anticipate that future cash flows generated from operating activities less interest and other financing costs paid on debt may be less than total distributions (a non-GAAP financial measure). With a conservative balance sheet, significant liquidity, and a plan to improve and grow our portfolio, we do not anticipate suspending cash distributions in the foreseeable future.

To the extent that cash generated from operating activities less interest and other financing costs paid on debt may be less than the total distributions (a non-GAAP financial measure), we will fund the shortfalls with cash and cash equivalents on hand and with the amounts available on the unsecured revolving credit facility. The use of the unsecured revolving credit facility may involve risks compared with using cash and cash equivalents on hand as a source of funding, such as the risk that interest rates may rise in the future, which may make it more expensive for us to borrow under the unsecured revolving credit facility, and the risk associated with increasing our overall indebtedness. See the “Unsecured revolving credit facility” section in Note 9 of the consolidated financial statements for a description of the terms and interest payable under the revolving credit facility. In the event that shortfalls exist, we do not anticipate that cash distributions will be suspended in the foreseeable future but do expect that there could be timing differences between the execution of our acquisition strategy and asset recycling opportunities and the redeployment of capital raised from equity offerings. Accordingly, to the extent there are shortfalls, distributions may be considered an economic return of capital. We determine the distribution rate by, among other considerations, an assessment of cash flows generated from (utilized in) operating activities less interest and other financing costs paid on debt. Dream Industrial REIT’s Declaration of Trust provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust.

In any given period, we anticipate that net income will continue to vary from total distributions (a non-GAAP financial measure), as net income includes non-cash items such as fair value adjustments to investment properties and financial instruments. Accordingly, we do not use net income as a proxy for determining distributions.

The following table summarizes cash flows generated from operating activities, interest and other financing costs paid on debt, net income (loss), total REIT Unit distributions paid and payable, and total distributions (a non-GAAP financial measure) for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Cash generated from operating activities	\$ 79,100	\$ 95,172	\$ 295,734	\$ 302,392
Interest and other financing costs paid on debt	(13,748)	(13,676)	(63,235)	(50,596)
Net income	109,635	(8,817)	259,611	104,299
Total REIT Unit distributions paid and payable	(48,911)	(48,166)	(194,584)	(187,366)
Total distributions ⁽¹⁾	(51,247)	(50,502)	(203,928)	(197,923)

(1) Total distributions is a non-GAAP financial measure. See “Non-GAAP Financial Measures” under the heading “Total distributions” for additional information.

As required by National Policy 41-201, “Income Trusts and Other Indirect Offerings”, the following table outlines the differences between net income (loss) and total distributions (a non-GAAP financial measure), as well as the differences between cash generated from (utilized in) operating activities less interest and other financing costs paid on debt, and total distributions (a non-GAAP financial measure), in accordance with the guidelines:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Excess (shortfall) of net income over total distributions ⁽¹⁾⁽²⁾	\$ 58,388	\$ (59,319)	\$ 55,683	\$ (93,624)
Excess of cash generated from operating activities less interest and other financing costs paid on debt over total distributions ⁽²⁾⁽³⁾	14,105	30,994	28,571	53,873

(1) Excess (shortfall) of net income over total distributions is calculated as net income less total distributions (a non-GAAP financial measure).

(2) Total distributions is a non-GAAP financial measure. See “Non-GAAP Financial Measures” under the heading “Total distributions” for additional information.

(3) Excess of cash generated from operating activities less interest and other financing costs paid on debt over total distributions is calculated as cash generated from operating activities less interest and other financing costs paid on debt less total distributions (a non-GAAP financial measure).

For the three months and year ended December 31, 2024, net income exceeded total distributions (a non-GAAP financial measure) by \$58.4 million and \$55.7 million, respectively. For the three months and year ended December 31, 2023, total distributions exceeded net income (a non-GAAP financial measure) by \$59.3 million and \$93.6 million, respectively, as a result of non-cash items such as share of net income (loss) from equity accounted investments, fair value adjustments to investment properties and fair value adjustments to financial instruments, which are included in net income.

For the three months and year ended December 31, 2024, cash flows generated from operating activities less interest and other financing costs paid on debt exceeded total distributions (a non-GAAP financial measure) by \$14.1 million and \$28.6 million, respectively. For the three months and year ended December 31, 2023, cash flows generated from operating activities less interest and other financing costs paid on debt exceeded total distributions (a non-GAAP financial measure) by \$31.0 million and \$53.9 million, respectively.

For the year ended December 31, 2024, our FFO payout ratio (a non-GAAP ratio) was 71% (for the year ended December 31, 2023 – 72%).

Of the total distributions (a non-GAAP financial measure) declared for the three months and year ended December 31, 2024, \$12.6 million and \$53.5 million, respectively, were reinvested through the DRIP (including 3% bonus distribution). Of the total distributions (a non-GAAP financial measure) declared for the three months and year ended December 31, 2023, \$14.3 million and \$53.1 million, respectively, were reinvested through the DRIP (including 3% bonus distribution). Over time, reinvestments pursuant to the DRIP will increase the number of Units outstanding, which may result in upward pressure on the total amount of cash distributions. Our Declaration of Trust provides our Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust, which allows for any unforeseen expenditures and the variability in cash distributions as a result of additional Units issued pursuant to the Trust's DRIP. Furthermore, the Board of Trustees has the discretion to suspend the DRIP and Unit Purchase Plan at any time to preserve capital if it is determined to be in the best interest of the Trust to do so.

SECTION IV

SELECTED ANNUAL INFORMATION

The following table provides selected financial information for the past three years:

	2024		2023		2022	
Investment properties revenue	\$	466,218	\$	437,601	\$	369,567
Income before income taxes (continuing and discontinued operations)		269,375		103,099		725,366
Net income		259,611		104,299		705,885
Total assets		8,122,554		7,858,340		7,280,493
Non-current liabilities		2,223,472		2,857,998		2,458,929
Distributions per Unit	\$	0.70	\$	0.70	\$	0.70
Distributions declared ⁽¹⁾	\$	203,928	\$	197,923	\$	190,745
Units outstanding:						
REIT Units		277,819,984		273,243,349		256,604,207
LP B Units		13,346,572		13,346,572		18,551,855

(1) Includes distributions on LP B Units.

Over the past three years, our financial position and financial performance have improved, reflecting our strategy to grow and upgrade the quality of our portfolio by investing in the Trust's target markets. Our acquisitions of investment properties, investments in joint ventures, and the acquisitions of investment properties made by the joint ventures contributed to the Trust's increase in total assets. The expansion of a high-quality portfolio combined with strategic dispositions and strong organic growth contributed to the growth in investment properties revenue and total assets. Income before income taxes and net income include changes in non-cash fair value adjustments to investment properties and financial instruments that fluctuate year-over-year based on market and macroeconomic conditions. Refer to the foregoing and remaining sections of the MD&A for more detailed analysis and discussions of the Trust's key financial information.

FOREIGN CURRENCY INFORMATION

Foreign currency translation rates

In accordance with the Trust's accounting policies, the foreign exchange rates used by us to convert foreign denominated currencies for the three months and years ended December 31, 2024 and December 31, 2023 are summarized in the table below:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
CAD per US\$1.00 (average during period) ⁽¹⁾	\$ 1.3982	\$ 1.3624	\$ 1.3698	\$ 1.3498
CAD per US\$1.00 (period-end) ⁽¹⁾	1.4389	1.3226	1.4389	1.3226
CAD per €1.00 (average during period) ⁽¹⁾	1.4918	1.4660	1.4818	1.4597
CAD per €1.00 (period-end) ⁽¹⁾	1.4928	1.4626	1.4928	1.4626

(1) Average exchange rates impact comprehensive income and cash flows. Period-end exchange rates impact monetary items and items recorded at fair value.

QUARTERLY INFORMATION

The following table shows quarterly information since January 1, 2023.

Key portfolio, leasing, financing and capital information

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Portfolio								
Number of assets ⁽¹⁾⁽²⁾	335	338	339	345	344	343	341	321
GLA (in millions of sq. ft.) ⁽³⁾	71.8	71.9	71.9	71.8	71.4	70.6	70.3	70.4
Leasing								
Occupancy rate – in-place and committed (period-end) ⁽³⁾	95.8%	95.5%	95.4%	96.4%	96.2%	97.2%	98.0%	98.6%
Tenant retention ratio	74.0%	68.6%	59.0%	86.9%	72.8%	61.2%	87.3%	76.6%
Average in-place and committed base rent per sq. ft. (period-end) ⁽⁴⁾								
Canadian portfolio	\$ 10.54	\$ 10.33	\$ 9.92	\$ 9.73	\$ 9.54	\$ 9.37	\$ 9.00	\$ 8.71
European portfolio (€)	€ 5.64	€ 5.64	€ 5.59	€ 5.59	€ 5.49	€ 5.42	€ 5.39	€ 5.32
Operating results								
Investment properties revenue	\$ 119.5	\$ 116.8	\$ 115.3	\$ 114.6	\$ 110.9	\$ 109.4	\$ 110.5	\$ 106.8
Net rental income	\$ 91.4	\$ 90.5	\$ 87.7	\$ 85.9	\$ 85.2	\$ 84.5	\$ 83.0	\$ 81.5
Net income (loss)	\$ 109.6	\$ 13.8	\$ 61.6	\$ 74.6	\$ (8.8)	\$ 50.5	\$ 80.4	\$ (17.7)
Net income (loss) per Unit – diluted	\$ 0.38	\$ 0.05	\$ 0.21	\$ 0.26	\$ (0.03)	\$ 0.18	\$ 0.29	\$ (0.06)
FFO ⁽⁵⁾	\$ 74.5	\$ 74.0	\$ 71.1	\$ 69.3	\$ 69.3	\$ 69.4	\$ 67.8	\$ 68.1
FFO per Unit – diluted ⁽⁶⁾⁽⁷⁾	\$ 0.26	\$ 0.26	\$ 0.25	\$ 0.24	\$ 0.24	\$ 0.25	\$ 0.25	\$ 0.25
FFO payout ratio ⁽⁷⁾	68.8%	65.8%	71.6%	73.2%	72.9%	72.2%	71.9%	71.3%
Financing								
Net total debt-to-total assets (net of cash and cash equivalents) ratio ⁽⁷⁾	36.1%	36.3%	35.9%	36.1%	36.0%	35.1%	36.2%	36.0%
Net total debt-to-normalized adjusted EBITDAFV ratio (years) ⁽⁷⁾	7.0	8.0	8.1	8.5	7.7	8.2	9.0	9.3
Non-current debt	\$ 2,098.5	\$ 2,877.6	\$ 2,870.3	\$ 2,640.8	\$ 2,537.1	\$ 2,522.3	\$ 2,469.1	\$ 2,554.3
Total debt ⁽⁵⁾	\$ 2,956.0	\$ 2,955.2	\$ 2,925.1	\$ 2,936.1	\$ 2,839.8	\$ 2,763.1	\$ 2,814.7	\$ 2,834.1
Unencumbered investment properties (in millions) ⁽⁸⁾	\$ 5,799.7	\$ 5,804.3	\$ 5,683.4	\$ 5,560.5	\$ 5,401.9	\$ 5,336.2	\$ 5,869.6	\$ 5,403.3
Investment properties	\$ 7,031.7	\$ 7,057.2	\$ 6,962.8	\$ 6,966.6	\$ 6,924.3	\$ 6,854.5	\$ 6,835.0	\$ 6,835.1
Capital								
Total equity (per consolidated financial statements)	\$ 4,731.1	\$ 4,660.7	\$ 4,666.1	\$ 4,635.5	\$ 4,574.9	\$ 4,625.4	\$ 4,511.4	\$ 4,427.3
NAV per Unit ⁽⁷⁾	\$ 16.79	\$ 16.73	\$ 16.73	\$ 16.72	\$ 16.61	\$ 16.80	\$ 16.97	\$ 17.03
Unit price	\$ 11.81	\$ 14.44	\$ 12.67	\$ 13.18	\$ 13.96	\$ 12.84	\$ 14.11	\$ 14.70

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another, attracting similar tenants. The number of assets within the Dream Summit JV portfolio for the comparative periods following acquisition have been updated to reflect revised cluster definitions within this portfolio.

(2) Includes the Trust's owned and managed properties as at the end of each period as applicable.

(3) Includes our share of equity accounted investments as at the end of each period as applicable.

(4) Excludes the Trust's share of equity accounted investments as at the end of each period as applicable.

(5) FFO and Total debt are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information.

(6) See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for additional information about diluted amounts per Unit under the heading "Weighted average number of Units".

- (7) Diluted FFO per Unit, FFO payout ratio, net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years) and NAV per Unit are non-GAAP ratios. See the “Non-GAAP Ratios” section for additional information.
- (8) Unencumbered investment properties is a supplementary financial measure. See the “Supplementary Financial Measures and Ratios and Other Disclosures” section for a description of this supplementary financial measure.

Our results of operations may vary significantly from period to period as a result of fair value adjustments to investment properties, fair value adjustments to financial instruments, net gains or losses on transactions, and other activities. Operating activities from our European portfolios, income from our equity accounted investment and fair value adjustments to investment properties may impact the deferred income tax in any given period. Furthermore, the growth in our net rental income from period to period reflects our strategy to grow and upgrade the quality of our portfolio by investing in the Trust’s target markets.

NON-GAAP FINANCIAL MEASURES

The following non-GAAP financial measures are important measures used by management in evaluating the Trust’s underlying operating performance and debt management. These non-GAAP financial measures are not defined by IFRS Accounting Standards and do not have standard meanings. Our method of calculating non-GAAP financial measures may differ from other issuers’ methods and, accordingly, may not be comparable with similar measures presented by other issuers.

Funds from operations (“FFO”)

Management believes FFO, a non-GAAP financial measure, provides our investors additional relevant information on our operating performance. Fair value adjustments to investment properties and financial instruments, gains or losses on disposal of investment properties, debt settlement costs arising from capital management activities and disposals of investment properties, and other non-cash items do not necessarily provide an accurate picture of the Trust’s past or recurring operating performance. FFO is used by management in evaluating the Trust’s operating performance. FFO is a commonly used measure of the performance of real estate operations; however, it does not represent net income or cash flows generated from (utilized in) operating activities, as defined by IFRS Accounting Standards, is not necessarily indicative of cash available to fund the Trust’s needs, and may not be comparable with similar measures presented by other issuers.

In January 2022, the Real Property Association of Canada (“REALPAC”) issued an updated guidance on “Funds from Operations” and “Adjusted Funds from Operations” for IFRS Accounting Standards. We have reviewed the REALPAC FFO guidelines and our determination of FFO substantially aligns with the REALPAC FFO guidelines, with the exception of the add-back of debt settlement costs arising from capital management activities and disposals of investment properties. These debt settlement costs are primarily funded from either net proceeds from equity offerings or net proceeds from dispositions, and not from cash flows from operating activities. As a result, we are of the view that debt settlement costs incurred as a result of capital management or investing activities should be excluded from the determination of FFO. Debt settlement costs incurred as a result of operating activities are included in the determination of FFO.

FFO is reconciled to net income (the most directly comparable IFRS financial measure) in the table below for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net income for the period	\$ 109,635	\$ (8,817)	\$ 259,611	\$ 104,299
Add (deduct):				
Fair value adjustments to investment properties	9,076	43,944	24,765	66,689
Fair value adjustments to financial instruments	(38,417)	27,695	(13,338)	68,059
Share of net income from equity accounted investments	(22,431)	(1,441)	(42,982)	(4,941)
Interest expense on subsidiary redeemable units	2,336	2,336	9,344	10,557
Amortization and write-off of lease incentives	882	710	3,422	3,240
Internal leasing costs	1,779	1,396	6,142	4,620
Fair value adjustments to deferred trust units included in G&A	(55)	(120)	(170)	(213)
Foreign exchange (gain) loss	(363)	130	1,578	(1,212)
Share of FFO from equity accounted investments	7,642	7,449	29,555	25,844
Deferred income tax expense (recovery), net	2,380	(4,702)	7,176	(3,832)
Current income tax expense related to dispositions	38	142	3	142
Transaction costs on acquisitions and dispositions and other	1,988	564	3,771	1,382
FFO for the period	\$ 74,490	\$ 69,286	\$ 288,877	\$ 274,634

Comparative properties net operating income (“CP NOI”) (constant currency basis)

CP NOI (constant currency basis) is a non-GAAP financial measure used by management in evaluating the operating performance of properties owned by the Trust in the current and comparative periods on a constant currency basis. CP NOI (constant currency basis) enables investors to evaluate our operating performance, especially to assess the effectiveness of our management of properties generating NOI growth from existing properties in the respective regions. It is calculated by taking CP NOI (constant currency basis) as defined below and excluding the impact of foreign currency translation by converting the CP NOI (constant currency basis) denominated in foreign currency in the respective periods at the respective current period average exchange rates. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

When we compare CP NOI (constant currency basis) on a year-over-year basis for the three months ended December 31, 2024 and December 31, 2023, we exclude investment properties acquired on or after October 1, 2023. For the years ended December 31, 2024 and December 31, 2023, we exclude investment properties acquired on or after January 1, 2023. CP NOI (constant currency basis) also excludes NOI from sold properties and properties held for sale, as applicable, NOI from properties held for development during the current or comparative period, net property management and other income, straight-line rent, amortization of lease incentives, lease termination fees and other rental income, and bad debt provisions. CP NOI (constant currency basis) includes NOI from equity accounted investments and solar revenues.

CP NOI (constant currency basis) is lower during periods of free rent to reflect that there is no cash rent received. For accounting purposes, free rent is recorded and amortized within straight-line rent.

CP NOI (constant currency basis) is reconciled to net rental income (the most directly comparable IFRS financial measure) under “Section II – Our Operations – Comparative properties NOI (constant currency basis)”.

Total equity (including LP B Units or subsidiary redeemable units)

One of the components used to determine the Trust’s NAV per Unit (a non-GAAP ratio) is total equity (including LP B Units) – a non-GAAP financial measure. Total equity (including LP B Units) is calculated as the sum of equity per the consolidated financial statements and the subsidiary redeemable units. Management believes it is important to include the subsidiary redeemable units for the purpose of determining the Trust’s capital management. Management does not consider the subsidiary redeemable units to be debt or borrowings of the Trust, but rather a component of the Trust’s equity. However, total equity (including LP B Units) is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table within the “Our Equity” section under the heading “Total equity” reconciles total equity (including LP B Units) to total equity (the most directly comparable IFRS financial measure).

Total distributions

Total distributions is a non-GAAP financial measure calculated as the sum of the distributions on REIT Units and interest on subsidiary redeemable units. Management believes it is important to include interest on subsidiary redeemable units for the purpose of determining the Trust's total distributions to all of its unitholders. Management does not consider the interest on subsidiary redeemable units to be an interest expense of the Trust, but rather a component of the Trust's total distributions. However, total distributions is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles total distributions to distributions on REIT Units (the most directly comparable IFRS financial measure) for the three months and years ended December 31, 2024 and December 31, 2023:

Amounts included in consolidated financial statements	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Distributions on REIT Units	\$ 48,911	\$ 48,166	\$ 194,584	\$ 187,366
Interest on subsidiary redeemable units	2,336	2,336	9,344	10,557
Total distributions	\$ 51,247	\$ 50,502	\$ 203,928	\$ 197,923

Distributions reinvested less 3% bonus distribution and distributions paid in cash

Distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure) are components used in the calculation of the DRIP participation rate (a non-GAAP ratio). See the "Non-GAAP Ratios" section for a description of the DRIP participation rate. Management believes distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) is a useful measure to investors in evaluating the impact that the distributions reinvested will have on the Trust's ability to preserve liquidity by issuing additional REIT Units, in contrast with paying a cash distribution. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Distributions reinvested less 3% bonus distribution is reconciled to distributions reinvested (the most directly comparable IFRS financial measure) for the three months and years ended December 31, 2024 and December 31, 2023.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Distributions reinvested as included in consolidated financial statements	\$ 12,756	\$ 14,308	\$ 54,065	\$ 52,007
Less: Distributions reinvested pertaining to the prior period	(4,152)	(4,533)	(4,515)	(3,446)
Add: Distributions reinvested on January 15, 2025 and January 15, 2024, respectively	3,946	4,515	3,946	4,515
Less: 3% bonus distribution	(490)	(417)	(1,823)	(1,515)
Distributions reinvested less 3% bonus distribution	\$ 12,060	\$ 13,873	\$ 51,673	\$ 51,561

Distributions paid in cash (a non-GAAP financial measure) is a useful measure to investors in evaluating the cash flow requirements of the Trust to fund the cash distributions. Distributions paid in cash is reconciled to distributions paid on REIT Units (the most directly comparable IFRS financial measure) for the three months and years ended December 31, 2024 and December 31, 2023. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Distributions paid on REIT Units	\$ 36,088	\$ 33,792	\$ 140,252	\$ 134,389
Interest paid on LP B Units	2,336	2,336	9,344	10,860
Less: Distributions paid on REIT Units pertaining to the prior period	(11,986)	(11,336)	(11,422)	(11,519)
Less: Interest paid on LP B Units pertaining to the prior period	(778)	(779)	(779)	(1,082)
Add: Distributions paid on January 15, 2025 and January 15, 2024, respectively	12,259	11,420	12,259	11,420
Add: Interest paid on LP B Units on January 15, 2025 and January 15, 2024, respectively	778	779	778	779
Distributions paid in cash	\$ 38,697	\$ 36,212	\$ 150,432	\$ 144,847

Available liquidity

Available liquidity is a non-GAAP financial measure defined as the sum of cash and cash equivalents and undrawn unsecured revolving credit facility at period-end. Management believes that available liquidity is a useful measure to investors in determining our resources available as at period-end to meet all of our ongoing obligations and future commitments. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles available liquidity to cash and cash equivalents (the most directly comparable IFRS financial measure) as at December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Cash and cash equivalents per consolidated financial statements	\$ 80,277	\$ 49,916
Undrawn unsecured revolving credit facility ⁽¹⁾	742,118	441,952
Available liquidity	\$ 822,395	\$ 491,868

(1) Net of letters of credit outstanding totalling \$7,882 and \$8,048 as at December 31, 2024 and December 31, 2023, respectively.

Total debt

Total debt is a non-GAAP financial measure calculated as the sum of current and non-current debt and the CCIRS per the consolidated financial statements. Management believes it is useful to include any CCIRS for the purposes of monitoring the Trust's debt levels. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles total debt to non-current debt (the most directly comparable IFRS financial measure) as at December 31, 2024 and December 31, 2023:

Amounts per consolidated financial statements	December 31, 2024	December 31, 2023
Non-current debt	\$ 2,098,543	\$ 2,537,090
Current debt	870,407	310,277
Fair value of CCIRS ⁽¹⁾	(12,932)	(7,614)
Total debt	\$ 2,956,018	\$ 2,839,753

(1) As at December 31, 2024, the CCIRS were in a net asset position and \$8,181 was included in "Derivatives and other non-current assets", \$41,221 was included in "Prepaid expenses and other assets", \$(14,181) in "Derivatives and other non-current liabilities" and \$(22,289) in the consolidated financial statements (as at December 31, 2023 – the CCIRS were in a net asset position and \$29,230 was included in "Derivatives and other non-current assets", \$1,751 in "Prepaid expenses and other assets" and \$(23,367) in "Derivatives and other non-current liabilities" in the consolidated financial statements).

Net total debt and total assets (net of cash and cash equivalents)

Net total debt is a non-GAAP financial measure calculated as the sum of current and non-current debt, the fair value of CCIRS, unamortized financing costs and fair value adjustments, less cash and cash equivalents, and the fair value asset of CCIRS. Management believes this is a useful financial measure to investors used to monitor the principal amount of debt outstanding after factoring in liquid assets such as cash and cash equivalents and used as a component to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels (see under the heading "Net total debt-to-total assets (net of cash and cash equivalents) ratio" below for details).

Total assets (net of cash and cash equivalents) is a non-GAAP financial measure calculated as the sum of total assets less cash and cash equivalents. Management believes this is a useful financial measure to investors as a component to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels (see under the heading "Net total debt-to-total assets (net of cash and cash equivalents) ratio" below for details).

These non-GAAP financial measures are not defined by IFRS Accounting Standards, do not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The following table reconciles net total debt to non-current debt (the most directly comparable IFRS financial measure) and total assets (net of cash and cash equivalents) to total assets (the most directly comparable IFRS financial measure) as at December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Non-current debt	\$ 2,098,543	\$ 2,537,090
Add (deduct):		
Current debt	870,407	310,277
Fair value of CCIRS	(12,932)	(7,614)
Unamortized financing costs	11,063	11,410
Unamortized fair value adjustments	(657)	(189)
Cash and cash equivalents	(80,277)	(49,916)
Net total debt	\$ 2,886,147	\$ 2,801,058
Total assets	8,122,554	7,858,340
Less: Fair value of CCIRS assets	(49,402)	(30,981)
Less: Cash and cash equivalents	(80,277)	(49,916)
Total assets (net of cash and cash equivalents)	\$ 7,992,875	\$ 7,777,443

Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV") and normalized adjusted EBITDAFV – annualized

Adjusted EBITDAFV is defined by us as net income for the period adjusted for share of net income from equity accounted investments, distributions from equity accounted investments, fair value adjustments to investment properties and financial instruments, net loss (gain) on transactions and other activities (including depreciation), interest expense, debt settlement costs, other items included in investment properties revenue (including amortization) and net deferred and current income tax expense. The adjustments include activity from continuing and discontinued operations. The aforementioned adjustments included in net income do not necessarily provide an accurate picture of the Trust's past or recurring operating performance. Management believes adjusted EBITDAFV, a non-GAAP financial measure, provides our investors with additional relevant information on our operating performance, excluding any non-cash items and extraneous factors. Adjusted EBITDAFV is a commonly used measure of performance of real estate operations; however, it does not represent net income or cash flows generated from (utilized in) operating activities, as defined by IFRS Accounting Standards, and is not necessarily indicative of cash available to fund the Trust's needs. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Adjusted EBITDAFV is reconciled to net income (loss) (the most directly comparable IFRS financial measure) in the following table for the three months and years ended December 31, 2024 and December 31, 2023:

	For the three months ended		For the year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net income (loss) for the period	\$ 109,635	\$ (8,817)	\$ 259,611	\$ 104,299
Add (deduct):				
Fair value adjustments to investment properties	9,076	43,944	24,765	66,689
Fair value adjustments to financial instruments	(38,417)	27,695	(13,338)	68,059
Share of net (income) loss from equity accounted investments	(22,431)	(1,441)	(42,982)	(4,941)
Interest expense on debt and other financing costs	17,804	15,520	70,130	54,379
Interest expense on subsidiary redeemable units	2,336	2,336	9,344	10,557
Other items included in investment properties revenue ⁽¹⁾	(2,432)	(238)	(7,017)	(3,655)
Distributions from equity accounted investments	20,361	14,543	42,007	25,519
Deferred and current income tax expense (recovery), net	3,081	(4,354)	9,764	(1,200)
Net loss on transactions and other activities	3,428	2,131	11,668	4,762
Adjusted EBITDAFV for the period	\$ 102,441	\$ 91,319	\$ 363,952	\$ 324,468

(1) Includes lease termination fees and other items, straight-line rent and amortization of lease incentives.

Normalized adjusted EBITDAFV – annualized is calculated as the quarterly Adjusted EBITDAFV (a non-GAAP financial measure) plus normalized NOI of properties acquired and developments in the quarter less NOI of properties disposed of in the current quarter. Adjusted EBITDAFV (a non-GAAP financial measure) is defined above under the heading “Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments (“Adjusted EBITDAFV”)”. Management believes that normalized adjusted EBITDAFV – annualized, a non-GAAP financial measure, provides our investors with additional relevant information based on our normalized operating performance. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

	December 31, 2024	December 31, 2023
Adjusted EBITDAFV – quarterly⁽¹⁾	\$ 102,441	\$ 91,319
Add (deduct):		
Normalized NOI of acquisitions, dispositions and developments in the quarter ⁽²⁾	(52)	(76)
Normalized adjusted EBITDAFV – quarterly	102,389	91,243
Normalized adjusted EBITDAFV – annualized	\$ 409,556	\$ 364,972

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the three months ended December 31, 2024 and December 31, 2023 is reconciled to net income (loss) for the respective periods in the table above.

(2) Represents the NOI had the acquisitions, developments and dispositions in the respective periods occurred for the full quarter.

NON-GAAP RATIOS

The following non-GAAP ratios are important measures used by management in evaluating the Trust’s underlying operating performance and debt management. These non-GAAP ratios are not defined by IFRS Accounting Standards and do not have standard meanings. Our method of calculating non-GAAP ratios may differ from other issuers’ methods and, accordingly, may not be comparable with similar measures presented by other issuers.

Diluted FFO per Unit

Management believes diluted FFO per Unit, a non-GAAP ratio, provides our investors with additional relevant information on our operating performance and it is used by management in evaluating the Trust’s operating performance. Fair value adjustments to investment properties and financial instruments, gains or losses on disposal of investment properties, debt settlement costs arising from capital management activities and disposals of investment properties, and other non-cash items do not necessarily provide an accurate picture of the Trust’s past or recurring operating performance. FFO and diluted FFO per Unit are commonly used measures of the performance of real estate operations; however, they do not represent net

income or cash flows generated from (utilized in) operating activities, as defined by IFRS Accounting Standards, are not necessarily indicative of cash available to fund the Trust's needs, and may not be comparable with similar measures presented by other issuers.

Diluted FFO per Unit is a non-GAAP ratio calculated as FFO (a non-GAAP financial measure) divided by the weighted average number of Units. The table below summarizes the components used to calculate diluted FFO per Unit for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
FFO ⁽¹⁾	\$ 74,490	\$ 69,286	\$ 288,877	\$ 274,634
Diluted weighted average number of Units (in thousands)	291,299	286,736	289,668	280,784
FFO per Unit – diluted	\$ 0.26	\$ 0.24	\$ 1.00	\$ 0.98

(1) FFO is a non-GAAP financial measure. See the “Non-GAAP Financial Measures” section for additional information.

FFO payout ratio

FFO payout ratio is a non-GAAP ratio and it is calculated as total distributions divided by FFO (both non-GAAP financial measures) for the period. This non-GAAP ratio is used by the Board of Trustees, management and investors to monitor the Trust's distribution paying capacity. The table below summarizes the components used to determine the FFO payout ratio for the years ended December 31, 2024 and December 31, 2023.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Total distributions	\$ 51,247	\$ 50,502	\$ 203,928	\$ 197,923
FFO	74,490	69,286	288,877	274,634
FFO payout ratio	68.8%	72.9%	70.6%	72.1%

Net asset value (“NAV”) per Unit

NAV per Unit is a non-GAAP ratio calculated as total equity (including LP B Units) (a non-GAAP financial measure) divided by the total number of REIT Units and LP B Units. This non-GAAP ratio is a useful measure to investors as it reflects management's view of the intrinsic value of the Trust and enables investors to determine if the Trust's REIT Unit price is trading at a discount or premium relative to the NAV per Unit at each reporting period. However, NAV per Unit is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers. The calculation of NAV per Unit is included under the heading “Total equity”.

Net total debt-to-total assets (net of cash and cash equivalents) ratio

Management believes that the net total debt-to-total assets (net of cash and cash equivalents) ratio is an important non-GAAP ratio in the management of our debt levels. Management and investors monitor this non-GAAP ratio to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers. The net total debt-to-total assets (net of cash and cash equivalents) ratio is determined as net total debt (a non-GAAP financial measure) divided by total assets (net of cash and cash equivalents) (a non-GAAP financial measure).

The following table summarizes the components used to determine this non-GAAP ratio as at December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Net total debt ⁽¹⁾	\$ 2,886,147	\$ 2,801,058
Total assets (net of cash and cash equivalents) ⁽¹⁾⁽²⁾	7,992,875	7,777,443
Net total debt-to-total assets (net of cash and cash equivalents) ratio	36.1%	36.0%

(1) Net total debt and total assets (net of cash and cash equivalents) are non-GAAP financial measures; refer to the “Non-GAAP Financial Measures” section for additional information about these non-GAAP financial measures, under the heading “Net total debt and total assets (net of cash and cash equivalents)”.

(2) Excludes the fair value of CCIRS assets of \$49,402 and \$30,981 as at December 31, 2024 and December 31, 2023, respectively, as already considered in net total debt, a non-GAAP financial measure.

Net total debt-to-normalized adjusted EBITDAFV ratio (years)

Management believes that net total debt-to-normalized adjusted EBITDAFV ratio (years), a non-GAAP ratio, is a useful measure to investors in determining the time it takes the Trust, on a go-forward basis, based on its normalized operating performance, to repay its debt. Net total debt-to-normalized adjusted EBITDAFV ratio (years) is calculated as net total debt (a non-GAAP financial measure) divided by normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure). This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Adjusted EBITDAFV (a non-GAAP financial measure) and normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure) are defined above under the heading “Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments (“Adjusted EBITDAFV”) and normalized adjusted EBITDAFV – annualized”. The net total debt-to-normalized adjusted EBITDAFV ratio (years) is determined as net total debt (a non-GAAP financial measure) divided by normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure).

The following table calculates the annualized net total debt-to-normalized adjusted EBITDAFV as at December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Net total debt ⁽¹⁾	\$ 2,886,147	\$ 2,801,058
Normalized adjusted EBITDAFV – annualized ⁽²⁾	409,556	364,972
Net total debt-to-normalized adjusted EBITDAFV ratio (years)	7.0	7.7

(1) Net total debt is a non-GAAP financial measure; refer to the heading “Net total debt and total assets (net of cash and cash equivalents)”.

(2) Normalized adjusted EBITDAFV – annualized is a non-GAAP financial measure. See the “Non-GAAP Financial Measures” section for additional information.

Interest coverage ratio

Management believes that interest coverage ratio, a non-GAAP ratio, is a useful measure to investors in determining our ability to cover interest expense on debt and other financing costs based on our operating performance. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Interest coverage ratio as shown below is calculated as the trailing 12-month adjusted EBITDAFV (a non-GAAP financial measure) divided by the trailing 12-month interest expense on debt and other financing costs. Interest expense on subsidiary redeemable units is excluded from this ratio as it represents distributions on units; however, pursuant to IFRS Accounting Standards, the distributions are presented as interest expense.

The following table calculates the interest coverage ratio for the years ended December 31, 2024 and December 31, 2023:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Adjusted EBITDAFV ⁽¹⁾	\$ 363,952	\$ 324,468
Interest expense on debt and other financing costs	70,130	54,379
Interest coverage ratio (times)	5.2	6.0

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the years ended December 31, 2024 and December 31, 2023 has been reconciled to net income under the heading “Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments (“Adjusted EBITDAFV”)” within the “Non-GAAP Financial Measures” section above.

DRIP participation rate

The DRIP participation rate is a non-GAAP ratio calculated as distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) divided by the sum of distributions reinvested, less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure). Management believes it is a useful measure to investors in evaluating the impact that the DRIP will have on the Trust’s ability to sustain current distribution levels during the current and future periods. Over time, reinvestments pursuant to the DRIP will increase the number of Units outstanding, which may result in upward pressure on the total amount of cash distributions. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The following table summarizes the components used to determine the DRIP participation rate for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Distributions reinvested less 3% bonus distribution ⁽¹⁾	\$ 12,060	\$ 13,873	\$ 51,673	\$ 51,561
Distributions paid in cash ⁽¹⁾	38,697	36,212	150,432	144,847
Total distributions excluding 3% bonus distribution	\$ 50,757	\$ 50,085	\$ 202,105	\$ 196,408
DRIP participation rate	23.8%	27.7%	25.6%	26.3%

(1) Distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure) for the years ended December 31, 2024 and December 31, 2023 have been reconciled to distributions reinvested and distributions paid on REIT Units, respectively, under the heading "Distributions reinvested less 3% bonus distribution and distributions paid in cash" within the "Non-GAAP Financial Measures" section above.

SUPPLEMENTARY FINANCIAL MEASURES AND RATIOS AND OTHER DISCLOSURES

The following supplementary financial measures and ratios are important measures used by management in evaluating the Trust's debt management. These supplementary financial measures and ratios do not have standard meanings and may not be comparable with similar measures presented by other issuers.

Unencumbered investment properties and unencumbered investment properties as a percentage of total investment properties

Unencumbered investment properties is a supplementary financial measure representing the value of investment properties, including asset held for sale, that have not been pledged as collateral for the financing of the Trust's unsecured revolving credit facility or mortgages. The term "investment properties" used in unencumbered investment properties is determined in accordance with the accounting policies used to prepare the investment properties line item presented in the consolidated financial statements. Unencumbered investment properties as a percentage of total investment properties is a supplementary financial ratio calculated as total unencumbered investment properties divided by total investment properties, including asset held for sale. The supplementary financial measure and ratio are used by management and investors in assessing the borrowing capacity available to the Trust.

The table below summarizes the components used to determine unencumbered investment properties and unencumbered investment properties as a percentage of total investment properties as at December 31, 2024 and December 31, 2023:

Amounts included in consolidated financial statements	December 31, 2024	December 31, 2023
Investment properties	\$ 7,031,713	\$ 6,924,274
Asset held for sale	13,756	—
Total investment properties	7,045,469	6,924,274
Less: Pledged as collateral	(1,245,769)	(1,522,394)
Unencumbered investment properties	\$ 5,799,700	\$ 5,401,880
Unencumbered investment properties as a percentage of total investment properties	82.3%	78.0%

Secured debt and secured debt as a percentage of total assets

Secured debt is a supplementary financial measure representing debt, excluding unsecured debt. The term "debt" used in secured debt is determined in accordance with the accounting policies used to prepare the current and non-current debt line items presented in the consolidated financial statements. Secured debt as a percentage of total assets is a supplementary financial ratio calculated as total secured debt divided by total assets. The supplementary financial measure and ratio are used by management and investors in monitoring the secured debt levels to ensure compliance with certain lender covenant requirements.

The table below summarizes the components used to determine secured debt as a percentage of total assets as at December 31, 2024, and December 31, 2023:

Amounts included in consolidated financial statements	December 31, 2024	December 31, 2023
Secured debt	\$ 479,509	\$ 582,399
Total assets	8,122,554	7,858,340
Secured debt as a percentage of total assets	5.9%	7.4%

Unsecured debt and unsecured debt as a percentage of total assets

Unsecured debt is a supplementary financial measure representing debt, including fair value of CCIRS, and excludes secured debt. The term “debt” used in unsecured debt is determined in accordance with the accounting policies used to prepare the current and non-current debt line items presented in the consolidated financial statements. Unsecured debt as a percentage of total assets is a supplementary financial ratio calculated as total unsecured debt divided by total assets. This supplementary financial measure and ratio are used by management and investors in monitoring the unsecured debt levels to ensure compliance with certain lender covenant requirements.

The table below summarizes the components used to determine unsecured debt as at December 31, 2024 and December 31, 2023:

Amounts included in consolidated financial statements	December 31, 2024	December 31, 2023
Unsecured revolving credit facility	\$ (1,779)	\$ 48,695
Unsecured term loans	794,766	521,138
Unsecured debentures	1,696,454	1,695,135
Fair value of CCIRS ⁽¹⁾	(12,932)	(7,614)
Unsecured debt	\$ 2,476,509	\$ 2,257,354
Total assets	8,122,554	7,858,340
Unsecured debt as a percentage of total assets	30.5%	28.7%

(1) Attributed to unsecured term loans and unsecured debentures.

Weighted average number of Units

The basic weighted average number of Units (non-financial information) includes the weighted average of all REIT Units, LP B Units, and vested but unissued deferred trust units and income deferred trust units.

The diluted weighted average number of Units outstanding (non-financial information) used in the FFO per Unit (non-GAAP ratio) calculation includes the basic weighted average number of Units, unvested deferred trust units and associated income deferred trust units. As at December 31, 2024, there were 747,660 unvested deferred trust units and associated income deferred trust units (December 31, 2023 – 671,964).

The table below summarizes the basic and diluted weighted average number of Units for the three months and years ended December 31, 2024 and December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Weighted average Units outstanding				
Basic (in thousands)	290,557	286,068	288,926	280,116
Diluted (in thousands)	291,299	286,736	289,668	280,784

SECTION V

DISCLOSURE CONTROLS AND OUR PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

For the year ended December 31, 2024, the Chief Executive Officer and the Chief Financial Officer (the “Certifying Officers”), together with other members of management, have evaluated the design and operational effectiveness of Dream Industrial REIT’s disclosure controls and procedures, as defined in National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”). The Certifying Officers have concluded that the disclosure controls and procedures are adequate and effective in order to provide reasonable assurance that material information has been accumulated and

communicated to management to allow timely decisions of required disclosures by Dream Industrial REIT and its consolidated subsidiary entities within the required time periods.

Dream Industrial REIT's internal control over financial reporting (as defined in NI 52-109) is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS Accounting Standards. Using the framework established in the "2013 Committee of Sponsoring Organizations (COSO) Internal Control Framework", published by the Committee of Sponsoring Organizations of the Treadway Commission, the Certifying Officers, together with other members of management, have evaluated the design and operation of Dream Industrial REIT's internal control over financial reporting. Based on that evaluation, the Certifying Officers have concluded that Dream Industrial REIT's internal control over financial reporting was effective as at December 31, 2024.

There were no changes in Dream Industrial REIT's internal control over financial reporting during the financial year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, Dream Industrial REIT's internal control over financial reporting.

SECTION VI

RISKS AND OUR STRATEGY TO MANAGE

In addition to the specific risks discussed in this Annual Report, we are exposed to various risks and uncertainties, many of which are beyond our control and could have an impact on our business, financial condition, operating results and prospects. Unitholders should consider these risks and uncertainties when assessing our outlook in terms of investment potential. For a further discussion of the risks and uncertainties identified by Dream Industrial REIT, please refer to our latest Annual Report and Annual Information Form filed on SEDAR+ at www.sedarplus.com.

Real estate ownership

Real estate ownership is generally subject to numerous factors and risks, including changes in general economic conditions (such as the availability, terms and cost of mortgage financings and other types of credit), local economic conditions (such as an 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.

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit our ability to vary our portfolio promptly in response to changing economic or investment conditions. In recessionary times or other market downturns, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable, and during an economic recession or when the market is otherwise not conducive to dispositions, we may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for us to dispose of properties at lower prices in order to generate sufficient cash from operations and to make distributions and interest payments.

Certain significant expenditures (e.g., property taxes, maintenance costs, mortgage payments, insurance costs and related charges) must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, we must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs that we may not be able to pass on to our tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction, or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization. In the course of acquiring a property, undisclosed defects in design or construction or other risks might not have been recognized or correctly evaluated during the pre-acquisition due diligence process. These circumstances could lead to additional costs and could have an adverse effect on our proceeds from sales and rental income of the relevant properties.

Rollover of leases

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. Furthermore, the terms of any subsequent lease may be less favourable than those of the existing lease. Our cash flows and financial position would be adversely affected if our tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in our properties could not be leased on economically favourable lease terms. In the event of default by a tenant, we may experience delays or limitations in enforcing our rights as lessor and incur substantial costs in protecting our investment. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws, which

could result in the rejection and termination of the lease of the tenant and thereby cause a reduction in the cash flows available to us.

Concentration of properties and tenants

Currently, our properties are located in Canada, Europe and the U.S. and, as a result, are impacted by economic and other factors specifically affecting the real estate markets in Canada, Europe and the U.S. These factors may differ from those affecting the real estate markets in other regions. Due to the concentrated nature of our properties, a number of our properties could experience any of the same conditions at the same time. If real estate conditions in Canada, Europe or the U.S. decline relative to real estate conditions in other regions, our cash flows and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties.

Development

Delays and cost over-runs may occur in completing the construction of development projects, prospective projects and future projects that may be undertaken. A number of factors that could cause delays or cost over-runs include, but are not limited to, permitting delays, changing engineer and design requirements, the performance of contractors, labour and supply chain disruptions generally or due to public health crises, pandemics or epidemics, adverse weather conditions and availability of financing.

Financing

We require access to capital to maintain our properties as well as to fund our growth strategy and significant capital expenditures. There is no assurance that capital will be available when needed or on favourable terms. Our access to third-party financing will be subject to a number of factors, including general market conditions, the market's perception of our growth potential, our current and expected future earnings, our cash flow and cash distributions and cash interest payments, and the market price of our REIT Units.

A significant portion of our financing is debt. Accordingly, we are subject to the risks associated with debt financing, including the risk that our cash flows may be insufficient to meet required payments of principal and interest, and that, on maturities of such debt, we may not be able to refinance the outstanding principal under such debt or that the terms of such refinancing will be more onerous than those of the existing debt. If we are unable to refinance debt at maturity on terms acceptable to us or at all, we may be forced to dispose of one or more of our properties on disadvantageous terms, which may result in losses and could alter our debt-to-equity ratio or be dilutive to unitholders. Such losses could have a material adverse effect on our financial position or cash flows.

The degree to which we are leveraged could have important consequences on our operations. A high level of debt will: reduce the amount of funds available for the payment of distributions to unitholders and interest payments on our debentures; limit our flexibility in planning for and reacting to changes in the economy and in the industry, and increase our vulnerability to general adverse economic and industry conditions; limit our ability to borrow additional funds, dispose of assets, encumber our assets and make potential investments; place us at a competitive disadvantage compared to other owners of similar real estate assets that are less leveraged and, therefore, may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing; make it more likely that a reduction in our borrowing base following a periodic valuation (or redetermination) could require us to repay a portion of then outstanding borrowings; and impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general trust or other purposes.

Interest rates

When entering into financing agreements or extending such agreements, we depend on our ability to agree on terms for interest payments that will not impair our desired profit, and on amortization schedules that do not restrict our ability to pay distributions on our REIT Units and interest payments on our debentures. In addition to existing variable rate portions of our financing agreements, we may enter into future financing agreements with variable interest rates. There is a risk that interest rates will continue to increase. A further increase in interest rates could result in a significant increase in the amount we pay to service debt, which could limit our ability to pay distributions to unitholders and could impact the market price of the REIT Units. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by lenders, could have a significant negative effect on our ability to sell any of our properties.

Economic environment risks

Uncertainty over whether the economy will be adversely affected by inflation or stagflation, and the systemic impact of volatile energy costs, may contribute to increased market volatility. Such economic uncertainties and market challenges, which may

result from a continued or exacerbated general economic slowdown, including as a result of the imposition of duties, tariffs and other trade protection measures, and their effects could materially and adversely affect the Trust's ability to generate revenues, thereby reducing its operating income and earnings. A difficult operating environment could also have a material adverse effect on the ability of the Trust to maintain occupancy rates at its properties, which could harm the Trust's financial condition. Under such economic conditions, the Trust's tenants may be unable to meet their rental payments and other obligations due to the Trust, which could have a material adverse effect on the Trust's financial position.

Further increases to inflation or prolonged inflation above central banks' targets could lead to further increases to interest rates by central banks, which would have a more pronounced negative impact on any variable rate debt the Trust is subject to or incur in the future and on its results of operations. Similarly, during periods of high inflation, contractual annual rent increases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Trust's tenants if increases in their operating expenses exceed increases in revenue. This may adversely affect the tenants' ability to pay rent, and the Trust's ability to increase rents on lease rollovers, which could negatively affect the Trust's financial condition.

Increased inflation could lead to higher costs on future development projects, which could reduce the profitability of the planned development projects to the extent that higher rents cannot be obtained from prospective tenants.

In respect of the Trust's real estate purchases, the Trust is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its purchases, or the number of investors seeking to acquire properties decreases, the value of the Trust's investments may not appreciate or may depreciate. Accordingly, the Trust's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

Adverse global market, economic and political conditions

Adverse Canadian, European, U.S. and global market, economic and political conditions, including dislocations and volatility in the credit markets and general global economic uncertainty, unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence, and international sanctions, could have a material adverse effect on our business, results of operations and financial condition with the potential to impact, among others: (i) the value of our properties; (ii) the availability or the terms of financing that we have or may anticipate utilizing; (iii) our ability to make principal and interest payments on, or refinance, any outstanding debt when due; (iv) the occupancy rates in our properties; and (v) the ability of our tenants to enter into new leasing transactions or to satisfy rental payments under existing leases.

The imposition of duties, tariffs and other trade restrictions (including any retaliation to such measures) could result in increased costs of supplies, slow economic growth and could materially impact the business of our tenants and their ability to make lease payments and renew leases. A trade war could also increase the likelihood and intensity of other risks discussed in this Annual Report and our Annual Information Form. These risks could have a material adverse effect on our business, results of operations and financial condition.

Currency risk

Some of our investments and operations are conducted in euros and U.S. dollars; however, we pay distributions to unitholders in Canadian dollars. As a result, fluctuations in the euro and U.S. dollar against the Canadian dollar could have a material adverse effect on our financial results, which are denominated and reported in Canadian dollars, and on our ability to pay cash distributions to unitholders. The Trust's exposure to currency exchange risk could increase if the proportion of income from properties located in Europe or income through our equity accounted investment in the U.S. increases as a result of future property acquisitions or investments.

Hedging instruments

The Trust uses CCIRS to hedge currency risk on European investments, and interest rate exposure on certain financing agreements. Hedge ineffectiveness for CCIRS can result from (i) fair value measurements on hedging instruments, which are not matched by the hedged item; and (ii) changes to critical underlying terms and conditions in the CCIRS or respective financing agreements.

Changes in law

We are subject to applicable federal, provincial or state, municipal, local and common laws and regulations governing the ownership and leasing of real property, employment standards, environmental matters, taxes and other matters. It is possible that future changes in such laws or regulations, or changes in their application, enforcement or regulatory interpretation, could result in changes in the legal requirements affecting us (including with retroactive effect). In addition, the political conditions in

the jurisdictions in which we operate are also subject to change. Any changes in investment policies or shifts in political attitudes may adversely affect our investments. Any changes in the laws to which we are subject in the jurisdictions in which we operate could materially affect our rights and title in and to the properties and the revenues we are able to generate from our investments.

Tax considerations

We intend to continue to qualify as a “unit trust” and a “mutual fund trust” for purposes of the *Income Tax Act* (Canada). There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the unitholders. If we cease to qualify as a “mutual fund trust” under the *Income Tax Act* (Canada), the income tax considerations applicable to us would be materially and adversely different in certain respects, including that the REIT Units may cease to be qualified investments for registered plans under the *Income Tax Act* (Canada).

Although we have been structured with the objective of maximizing after-tax distributions, tax charges and withholding taxes in various jurisdictions in which we invest will affect the level of distributions made to us by our subsidiaries. No assurance can be given as to the level of taxation suffered by us or our subsidiaries. Currently, our revenues derive from our investments located in Canada, Europe and the U.S., which will subject us to legal and political risks specific to those countries, any of which could adversely impact our investments, cash flows, operating results or financial condition, our ability to make distributions on the REIT Units and our ability to implement our growth strategy. The taxable income portion of our distributions is affected by a variety of factors, including the amount of foreign accrual property income that we recognize annually, gains and losses, if any, from the disposition of properties and the results of our operations. These components will change each year and therefore, the taxable income allocated to our unitholders each year will also change accordingly.

Competition

The real estate markets in Canada, Europe and the U.S. are highly competitive and fragmented, and we compete for real property acquisitions with individuals, corporations, institutions and other entities that may seek real property investments similar to those we desire. An increase in the availability of investment funds or an increase in interest in real property investments may increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them. If competing properties of a similar type are built in the area where one of our properties is located or if similar properties located in the vicinity of one of our properties are substantially refurbished, the NOI derived from and the value of such property could be reduced.

Numerous other developers, managers and owners of properties will compete with us in seeking tenants. To the extent that our competitors own properties that are in better locations, of better quality or less leveraged than the properties owned by us, they may be in a better position to attract tenants who might otherwise lease space in our properties. To the extent that our competitors are better capitalized or financially stronger, they would be in a better position to withstand an economic downturn. The existence of competition for tenants could have an adverse effect on our ability to lease space in our properties and on the rents charged or concessions granted, and could materially and adversely affect our cash flows, operating results and financial condition.

Joint arrangements

We are a participant in joint arrangements with related parties. A joint arrangement involves certain additional risks, including:

- (i) the possibility that such third parties may at any time have economic or business interests or goals that will be inconsistent with ours, or take actions contrary to our instructions or requests or to our policies or objectives with respect to our real estate investments;
- (ii) the risk that such third parties could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands on us to maintain and operate such properties or repay the third parties' share of property debt guaranteed by us or for which we will be liable, and/or result in our suffering or incurring delays, expenses and other problems associated with obtaining court approval of the joint arrangement;
- (iii) the risk that such third parties may, through their activities on behalf of or in the name of the joint arrangements, expose or subject us to liability; and
- (iv) the need to obtain third parties' consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property. In addition, the sale or transfer of interests in certain of the joint arrangements may be subject to rights of first refusal or first offer, and certain of the joint venture and partnership

agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when we may not desire to sell but may be forced to do so because we do not have the cash to purchase the other party's interests. Such rights may also inhibit our ability to sell an interest in a property or a joint arrangement within the time frame or otherwise on the basis we desire.

Our investment in properties through joint arrangements is subject to the investment guidelines set out in our Declaration of Trust.

Environmental and climate change-related risk

As an owner of real property, we are subject to various federal, provincial or state, and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances. The presence of such substances, if any, could adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a new property through traditional channels, we may be requested to arrange for an environmental audit to be conducted. Although such an audit provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on our properties against which we cannot insure, or against which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We have formal policies and procedures to review and monitor environmental exposure. These policies include the requirement to obtain a Phase I Environmental Site Assessment, conducted by an independent and qualified environmental consultant, before acquiring any real property or any interest therein. In 2021, we became an official supporter of the Task Force on Climate-related Financial Disclosures ("TCFD"), and will develop a plan to systematically assess climate change-related risk around the four TCFD core reporting areas, being governance, strategy, risk management, and metrics and targets.

Climate change continues to attract the focus of governments, investors and the general public as an important threat, given that the emission of greenhouse gases ("GHGs") and other activities continue to negatively impact the planet. We face the risk that our properties or tenants will be subject to government initiatives aimed at countering climate change, such as reduction of GHG emissions, which could impose constraints on our operational flexibility or cause us or our tenants to incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change reform could result in fines or adversely affect our reputation, operations or financial performance. Furthermore, our properties or tenants may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt our operations and activities, damage our properties, and potentially decrease our property values or require us to incur additional expenses, including an increase in insurance costs to insure our properties against natural disasters and severe weather.

Insurance

We carry general liability, umbrella liability and excess liability insurance with limits that are typically obtained for similar real estate portfolios in Canada and Europe and are otherwise acceptable to our trustees. For the property risks, we carry "All Risks" property insurance including, but not limited to, flood, earthquake and loss of rental income insurance (with at least a 24-month indemnity period). We also carry boiler and machinery insurance covering all boilers; pressure vessels; heating, cooling and air conditioning ("HVAC") systems; and equipment breakdown. However, certain types of risks (generally of a catastrophic nature such as from war or nuclear accident) are uninsurable under any insurance policy. Furthermore, there are other risks that are not economically viable to insure against at this time. We partially self-insure against terrorism risk for our entire portfolio. We have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements. Should an uninsured or underinsured loss occur, we could lose our investment in, and anticipated profits and cash flows from, one or more of our properties, but we would continue to be obligated to repay any recourse mortgage indebtedness on such properties. We do not carry title insurance on all of our properties. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, we could lose all or part of our investment in, and anticipated profits and cash flows from, such property.

Cyber security risks

As we continue to increase our dependence on information technologies to conduct our operations, the risks associated with cyber security also increase. We rely on management information systems and computer control systems. Business disruptions, utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm our operations and materially adversely affect our operating results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential

information, the misuse or loss of control over computer control systems, and breaches due to employee error. Our exposure to cyber security risks includes exposure through third parties on whose systems we place significant reliance for the conduct of our business. We have implemented security procedures and measures in order to help protect our systems and information from being vulnerable to cyber-attacks. However, we may not have the resources or technical sophistication to anticipate, prevent or recover from rapidly evolving types of cyber-attacks. Compromises to our information and control systems could have severe financial and other business implications.

Public health risk

Public health crises, pandemics and epidemics could adversely impact our and our customers' businesses, and thereby our and our customers' ability to meet payment obligations, by disrupting supply chains and transactional activities, causing reduced traffic at our properties, leading to mobility restrictions and other quarantine measures, precipitating increased government regulation and negatively impacting local, national or global economies. Public health crises, pandemics and epidemics may also increase the volatility in financial markets and impact debt and equity markets, which could affect our ability to access capital. All of these factors may have a material adverse effect on our business, our results of operations and our ability to make cash distributions to unitholders. The extent to which any public health crises, disease, epidemic or pandemic impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain.

SECTION VII

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Preparing the consolidated financial statements requires management to make significant accounting judgments, estimates and assumptions that affect the amounts reported. Management bases its significant accounting judgments, estimates and assumptions on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. However, uncertainty about these significant accounting judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in future periods.

Significant accounting judgments

The following are the significant accounting judgments used in applying the Trust's accounting policies that have the most significant effect on the amounts in the consolidated financial statements:

Investment properties

Significant judgments are made in respect of the fair value of investment properties. The fair value of investment properties is reviewed at least quarterly by management with reference to independent property appraisals and market conditions existing at the reporting date, using generally accepted market practices. The independent appraisers are experienced, nationally recognized and qualified in the professional valuation of investment properties in their respective geographic areas. Judgment is applied in determining the extent and frequency of obtaining independent appraisals. At each reporting period, a select number of properties, determined on a rotational basis, are valued by independent appraisers. For investment properties not subject to independent appraisals, valuations are prepared internally during each reporting period.

Significant assumptions used in estimating the fair value of investment properties include cap rates, discount rates that reflect current market uncertainties, terminal cap rates and market rents. Other significant assumptions relating to the estimates of fair value of investment properties include components of stabilized NOI. The Trust examines the significant assumptions at the end of each reporting period and updates these assumptions based on recent leasing activity and external market data available at that time. If there is any change in these assumptions or in regional, national or international economic conditions, the fair value of investment properties may change materially.

The Trust makes judgments with respect to whether lease incentives provided in connection with a lease enhance the value of the leased space, which determines whether or not such amounts are treated as tenant improvements and added to investment properties. Lease incentives such as cash, rent-free periods and lessee- or lessor-owned improvements may be provided to lessees to enter into an operating lease. Lease incentives that do not provide benefits beyond the initial lease term are included in the carrying amount of investment properties and are amortized as a reduction of rental revenue on a straight-line basis over the term of the lease.

Judgment is also applied in determining whether certain costs are additions to the carrying amount of the investment property. For properties under development, the Trust exercises judgment in determining when development activities have commenced, when and how much borrowing costs are to be capitalized to the development project, and the point of practical completion.

Business combinations

When the Trust makes an acquisition, it may elect to apply the optional concentration test in IFRS 3, “Business Combinations”, to assess whether an acquisition must be accounted for as a business combination. When substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets), the transaction is accounted for as an asset acquisition. The consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair value at the acquisition date. Where an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the Trust applies the acquisition method of accounting.

Under the acquisition method of accounting the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred and liabilities assumed, and any equity interests issued by the Trust in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition date fair value irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Trust’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Trust’s share of the net assets acquired, the difference is recognized directly in the consolidated statements of comprehensive income for the period as an acquisition gain. Any transaction costs incurred with respect to the business combination are expensed in the period incurred.

Impairment

The Trust assesses the possibility and amount of any impairment loss or write-down as it relates to the equity accounted investments, amounts receivable, and property and equipment.

IAS 36, “Impairment of Assets”, requires management to use judgment in determining the recoverable amount of assets and equity accounted investments that are tested for impairment. Judgment is also involved in estimating the value-in-use of the equity accounted investments, including estimates of future cash flows, discount rates and terminal cap rates. The values assigned to these significant assumptions reflect past experience and are consistent with external sources of information.

IFRS 9 requires management to use judgment in determining if the Trust’s financial assets are impaired. In making this judgment, the Trust evaluates, among other factors, the credit risk of the counterparty and whether there are indicators that credit risk on a financial instrument has changed significantly since initial recognition or the most recent reassessment of credit risk. Where the credit risk of a financial asset has increased significantly since initial recognition, the Trust records a loss allowance equal to the lifetime expected credit losses arising from that financial asset.

IAS 28, “Investments in Associates and Joint Ventures”, requires management to use judgment in determining the recoverable amount of equity accounted investments that are tested for impairment. Judgment is also involved in estimating the value-in-use of the equity accounted investment, including estimates of future cash flows, discount rates and terminal cap rates. The values assigned to these significant assumptions reflect past experience and are consistent with external sources of information.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICY CHANGES

Amendments to IAS 1, “Presentation of Financial Statements”

Effective January 1, 2024, we have adopted amendments to IAS 1, “Presentation of Financial Statements” (“IAS 1”), relating to the classification of liabilities as current or non-current liabilities. We may be required to settle liabilities relating to subsidiary redeemable units classified as liabilities and fully vested DUIP units on demand by the holders and do not have the right to defer settlement of such liabilities for a period of more than twelve months from the reporting date. As a result, we have classified these liabilities where there is no right to defer settlement as current liabilities. The amendments have been applied retrospectively for all periods presented in accordance with the transitional provisions of IAS 1.

As a result of these amendments, the following reclassifications have been made to the presentation of the current and comparative consolidated balance sheets:

December 31, 2024			
	Pre-amendments to IAS 1	Adjustments	Post-amendments to IAS 1
Liabilities			
NON-CURRENT LIABILITIES			
Subsidiary redeemable units	\$ 157,623	\$ (157,623)	—
DUIP (partially included in “Derivatives and other non-current liabilities”)	13,589	(13,589)	—
Derivatives and other non-current liabilities	67,399	3,803	71,202
	238,611	(167,409)	71,202
CURRENT LIABILITIES			
Subsidiary redeemable units	—	157,623	157,623
DUIP	—	9,786	9,786
	—	167,409	167,409
Total	\$ 238,611	\$ —	\$ 238,611

December 31, 2023				January 1, 2023			
	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated	
Liabilities							
NON-CURRENT LIABILITIES							
Subsidiary redeemable units	\$ 186,318	\$ (186,318)	—	\$ 216,871	\$ (216,871)	—	—
DUIP (partially included in “Derivatives and other non-current liabilities”)	20,754	(20,754)	—	14,369	(14,369)	—	—
Derivatives and other non-current liabilities	70,230	5,860	76,090	42,408	3,857	46,265	
	277,302	(201,212)	76,090	273,648	(227,383)	46,265	
CURRENT LIABILITIES							
Subsidiary redeemable units	—	186,318	186,318	—	216,871	216,871	
DUIP	—	14,894	14,894	—	10,512	10,512	
	—	201,212	201,212	—	227,383	227,383	
Total	\$ 277,302	\$ —	\$ 277,302	\$ 273,648	\$ —	\$ 273,648	

There is no impact on the measurement or recognition of any item in our consolidated financial statements, debt covenants based on the terms and definitions of the covenant calculations and debt agreements, liquidity risks, non-GAAP financial measures and ratios, including FFO and NAV per Unit, or supplementary financial measures and ratios, and there is no change to our consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows.

IFRS 8, “Operating Segments”

In July 2024, the IFRS Interpretations Committee (“IFRIC”) published clarification on segment disclosure requirements, with application if necessary to commence for annual reports dated as at December 31, 2024. Under the existing IFRS 8 guidance, entities are required to disclose certain specified income and expense items that are part of the profit measures provided to the chief operating decision maker. The details disclosed are not limited by whether material items are unusual or non-recurring. The IFRIC agenda decision requires entities to consider their existing processes and controls in determining segment disclosures and whether more disclosure is required. We assessed the impact and noted no changes would be required as at December 31, 2024.

IFRS 18, “Presentation and Disclosure in Financial Statements”

In April 2024, IFRS 18, “Presentation and Disclosure in Financial Statements” was issued to achieve comparability of the financial performance of similar companies. The accounting standard, which replaces IAS 1, “Presentation of Financial Statements”, impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. We are currently assessing the impact of this new accounting standard.

IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures”

In May 2024, amendments to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. We are in the process of assessing the impact of these new standards.

ADDITIONAL INFORMATION

Additional information relating to Dream Industrial REIT, including the latest Annual Information Form of Dream Industrial REIT, is available on SEDAR+ at www.sedarplus.com.



Independent auditor's report

To the Unitholders of Dream Industrial Real Estate Investment Trust

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Dream Industrial Real Estate Investment Trust and its subsidiaries (together, the Trust) as at December 31, 2024 and 2023 and January 1, 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Trust's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2024 and 2023 and January 1, 2023;
- the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the consolidated statements of changes in equity for the years ended December 31, 2024 and 2023;
- the consolidated statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Valuation of income-producing properties included in investment properties

Refer to note 2 – Summary of material accounting policy information, note 4 – Investment properties and note 30 – Fair value measurements. to the consolidated financial statements.

The Trust measures its income-producing properties, which are included in investment properties, at fair value, and as at December 31, 2024, these assets were valued at \$6.73 billion. The fair values of the income-producing properties are reviewed by management with reference to independent property appraisals, if obtained, and market conditions existing at the reporting date, using generally accepted market practices. The Trust values its income-producing properties using the capitalization rate ("cap rate") method. For the cap rate method, the significant assumptions include cap rates and stabilized net operating income ("stabilized NOI"). Significant judgments are made by management in respect of the fair values of income-producing properties.

Our approach to addressing the matter included the following procedures, among others:

- Developed an independent point estimate of the fair value of each individual income-producing property using external market data and compared each independent point estimate to the fair value estimate determined by management to evaluate the reasonableness of management's estimate of fair value.
- For the fair values determined by management that fell outside of a reasonable range established from the independent point estimate or that met certain judgemental factors, tested how management determined the fair value estimate of the property, which included the following:
 - Evaluated the appropriateness of the valuation method used.
 - Evaluated the reasonableness of stabilized NOI and cap rates used in the cap rate method by benchmarking them to the underlying accounting records and external market data, as appropriate, and for certain properties, were assisted by professionals with specialized skill and knowledge in the field of real estate valuations.



Key audit matter

How our audit addressed the key audit matter

We considered this a key audit matter due to i) the significant audit effort required in testing the fair values of income-producing properties; ii) significant judgments made by management when determining the fair values including the development of the significant assumptions; and iii) a high degree of complexity in assessing audit evidence to support the significant assumptions made by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of real estate valuations.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carly Stallwood.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 18, 2025

Consolidated balance sheets (Restated, Note 2)

(in thousands of Canadian dollars)

	Note	December 31, 2024	December 31, 2023 (note 2)	January 1, 2023 (note 2)
Assets				
NON-CURRENT ASSETS				
Investment properties	4, 5	\$ 7,031,713	\$ 6,924,274	\$ 6,759,425
Equity accounted investments	6	879,061	809,006	313,527
Derivatives and other non-current assets	7	42,449	37,577	92,016
		7,953,223	7,770,857	7,164,968
CURRENT ASSETS				
Cash and cash equivalents		80,277	49,916	83,802
Amounts receivable	8	28,816	31,694	27,673
Prepaid expenses and other assets		46,482	5,873	4,050
		155,575	87,483	115,525
Asset held for sale	5	13,756	—	—
Total assets		\$ 8,122,554	\$ 7,858,340	\$ 7,280,493
Liabilities				
NON-CURRENT LIABILITIES				
Non-current debt	9	\$ 2,098,543	\$ 2,537,090	\$ 2,137,412
Deferred income tax liabilities, net	12	53,727	43,606	47,869
Derivatives and other non-current liabilities	13	71,202	76,090	46,265
		2,223,472	2,656,786	2,231,546
CURRENT LIABILITIES				
Current debt	9	870,407	310,277	275,536
Subsidiary redeemable units	10	157,623	186,318	216,871
Amounts payable and accrued liabilities	14	128,295	110,260	88,784
Deferred Unit Incentive Plan ("DUIP")	11	9,786	14,894	10,512
Current income tax liabilities		1,898	4,908	4,503
		1,168,009	626,657	596,206
Total liabilities		3,391,481	3,283,443	2,827,752
Equity				
Unitholders' equity		3,399,261	3,339,660	3,106,904
Retained earnings		1,256,934	1,191,907	1,274,974
Accumulated other comprehensive income	17	74,878	43,330	70,863
Total equity		4,731,073	4,574,897	4,452,741
Total liabilities and equity		\$ 8,122,554	\$ 7,858,340	\$ 7,280,493

See accompanying notes to the consolidated financial statements.

On behalf of the Board of Trustees of Dream Industrial Real Estate Investment Trust:

"Vincenza Sera"

Vincenza Sera
Trustee

"Jennifer Scoffield"

Jennifer Scoffield
Trustee

Consolidated statements of comprehensive income

(in thousands of Canadian dollars)

	Note	Year ended December 31,	
		2024	2023
Investment properties revenue	18, 24	\$ 466,218	\$ 437,601
Investment properties operating expenses	24	(110,786)	(103,421)
Net rental income		355,432	334,180
Other income			
Share of net income from equity accounted investments	6	42,982	4,941
Interest income and other		5,360	572
		48,342	5,513
Other expenses			
General and administrative	19	(31,830)	(32,148)
Interest:			
Debt and other financing costs	20	(70,130)	(54,379)
Subsidiary redeemable units	20	(9,344)	(10,557)
		(111,304)	(97,084)
Fair value adjustments and net loss on transactions and other activities			
Fair value adjustments to investment properties	4	(24,765)	(66,689)
Fair value adjustments to financial instruments	21	13,338	(68,059)
Net loss on transactions and other activities	22	(11,668)	(4,762)
		(23,095)	(139,510)
Income before income taxes		269,375	103,099
Current and deferred income tax (expense) recovery, net	12	(9,764)	1,200
Net income		\$ 259,611	\$ 104,299
Other comprehensive income (loss)			
Items that will be reclassified subsequently to net income:			
Unrealized gain on foreign currency translation of foreign operations	17	\$ 39,360	\$ 21,837
Unrealized loss on hedging instruments	17	(33,236)	(42,816)
Share of other comprehensive gain (loss) from equity accounted investments	17	25,424	(6,554)
		31,548	(27,533)
Comprehensive income		\$ 291,159	\$ 76,766

See accompanying notes to the consolidated financial statements.

Consolidated statements of changes in equity

(all dollar amounts in thousands of Canadian dollars)

		Attributable to unitholders of the Trust				
		Number of REIT Units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income	Total equity
Year ended December 31, 2024	Note					
Balance at January 1, 2024		273,243,349	\$ 3,339,660	\$ 1,191,907	\$ 43,330	\$ 4,574,897
Net income		—	—	259,611	—	259,611
Distributions paid and payable	16	—	—	(194,584)	—	(194,584)
Distribution Reinvestment Plan	16	4,134,465	54,065	—	—	54,065
REIT Units issued for vested deferred trust units and Unit Purchase Plan	11, 15	442,170	5,536	—	—	5,536
Other comprehensive income	17	—	—	—	31,548	31,548
Balance at December 31, 2024		277,819,984	\$ 3,399,261	\$ 1,256,934	\$ 74,878	\$ 4,731,073

		Attributable to unitholders of the Trust				
		Number of REIT Units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Year ended December 31, 2023	Note					
Balance at January 1, 2023		256,604,207	\$ 3,106,904	\$ 1,274,974	\$ 70,863	\$ 4,452,741
Net income		—	—	104,299	—	104,299
Distributions paid and payable	16	—	—	(187,366)	—	(187,366)
Exchange of subsidiary redeemable units to REIT Units	15	5,205,283	74,019	—	—	74,019
Public offerings of REIT Units	15	7,510,426	107,147	—	—	107,147
Distribution Reinvestment Plan	16	3,806,146	52,007	—	—	52,007
REIT Units issued for vested deferred trust units and Unit Purchase Plan	11, 15	117,287	1,726	—	—	1,726
Issue costs and other		—	(2,143)	—	—	(2,143)
Other comprehensive loss	17	—	—	—	(27,533)	(27,533)
Balance at December 31, 2023		273,243,349	\$ 3,339,660	\$ 1,191,907	\$ 43,330	\$ 4,574,897

See accompanying notes to the consolidated financial statements.

Consolidated statements of cash flows

(in thousands of Canadian dollars)

		Year ended December 31,	
	Note	2024	2023
Generated from (utilized in) operating activities			
Net income		\$ 259,611	\$ 104,299
Non-cash items:			
Share of net income from equity accounted investments	6	(42,982)	(4,941)
Fair value adjustments to investment properties	4	24,765	66,689
Fair value adjustments to financial instruments	21	(13,338)	68,059
Depreciation and amortization		3,505	3,254
Other adjustments	23	14,540	5,109
Change in non-cash working capital	23	(5,862)	15,333
Investment in lease incentives and initial direct leasing costs		(14,635)	(9,789)
Interest expense on debt and other financing costs	20	70,130	54,379
		295,734	302,392
Generated from (utilized in) investing activities			
Investment in building improvements and other development and pre-development costs		(144,423)	(186,549)
Acquisitions, deposits and transaction costs of investment properties (net of cash acquired)		(878)	(3,631)
Dispositions of investment properties (net of assumed mortgages and transaction costs)		42,944	6,921
Distributions from equity accounted investments	6	32,000	15,000
Contributions to equity accounted investments	6	(43,380)	(521,184)
		(113,737)	(689,443)
Generated from (utilized in) financing activities			
Borrowings	9	427,220	1,191,665
Lump sum repayments	9	(358,892)	(731,161)
Principal repayments	9	(3,302)	(6,418)
Financing costs additions		(3,876)	(6,508)
Interest and other financing costs paid on debt	20	(63,235)	(50,596)
Interest paid on subsidiary redeemable units	20	(9,344)	(10,860)
Distributions paid on REIT Units	16	(140,252)	(134,389)
Cash proceeds on issuance of REIT Units	15	—	107,172
Issue costs paid on REIT Units		—	(2,143)
Other adjustments to financing activities		(276)	(243)
		(151,957)	356,519
Increase (decrease) in cash and cash equivalents		30,040	(30,532)
Foreign exchange gain (loss) on cash held in foreign currency		321	(3,354)
Cash and cash equivalents, beginning of year		49,916	83,802
Cash and cash equivalents, end of year		\$ 80,277	\$ 49,916

See accompanying notes to the consolidated financial statements.

Notes to the consolidated financial statements

(all dollar amounts in thousands of Canadian dollars, except for per REIT Unit amounts, or unless otherwise stated)

Note 1

ORGANIZATION

Dream Industrial Real Estate Investment Trust (“Dream Industrial REIT” or the “Trust”) is an open-ended investment trust created pursuant to a Declaration of Trust, as amended and restated, under the laws of the Province of Ontario. The consolidated financial statements of Dream Industrial REIT include the accounts of Dream Industrial REIT and its subsidiaries. Dream Industrial REIT owns, manages and operates industrial properties in key markets across Canada, Europe and the U.S.

The principal office and centre of administration of the Trust is at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1. The Trust is listed on the Toronto Stock Exchange (“TSX”) under the symbol “DIR.UN”. Dream Industrial REIT’s consolidated financial statements for the year ended December 31, 2024 were authorized for issuance by the Board of Trustees on February 18, 2025, after which they may be amended only with the Board of Trustees’ approval.

For simplicity, throughout the notes, reference is made to the units of the Trust as follows:

- “REIT Units”, meaning units of the Trust;
- “LP B Units” or “subsidiary redeemable units”, meaning the Class B limited partnership units of Dream Industrial LP (“DILP”), a subsidiary of the Trust;
- “Special Trust Units”, meaning units issued in connection with subsidiary redeemable units; and
- “Units”, meaning REIT Units and subsidiary redeemable units, collectively.

Note 2

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information used in the preparation of these consolidated financial statements is described below:

Basis of presentation and statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Amendments to IAS 1, "Presentation of Financial Statements"

Effective January 1, 2024, the Trust has adopted amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"), relating to the classification of liabilities as current or non-current liabilities. The Trust may be required to settle liabilities relating to subsidiary redeemable units classified as liabilities and fully vested DUIP units on demand by the holders and does not have the right to defer settlement of such liabilities for a period of more than twelve months from the reporting date. As a result, the Trust has classified these liabilities where there is no right to defer settlement as current liabilities. The amendments have been applied retrospectively for all periods presented in accordance with the transitional provisions of IAS 1.

As a result of these amendments, the following reclassifications have been made to the presentation of the current and comparative consolidated balance sheets:

	December 31, 2024		
	Pre-amendments to IAS 1	Adjustments	Post-amendments to IAS 1
Liabilities			
NON-CURRENT LIABILITIES			
Subsidiary redeemable units	\$ 157,623	\$ (157,623)	\$ —
DUIP (Note 11)	13,589	(13,589)	—
Derivatives and other non-current liabilities (Note 13)	67,399	3,803	71,202
	238,611	(167,409)	71,202
CURRENT LIABILITIES			
Subsidiary redeemable units	—	157,623	157,623
DUIP	—	9,786	9,786
	—	167,409	167,409
Total	\$ 238,611	\$ —	\$ 238,611

	December 31, 2023			January 1, 2023		
	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated
Liabilities						
NON-CURRENT LIABILITIES						
Subsidiary redeemable units	\$ 186,318	\$ (186,318)	\$ —	\$ 216,871	\$ (216,871)	\$ —
DUIP (Note 11)	20,754	(20,754)	—	14,369	(14,369)	—
Derivatives and other non-current liabilities (Note 13)	70,230	5,860	76,090	42,408	3,857	46,265
	277,302	(201,212)	76,090	273,648	(227,383)	46,265
CURRENT LIABILITIES						
Subsidiary redeemable units	—	186,318	186,318	—	216,871	216,871
DUIP	—	14,894	14,894	—	10,512	10,512
	—	201,212	201,212	—	227,383	227,383
Total	\$ 277,302	\$ —	\$ 277,302	\$ 273,648	\$ —	\$ 273,648

There is no impact on the measurement or recognition of any item in the Trust's consolidated financial statements, debt covenants based on the terms and definitions of the covenant calculations and debt agreements, or liquidity risks, and there is no change to the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Dream Industrial REIT and its subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, the date on which the Trust obtains control, and continue to be consolidated until the date such control ceases. Control exists when the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intercompany balances, income and expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated in full.

Equity accounted investments

Equity accounted investments are investments over which the Trust has significant influence, but not control. Generally, the Trust is considered to exert significant influence when it holds more than a 20% interest in an entity or partnership. However, determining significant influence is a matter of judgment and specific circumstances and, from time to time, the Trust may hold an interest of more than 20% in an entity or partnership without exerting significant influence. Conversely, the Trust may hold an interest of less than 20% and exert significant influence through representation on boards, direction of management or contractual agreements.

The financial results of the Trust's equity accounted investments are included in the Trust's consolidated financial statements using the equity method, whereby the investment is carried on the consolidated balance sheets at cost, adjusted for the Trust's proportionate share of post-acquisition profits and losses, and for post-acquisition changes in excess of the Trust's carrying amount of its investment over the net assets of the equity accounted investments, less any identified impairment loss. The Trust's share of profits and losses is recognized in the share of income from equity accounted investments in the consolidated statements of comprehensive income.

At each reporting date, the Trust evaluates whether there is objective evidence that its interest in an equity accounted investment is impaired. The entire carrying amount of the equity accounted investment is compared to the recoverable amount, which is the higher of the value-in-use or fair value less costs to sell. The recoverable amount of each investment is considered separately.

Where the Trust transacts with its equity accounted investments, unrealized profits and losses are eliminated to the extent of the Trust's interest in the investment. Associates and joint ventures do not form part of the group and the procedures for eliminating intra-group balances, transactions, income and expenses (including leases) are not appropriate under the equity method. Unsettled balances from normal trading transactions should be included as current assets or liabilities. These balances should not be eliminated.

Joint arrangements

The Trust enters into joint arrangements via joint operations and joint ventures. A joint arrangement is a contractual arrangement pursuant to which the Trust and other parties undertake an economic activity that is subject to joint control, whereby the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. Joint operations are co-ownership arrangements in which the parties have rights to the assets, and obligations for the liabilities, of the joint arrangement. Joint arrangements that involve the establishment of a separate entity or partnership in which each party to the venture has rights to the net assets of the arrangements are referred to as joint ventures.

The Trust reports its interests in joint ventures using the equity method of accounting as previously described under "Equity accounted investments". The Trust reports its interests in co-ownerships by accounting for its share of the assets, liabilities, revenues and expenses. Under this method, the Trust's consolidated financial statements reflect only the Trust's proportionate share of the assets; its proportionate share of any liabilities incurred jointly with the other venturers as well as any liabilities incurred directly; and its proportionate share of any revenues earned or expenses incurred by the joint operation and any expenses incurred directly.

Investment properties

Investment properties comprise income-producing properties and properties held for development and are initially recorded at cost, including related transaction costs in connection with asset acquisitions, and include properties held to earn rental income and/or for capital appreciation or held for redevelopment. Subsequent to initial recognition, investment properties are accounted for at fair value. At the end of each reporting period, the Trust determines the fair value of investment properties by:

- considering current contracted sales prices for properties that are available for sale;
- obtaining appraisals from qualified external professionals on a rotational basis for select properties; and
- using internally prepared valuations applying the income approach.

The income approach is derived from two methods: the capitalization rate (“cap rate”) method and the discounted cash flow method. In applying the cap rate method specifically to income-producing properties, the stabilized net operating income (“stabilized NOI”) of each property is divided by an appropriate cap rate with adjustments for items such as average lease-up costs, vacancy rates, non-recoverable capital expenditures, management fees, straight-line rents and other non-recurring items. In applying the discounted cash flow method specifically to income-producing properties, the cash flows of each property are projected over a ten-year term, a terminal value is applied, and the cash flows are discounted using an appropriate discount rate. Specific to properties held for development, the Trust uses comparable sales or the discounted cash flow method, net of costs to complete, to determine the fair value as at the end of each reporting period. On a quarterly basis, the Trust uses both the cap rate method and discounted cash flow method to evaluate the fair value of its investment properties.

Building improvements are added to the carrying amount of income-producing properties only when it is probable that future economic benefits associated with the expenditure will flow to the Trust and the cost of the item can be measured reliably. Repairs and maintenance costs are recorded in investment properties operating expenses when incurred.

Initial direct leasing costs incurred in negotiating and arranging tenant leases are added to the carrying amount of income-producing properties. Lease incentives, which include committed costs on commenced leases, costs incurred prior to lease commencement to make leasehold improvements to tenants’ space, and cash allowances provided to tenants, are added to the carrying amount of income-producing properties and are amortized on a straight-line basis over the term of the lease as a reduction to investment properties revenue. Internal leasing costs are expensed in the period during which they are incurred.

Straight-line rent receivables are included in the carrying amount of income-producing properties.

Specific to properties held for development, operating costs such as property taxes and direct overhead costs, and borrowing costs associated with direct expenditures on properties held for development, are capitalized until completion of the development project. The amount of capitalized borrowing costs is determined first by reference to project-specific borrowings, where applicable, and otherwise by applying a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross cost incurred on those borrowings less any investment income arising on their temporary investment. Borrowing costs are capitalized from the commencement of classification into properties held for development until the date of practical completion when the property is substantially ready for its intended use. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Practical completion is when the property is capable of operating in the manner intended by management. Generally, this occurs on completion of construction and receipt of all necessary occupancy and other material permits. If the Trust has pre-leased space at or prior to the start of the development, practical completion is considered to occur on the lease commencement date.

Investment properties, including investment properties held for sale, are derecognized on disposal or when no future economic benefits are expected from their use or disposal. Any transaction costs arising on derecognition of an investment property are included in the consolidated statements of comprehensive income during the reporting period the asset is derecognized.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with financial institutions and all short-term investments with an original maturity of three months or less, and exclude cash subject to restrictions that prevent its use for current purposes.

Financial instruments

Classification and measurement of financial instruments

The following summarizes the Trust's classification and measurement of financial assets and financial liabilities in accordance with IFRS 9, "Financial Instruments" ("IFRS 9"):

	Classification and measurement
Financial assets	
Amounts receivable	Financial asset at amortized cost
Deposits on acquisitions of investment properties ⁽¹⁾	Financial asset at amortized cost
Cash and cash equivalents	Financial asset at amortized cost
Restricted cash ⁽²⁾	Financial asset at amortized cost
VTB loan receivable (as defined in Note 5) ⁽²⁾	Financial asset at amortized cost
Financial liabilities	
Mortgages ⁽³⁾	Financial liability at amortized cost
Unsecured revolving credit facility ⁽³⁾	Financial liability at amortized cost
Unsecured term loans ⁽³⁾	Financial liability at amortized cost
Unsecured debentures ⁽³⁾	Financial liability at amortized cost
Subsidiary redeemable units	Financial liability at amortized cost
Tenant security deposits ⁽⁴⁾	Financial liability at amortized cost
Amounts payable and accrued liabilities	Financial liability at amortized cost
Financial assets/financial liabilities	
Derivative Instruments – not designated as hedges ⁽⁵⁾	Fair value through profit and loss
Derivative Instruments – designated as hedges ⁽⁵⁾	Fair value through other comprehensive income

(1) Included in "Prepaid expenses and other assets" in the consolidated balance sheets.

(2) Included in "Derivatives and other non-current assets" in the consolidated balance sheets.

(3) Included in "Current debt" and "Non-current debt" in the consolidated balance sheets.

(4) Included in "Derivatives and other non-current liabilities" in the consolidated balance sheets.

(5) Included in "Derivatives and other non-current assets", "Prepaid expenses and other assets", "Derivatives and other non-current liabilities" and/or "Amounts payable and accrued liabilities" as applicable in the consolidated balance sheets.

Financial assets

Classification

The Trust classifies its financial assets in the following measurement categories:

- those to be measured at amortized cost; and
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).

The classification depends on the Trust's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Trust initially measures a financial asset at its fair value, in some cases, less any related transaction costs. Subsequent measurement depends on the Trust's business model for managing the financial assets and the contractual terms of the cash flows. There are three measurement categories into which the Trust classifies its financial assets. The Trust classifies assets at amortized cost if they are held for the collection of contractual cash flows that represent solely payments of principal and interest. The Trust classifies derivatives as fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") if they do not meet the criteria for amortized cost.

- amortized cost: assets that are held for the collection of contractual cash flows, and those cash flows represent solely payments of principal and interest;
- FVOCI: assets that are held for the collection of contractual cash flows and for selling the financial assets, and those cash flows represent solely payments of principal and interest; and
- FVTPL: assets that do not meet the criteria for amortized cost or fair value through other comprehensive income.

For financial assets measured subsequently at amortized cost, the asset is amortized using the effective interest rate method.

Impairment

The Trust recognizes an allowance for expected credit losses for all financial assets not held at fair value through profit or loss. For amounts receivable and the VTB loan receivable, the Trust applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized upon initial recognition of the receivables. To measure the expected credit losses, the Trust has established a provision matrix that is based on its historical credit loss experience based on days past due, adjusted for forward-looking factors specific to the tenant and the economic environment. The Trust will usually consider a financial asset in default when contractual payment is over 90 days past due, but will also consider other factors such as alternate repayment arrangements negotiated with tenants. However, in certain cases, the Trust may also consider a financial asset to be in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full. Trade receivables and the VTB loan receivable are written off partially or in full based on management's expectation of recovery.

Derecognition

Financial assets are derecognized only when the contractual rights to the cash flows from the financial asset expire or the Trust transfers substantially all risks and rewards of ownership. From time to time, the Trust may agree with tenants to modify the terms of lease agreements, including changes to the consideration under the lease. When the changes result in a reduction in amounts receivable relating to past lease periods, the Trust applies IFRS 9 in determining whether to partially or fully derecognize receivables.

Financial liabilities

Classification

The Trust classifies its financial liabilities in the following measurement categories:

- those to be measured at amortized cost; and
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).

The classification depends on the Trust's business model for managing the financial liabilities and the contractual terms of the cash flows.

Measurement

At initial measurement, financial liabilities are recognized at fair value, less transaction costs (in the case of a financial liability classified as amortized cost).

For financial liabilities measured subsequently at amortized cost, the liability is amortized using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the financial liabilities are recognized in comprehensive income over the expected life of the obligation.

For financial liabilities measured subsequently at fair value, the liability is remeasured at fair value at each reporting period, with changes in fair value recognized either through other comprehensive income, or through profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Hedge accounting

Hedge accounting is applied to financial instruments such as cross-currency interest rate swaps ("CCIRS") to hedge foreign currency risk and interest rate risk. The purpose of hedge accounting is to align the accounting with the economic impact of the Trust's financial risk management activities.

Hedge relationships may include cash flow hedges, fair value hedges and hedges of net investments in foreign operations. To apply hedge accounting, at the inception of the hedge relationship, the Trust formally designates and documents the hedged items and hedging instruments, as well as the risk management strategy and objectives. There must be an economic relationship between the hedged item and the hedging instrument. Hedge effectiveness is assessed at inception and at the end of each reporting period.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedges

In a cash flow hedging relationship, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss. Amounts recorded in accumulated other comprehensive income are recognized in profit or loss when the hedged cash flows affect profit or loss.

The Trust uses CCIRS to hedge its exposure to foreign currency risk and interest rate risk on cash flows associated with the unsecured term loans.

Net investment hedges

In a net investment hedging relationship, the effective portion of the foreign exchange gain or loss on the hedging instrument is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss. Amounts recorded in accumulated other comprehensive income are recognized in profit or loss when there is a disposition or partial disposition of the foreign subsidiary.

The Trust uses CCIRS to hedge its exposure to foreign currency risk in its foreign operations.

Equity

The Trust presents REIT Units as equity, notwithstanding the fact that the Trust's REIT Units meet the definition of a financial liability. Under IAS 32, "Financial Instruments: Presentation" ("IAS 32"), the REIT Units are considered a puttable financial instrument because of the holder's option to redeem REIT Units, generally at any time, subject to certain restrictions, at a redemption price per Unit equal to the lesser of 90% of a 20-day weighted average closing price prior to the redemption date and 100% of the closing market price on the redemption date. The total amount payable by Dream Industrial REIT in any calendar month will not exceed \$50 unless waived by Dream Industrial REIT's Board of Trustees at their sole discretion. The Trust has determined the REIT Units can be presented as equity and not as financial liabilities since the REIT Units have all of the following features, as defined in IAS 32 (hereinafter referred to as the "puttable exemption"):

- REIT Units entitle the holder to a pro rata share of the Trust's net assets in the event of its liquidation; net assets are those assets that remain after deducting all other claims on the assets;
- REIT Units are the class of instruments that are subordinate to all other classes of instruments as they have no priority over other claims to the assets of the Trust on liquidation, and do not need to be converted into another instrument before they are in the class of instruments that is subordinate to all other classes of instruments;
- all instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Trust to redeem the REIT Units for cash or another financial asset, the REIT Units do not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Trust, and they are not contracts that will or may be settled in the Trust's own instruments; and
- the total expected cash flows attributable to the REIT Units over their lives are based substantially on profit or loss, and the change in the recognized net assets and unrecognized net assets of the Trust over the life of the REIT Units.

REIT Units are initially recognized at the fair value of the consideration received by the Trust. Any transaction costs arising on the issuance of REIT Units are recognized directly in unitholders' equity as a reduction of the proceeds received.

Deferred Unit Incentive Plan ("DUIP")

During the vesting period, DUIP is recorded as liability and compensation expense is recognized at amortized cost based on the fair value of the Units. Once vested, liability is remeasured at the reporting date at amortized cost, based on the fair value of the corresponding REIT Units, with changes in fair value recognized in the statement of comprehensive income.

Revenue recognition

Rental income

The Trust accounts for tenant leases as operating leases, given that it has retained substantially all of the risks and rewards of ownership of its investment properties. Lease revenue from investment properties includes base rents, property tax recoveries, lease termination fees, and other rental revenue including recoveries for landlord work and tenant improvement allowances. Revenue recognition under a lease commences when the tenant has a right to use the leased premises. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line rent receivable, which is included in investment properties, is recorded for the difference between the rental revenue recognized and the contractual amount received. Property tax recoveries are recognized as revenues in the period in which the contingency or variability is resolved and collectability is reasonably assured. Lease termination fees and other rental revenues are recorded as earned.

Lease modifications

Changes to the terms and conditions of the lease are treated as lease modifications in accordance with IFRS 16, “Leases” (“IFRS 16”), and the modified lease is accounted for as a new lease from the effective date of the modification, with any prepaid or accrued lease payments relating to the original lease included as part of the lease payments for the new lease.

The Trust may agree with tenants to modify the terms of lease agreements, including changes to the consideration under the lease. When the changes result in a reduction in amounts receivable relating to past lease periods, the Trust applies IFRS 9 in determining whether to partially or fully derecognize those receivables.

Revenue from contracts with customers

The Trust has obligations to provide ongoing services related to its leases which are contract revenues within the scope of IFRS 15, “Revenue from Contracts with Customers” (“IFRS 15”). These services include recoveries of operating expenses and recoveries of capital expenditures from tenants in accordance with their leases (“recoveries revenue”).

Consideration received from tenants under lease agreements is allocated between rental income and recoveries revenue based on relative stand-alone selling prices. For recoveries revenue, our performance obligations are satisfied over time as tenants occupy the premises. Recoveries revenue is billed monthly to tenants based on budgeted estimates.

The Trust recognizes recoveries revenue of operating expenses based on actual costs incurred in accordance with the terms of the related leases. Actual operating costs reflect the services provided. The Trust recognizes recoveries revenue for capital expenditures over the asset’s expected useful life in accordance with the terms of the related leases. The amount of recoveries revenue is determined by the actual costs incurred, taking into consideration any restrictions included in related lease agreements. If the services rendered exceed the monthly charges billed, a receivable is recognized; if the monthly charges billed exceed the services rendered, a payable is recognized. These current assets or liabilities are settled with tenants annually.

Pursuant to a property management agreement, a subsidiary of the Trust has an obligation to provide property management, construction management and leasing services to a private open-ended United States (“U.S.”) industrial fund (the “U.S. Fund”), a related party of the Trust. The Trust recognizes revenue over time as it provides the respective services.

For all revenue streams from contracts with customers, revenue is measured at the best estimate of the amount the Trust expects to receive for performing the services. Revenue is recognized only to the extent that it is highly probable that a significant amount of the cumulative revenue recognized for a contract will not be reversed. The Trust is obligated to continue to provide ongoing services over the remaining term of each lease contract. The Trust will recognize revenue on these remaining performance obligations based on the actual cost incurred to fulfill the ongoing services in the period.

Any receivables arising from revenue contracts with customers are tested for impairment using the same model as for amounts receivable as described above.

Significant judgments in applying IFRS 15, “Revenue from Contracts with Customers” (“IFRS 15”)

The application of IFRS 15 requires the Trust to make the following significant judgments:

Estimation of transaction prices

The Trust exercises judgment in estimating the transaction price for revenues from contracts with customers. The Trust exercises judgment with regards to the amount and timing of the revenue recognized for recoveries revenue contracts, which are satisfied over time. The amount of revenue recognized for recoveries revenue with variable consideration is constrained by the actual costs incurred and any restrictions in lease agreements. The revenues related to these obligations are recorded over time as the obligation of the Trust is to provide the recoveries revenue on an as needed basis throughout the contract period. The Trust considers this to be a faithful depiction of the transfer of services.

Scoping of revenues

The Trust exercises judgment in determining which of its revenue streams that arise from lease agreements are in the scope of IFRS 15 and which are not. Specifically, the Trust considers whether a revenue stream related to a lease agreement is for the lease of an asset or for the provision of a distinct service. Revenues of the latter type are determined to be in the scope of IFRS 15, while those of the former are in the scope of IFRS 16.

Interest on debt

Interest on debt includes coupon interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and amortization of fair value adjustments on assumed debt.

Certain debt assumed in connection with acquisitions has been adjusted to fair value using the estimated market interest rate at the time of the acquisition (“fair value adjustment”). This fair value adjustment is amortized to interest expense over the expected remaining term of the debt using the effective interest rate method.

Income taxes

Dream Industrial REIT is taxed as a mutual fund trust for Canadian income tax purposes. The Trust expects to distribute all of its taxable income to its unitholders, which enables the Trust to deduct such distributions for income tax purposes. As the income tax obligations relating to the distributions are those of the individual unitholders, no provision for income taxes is required on such amounts. The Trust expects to continue to distribute its taxable income and to qualify as a real estate investment trust (“REIT”) for the foreseeable future.

For all U.S. subsidiaries, all European subsidiaries and one Canadian subsidiary of the Trust, income taxes are accounted for using the asset and liability method. Under this method, deferred income taxes are recognized for the expected future tax consequences of temporary differences between the carrying value of balance sheet items and their corresponding tax values. Deferred income taxes are computed using substantively enacted income tax rates or laws for the years in which the temporary differences are expected to reverse or settle. Deferred tax assets are recognized only to the extent that they are realizable.

Current income taxes are recognized on the basis of enacted or substantively enacted tax rates and laws at each reporting period.

Provisions

Provisions for legal claims are recognized when the Trust has a present legal or constructive obligation as a result of past events, it is probable an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in a settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Impairment

The Trust assesses the possibility and amount of any impairment loss or write-down as it relates to equity accounted investments, amounts receivable and property and equipment.

Foreign currencies

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Trust and the presentation currency for the consolidated financial statements.

Assets and liabilities related to properties held in a foreign entity with a functional currency other than the Canadian dollar are translated at the rate of exchange at the consolidated balance sheet dates. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of the transactions are used. The resulting foreign currency translation adjustments are recognized in other comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary items are translated using the exchange rates at the consolidated balance sheet dates. Gains and losses on translation of monetary items are recognized in comprehensive income as other income, except for those intercompany loans to/from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future.

Significant accounting judgments, estimates and assumptions

Preparing the consolidated financial statements requires management to make significant accounting judgments, estimates and assumptions that affect the amounts reported. Management bases its significant accounting judgments, estimates and assumptions on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. However, uncertainty about these significant accounting judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in future periods.

Significant accounting judgments

The following are the significant accounting judgments used in applying the Trust's accounting policies that have the most significant effect on the amounts in the consolidated financial statements:

Investment properties

Significant judgments are made in respect of the fair value of investment properties. The fair value of investment properties is reviewed at least quarterly by management with reference to independent property appraisals and market conditions existing at the reporting date, using generally accepted market practices. The independent appraisers are experienced, nationally recognized and qualified in the professional valuation of investment properties in their respective geographic areas. Judgment is applied in determining the extent and frequency of obtaining independent appraisals. At each reporting period, a select number of properties, determined on a rotational basis, are valued by independent appraisers. For investment properties not subject to independent appraisals, valuations are prepared internally during each reporting period.

Significant assumptions used in estimating the fair value of investment properties include cap rates, discount rates that reflect current market uncertainties, terminal cap rates and market rents. Other significant assumptions relating to the estimates of fair value of investment properties include components of stabilized NOI. The Trust examines the significant assumptions at the end of each reporting period and updates these assumptions based on recent leasing activity and external market data available at that time. If there is any change in these assumptions or in regional, national or international economic conditions, the fair value of investment properties may change materially.

The Trust makes judgments with respect to whether lease incentives provided in connection with a lease enhance the value of the leased space, which determines whether or not such amounts are treated as tenant improvements and added to investment properties. Lease incentives such as cash, rent-free periods and lessee- or lessor-owned improvements may be provided to lessees to enter into an operating lease. Lease incentives that do not provide benefits beyond the initial lease term are included in the carrying amount of investment properties and are amortized as a reduction of rental revenue on a straight-line basis over the term of the lease.

Judgment is also applied in determining whether certain costs are additions to the carrying amount of the investment property. For properties under development, the Trust exercises judgment in determining when development activities have commenced, when and how much borrowing costs are to be capitalized to the development project, and the point of practical completion.

Business combinations

When the Trust makes an acquisition, it may elect to apply the optional concentration test in IFRS 3, “Business Combinations”, to assess whether an acquisition must be accounted for as a business combination. When substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets), the transaction is accounted for as an asset acquisition. The consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair value at the acquisition date. Where an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the Trust applies the acquisition method of accounting.

Under the acquisition method of accounting the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred and liabilities assumed, and any equity interests issued by the Trust in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition date fair value irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Trust’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Trust’s share of the net assets acquired, the difference is recognized directly in the consolidated statements of comprehensive income for the period as an acquisition gain. Any transaction costs incurred with respect to the business combination are expensed in the period incurred.

Impairment

The Trust assesses the possibility and amount of any impairment loss or write-down as it relates to the equity accounted investments, amounts receivable, and property and equipment.

IAS 36, “Impairment of Assets”, requires management to use judgment in determining the recoverable amount of assets and equity accounted investments that are tested for impairment. Judgment is also involved in estimating the value-in-use of the equity accounted investments, including estimates of future cash flows, discount rates and terminal cap rates. The values assigned to these significant assumptions reflect past experience and are consistent with external sources of information.

IFRS 9 requires management to use judgment in determining if the Trust’s financial assets are impaired. In making this judgment, the Trust evaluates, among other factors, the credit risk of the counterparty and whether there are indicators that credit risk on a financial instrument has changed significantly since initial recognition or the most recent reassessment of credit risk. Where the credit risk of a financial asset has increased significantly since initial recognition, the Trust records a loss allowance equal to the lifetime expected credit losses arising from that financial asset.

IAS 28, “Investments in Associates and Joint Ventures”, requires management to use judgment in determining the recoverable amount of equity accounted investments that are tested for impairment. Judgment is also involved in estimating the value-in-use of the equity accounted investment, including estimates of future cash flows, discount rates and terminal cap rates. The values assigned to these significant assumptions reflect past experience and are consistent with external sources of information.

Note 3

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICY CHANGES

IFRS 8, “Operating Segments”

In July 2024, the IFRS Interpretations Committee (“IFRIC”) published clarification on segment disclosure requirements, with application if necessary to commence for annual reports dated as at December 31, 2024. Under the existing IFRS 8 guidance, entities are required to disclose certain specified income and expense items that are part of the profit measures provided to the chief operating decision maker (as defined in Note 24). The details disclosed are not limited by whether material items are unusual or non-recurring. The IFRIC agenda decision requires entities to consider their existing processes and controls in determining segment disclosures and whether more disclosure is required. The Trust assessed the impact and noted no changes would be required as at December 31, 2024.

IFRS 18, “Presentation and Disclosure in Financial Statements”

In April 2024, IFRS 18, “Presentation and Disclosure in Financial Statements” was issued to achieve comparability of the financial performance of similar companies. The accounting standard, which replaces IAS 1, “Presentation of Financial Statements”, impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Trust is currently assessing the impact of this new accounting standard.

IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures”

In May 2024, amendments to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. The Trust is in the process of assessing the impact of these new standards.

Note 4

INVESTMENT PROPERTIES

	Note	Year ended December 31, 2024			Year ended December 31, 2023		
		Income-producing properties	Properties held for development	Investment properties	Income-producing properties	Properties held for development	Investment properties
Balance at beginning of year		\$ 6,692,163	\$ 232,111	\$ 6,924,274	\$ 6,652,838	\$ 106,587	\$ 6,759,425
Additions (deductions):							
Acquisitions of investment properties and land	5	—	—	—	5,661	—	5,661
Building improvements		35,284	—	35,284	43,743	—	43,743
Lease incentives and initial direct leasing costs		18,668	—	18,668	10,418	—	10,418
Development costs, pre-development costs and capitalized interest	20	5,483	101,364	106,847	15,423	131,454	146,877
Income-producing properties transferred to/from properties held for development ⁽¹⁾		39,205	(39,205)	—	12,314	(12,314)	—
Investment properties disposed or held for sale	5	(85,829)	—	(85,829)	(6,921)	—	(6,921)
Fair value adjustments to investment properties		(28,813)	4,048	(24,765)	(73,073)	6,384	(66,689)
Change in straight-line rent		10,460	—	10,460	5,624	—	5,624
Amortization and write-off of lease incentives		(3,477)	—	(3,477)	(3,240)	—	(3,240)
Foreign currency translation adjustments		50,251	—	50,251	29,376	—	29,376
Balance at end of year		\$ 6,733,395	\$ 298,318	\$ 7,031,713	\$ 6,692,163	\$ 232,111	\$ 6,924,274
Change in unrealized income included in net income							
Change in fair value of investment properties ⁽²⁾		\$ (37,155)	\$ 4,048	\$ (33,107)	\$ (73,609)	\$ 6,384	\$ (67,225)

(1) For the year ended December 31, 2024, one income-producing property was transferred to property held for development due to redevelopment activities, and one property was transferred from property held for development to income-producing property. For the year ended December 31, 2023, one income-producing property was transferred to property held for development due to redevelopment activities, and one property was transferred from property held for development to income-producing property.

(2) Excludes the fair value adjustments to investment properties recognized on disposed investment properties during the respective periods.

Investment properties include \$33,988 (December 31, 2023 – \$23,706) related to straight-line rent receivables.

Valuations of externally appraised investment properties

For the year ended December 31, 2024, 80 investment properties were valued by qualified external valuation professionals representing 24.5% of total investment property values, excluding acquired properties (for the year ended December 31, 2023 – 74 investment properties were externally appraised, representing 20.9% of total investment property values, excluding acquired properties).

Fair value adjustments to investment properties

When performing fair value assessments for its investment properties, the Trust incorporates a number of factors, including recent market transactions, recent leasing activity, market vacancy, leasing costs and other information obtained from market research, and recently completed leases and acquisitions. The fair value of the investment properties as at December 31, 2024 and December 31, 2023 represents the Trust's best estimate based on the internally and externally available information as at the end of each reporting period.

Significant assumptions used in the valuation of investment properties

As at December 31, 2024 and December 31, 2023, the Trust's investment properties were valued using the capitalization rate ("cap rate") and discounted cash flow methods, except for income-producing properties acquired during the respective quarters as applicable and properties held for development. As at December 31, 2024 and December 31, 2023, development land included in the properties held for development were valued at the acquisition price plus capitalized interest, and planning and pre-development costs incurred to date, and revalued using a comparable sales approach or income approach. Income-producing properties transferred to properties held for development were initially valued at carrying value, which approximated fair value. The significant and unobservable Level 3 valuation metrics used in the methods as at December 31, 2024 and December 31, 2023 are set out in the table below:

	December 31, 2024 ⁽¹⁾		December 31, 2023 ⁽¹⁾	
	Range (%)	Weighted average (%) ⁽²⁾	Range (%)	Weighted average (%) ⁽²⁾
Cap rate method				
Stabilized cap rate	4.80–9.00	6.10	4.50–8.75	6.06
Discounted cash flow method				
Discount rate	5.80–10.40	7.30	5.25–10.00	7.14
Terminal cap rate	5.05–9.25	6.42	4.50–9.00	6.27

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

(2) Weighted average percentage based on investment property fair value.

Sensitivities on assumptions

The following sensitivity tables outline the potential impact on the fair value of investment properties, excluding properties held for development, ground leases and the investment properties acquired during the current quarter, assuming a change in the weighted average stabilized cap rates, discount rates and terminal cap rates by a respective 25 basis points ("bps") as at December 31, 2024:

	Impact to change in weighted average stabilized cap rates			
	+25 bps		–25 bps	
Cap rate method				
(Decrease) increase in fair value	\$	(263,313)	\$	285,817
	Impact to change in weighted average discount rates		Impact to change in weighted average terminal cap rates	
	+25 bps	–25 bps	+25 bps	–25 bps
Discounted cash flow method				
(Decrease) increase in fair value	\$	(126,578)	\$	129,621
			\$	(155,101)
			\$	167,955

Note 5

ACQUISITIONS AND DISPOSITIONS

Acquisitions

There were no acquisitions during the year ended December 31, 2024. For the year ended December 31, 2023, the Trust acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling \$4,997.

Detailed below are the considerations paid for the acquired investment properties for the year ended December 31, 2023:

	Year ended December 31, 2023
Cash paid (net of cash acquired)	\$ 4,992
Deposits paid in prior period and released to seller on closing	5
Assumed non-cash working capital and capital expenditure obligations	—
Transaction costs and land transfer taxes	664
Total cost of acquisitions	\$ 5,661

On February 17, 2023, pursuant to the Arrangement (see Note 6), the Trust acquired Dream Summit Industrial Management Corp. (“DSIM”, formerly Summit Industrial Income Management Corp.) for nominal consideration, and has consolidated the financial results of DSIM for the year ended December 31, 2024 and year ended December 31, 2023. DSIM assists a subsidiary of the Trust in providing property management and leasing services to the Dream Summit JV (see Note 6).

Dispositions

The following dispositions were completed during the year ended December 31, 2024.

	Fair value of investment properties ⁽¹⁾	Date disposed
Innsbruckweg 40–140, Rotterdam, Netherlands ⁽²⁾	\$ 4,833	June 18, 2024
Regina properties (various) ⁽³⁾	41,585	June 24, 2024
Klompemakerstraat 3–5, Ridderkerk, Netherlands ⁽²⁾	3,949	July 15, 2024
9090–9100 Boulevard Cavendish, St-Laurent	20,300	October 30, 2024
Kanaal Zuid 92, Apeldoorn, Netherlands ⁽²⁾	1,406	December 16, 2024
Total	\$ 72,073	

(1) Fair value of investment properties was as at the respective disposition date.

(2) Dispositions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction date.

(3) This disposition comprised six investment properties that were owned in Regina, Saskatchewan.

As partial consideration for the sale of the six Regina properties, the Trust entered into a vendor take-back secured loan (“VTB loan”) with the purchaser for a principal amount of \$29,129, with the remainder of the sale proceeds settled in cash. The VTB loan matures in July 2026 and bears a fixed rate of interest at 6.5% per annum.

For the year ended December 31, 2023, the Trust disposed of investment properties located in the Netherlands for gross proceeds of \$6,921.

Asset held for sale

As at December 31, 2024, the Trust classified an investment property in Europe totalling \$13,756 as asset held for sale. The investment property net of the ground lease liability of \$2,245 was \$11,511 or €7,711 as at December 31, 2024. Subsequent to the year ended December 31, 2024, this investment property net of the ground lease was disposed of for total gross proceeds of \$11,387 or €7,711.

As at December 31, 2023, there were no investment properties classified as assets held for sale.

Note 6

EQUITY ACCOUNTED INVESTMENTS

On February 17, 2023, Dream Summit Industrial LP, a limited partnership owned by a joint venture (“Dream Summit JV”) between GIC and the Trust, in which the Trust has a 10% interest, completed the previously announced statutory arrangement (the “Arrangement”) involving Summit Industrial Income REIT (“Summit REIT”) and Summit Industrial Income Management Corp. Pursuant to the Arrangement, Dream Summit Industrial LP acquired all of the assets and assumed all of the liabilities of Summit REIT, including the assumption of certain debt. The Trust contributed equity of \$473.2 million to the Dream Summit JV, which was funded with proceeds from a new \$200 million unsecured term loan, the unsecured revolving credit facility and available cash on hand. A subsidiary of Dream Asset Management Inc. (“DAM”) is the asset manager of the Dream Summit JV, and the Trust will pay fees on its interest in the Dream Summit JV under the North America Asset Management Agreement.

As at December 31, 2024, the Trust holds an equity accounted investment in the Dream Summit JV, a private U.S. industrial fund (the “U.S. Fund”), and a GTA development joint venture (the “Development JV”); the equity accounted investments are related parties of the Trust (see Note 25).

During the year ended December 31, 2024, the Trust earned fees totalling \$20,034 (year ended December 31, 2023 – \$15,685) for providing property management and accounting, construction management and leasing services to the Dream Summit JV, U.S. Fund and Development JV (see Note 18).

Equity accounted investments continuity

	Year ended December 31, 2024			Year ended December 31, 2023	
	Dream Summit JV	Development JV	U.S. Fund	Total	Total
Balance at beginning of year	\$ 483,247	\$ 46,975	\$ 278,784	\$ 809,006	\$ 313,527
Capital contributions	8,396	23,033	10,364	41,793	514,754
Capitalized transaction costs	264	1,599	—	1,863	7,857
Distributions earned ⁽¹⁾	(32,000)	—	(10,007)	(42,007)	(25,519)
Share of net income	20,520	5,315	17,147	42,982	4,941
Foreign currency translation adjustments	—	—	25,424	25,424	(6,554)
Balance at end of year	\$ 480,427	\$ 76,922	\$ 321,712	\$ 879,061	\$ 809,006
Percentage of ownership, end of year	10.0%	25.0%	26.9%		

(1) U.S. Fund distributions earned by the Trust are reinvested as capital contributions into the U.S. Fund until September 30, 2024. Starting October 1, 2024, distributions are received in cash.

The following amounts represent the Trust’s ownership interest in the assets, liabilities, revenues and expenses of Dream Summit JV:

	As at	
	December 31, 2024	December 31, 2023
	At % ownership interest	At % ownership interest
Non-current assets	\$ 661,075	\$ 632,657
Current assets	19,864	6,233
Total assets	680,939	638,890
Non-current liabilities	172,107	153,435
Current liabilities	38,748	10,141
Total liabilities	210,855	163,576
Investment in Dream Summit JV	\$ 470,084	\$ 475,314
Ownership as a percentage of total shares outstanding of Dream Summit JV, end of year	10.0%	10.0%

	December 31, 2024	Year ended December 31, 2023
	At % ownership interest	At % ownership interest
Share of net income (loss) from Dream Summit JV	\$ 20,520	\$ (1,538)
Average ownership as a percentage of total shares outstanding of Dream Summit JV, for the year	10.0%	10.0%

The following amounts represent the Trust's ownership interest in the assets, liabilities, revenues and expenses of the U.S. Fund:

	December 31, 2024	As at December 31, 2023
	At % ownership interest	At % ownership interest
Non-current assets	\$ 319,743	\$ 275,871
Current assets	4,503	5,824
Total assets	324,246	281,695
Current liabilities	2,731	3,103
Total liabilities	2,731	3,103
Investment in U.S. Fund	\$ 321,515	\$ 278,592
Ownership as a percentage of total shares outstanding of the U.S. Fund, end of year	26.9%	26.0%

	December 31, 2024	Year ended December 31, 2023
	At % ownership interest	At % ownership interest
Net income from subsidiaries of U.S. Fund	\$ 19,631	\$ 7,174
Other expenses	(2,484)	(2,231)
Share of net income from U.S. Fund	17,147	4,943
Average ownership as a percentage of total shares outstanding of the U.S. Fund, for the year	26.6%	25.9%

Note 7

DERIVATIVES AND OTHER NON-CURRENT ASSETS

	Note	December 31, 2024	December 31, 2023
Restricted cash and other assets		\$ 2,989	\$ 2,682
Fair value of interest rate swaps ("IRS")	29	2,150	5,665
Fair value of cross-currency interest rate swaps ("CCIRS")	29	8,181	29,230
VTB loan receivable	5	29,129	—
Total		\$ 42,449	\$ 37,577

Note 8

AMOUNTS RECEIVABLE

	December 31, 2024	December 31, 2023
Trade receivables	\$ 15,171	\$ 16,452
Less: Provision for impairment of trade receivables	(5,027)	(3,195)
Trade receivables, net	10,144	13,257
Other amounts receivable	18,672	18,437
Amounts receivable	\$ 28,816	\$ 31,694

The carrying value of amounts receivable approximates fair value due to their current nature. The Trust determines the provision for impairment of trade receivables using historical information, probability of collection, lease terms, the tenants' financial condition and other factors.

The Trust leases industrial properties to tenants under operating leases. Minimum rental commitments comprise base rent only, on non-cancellable tenant operating leases over their remaining terms as follows:

	December 31, 2024
2025	\$ 347,555
2026	306,951
2027	260,350
2028	200,476
2029	148,302
2030+	460,755
Total	\$ 1,724,389

Note 9

DEBT

	December 31, 2024	December 31, 2023
Mortgages ⁽¹⁾	\$ 479,509	\$ 582,399
Unsecured revolving credit facility ⁽¹⁾	(1,779)	48,695
Unsecured term loans ⁽¹⁾⁽²⁾	794,766	521,138
Unsecured debentures ⁽¹⁾	1,696,454	1,695,135
Total debt	2,968,950	2,847,367
Less: Current portion	(870,407)	(310,277)
Non-current debt	\$ 2,098,543	\$ 2,537,090

(1) Net of unamortized financing costs and unamortized fair value adjustments, as applicable.

(2) The unsecured term loans are denominated in U.S. dollars and are translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

Of the total debt outstanding as at December 31, 2024, \$2,847,635 of debt is subject to financial and non-financial covenants according to the applicable debt agreement, of which \$1,969,076 is included in non-current debt. The Trust actively monitors all debt covenants on an ongoing basis to ensure compliance and they are tested quarterly. As at December 31, 2024, the Trust is in compliance with these debt covenants.

Continuity of total debt

The following tables provide a continuity of total debt for the years ended December 31, 2024 and December 31, 2023:

	December 31, 2024				
	Mortgages ⁽¹⁾	Unsecured revolving credit facility ⁽¹⁾	Unsecured term loans ⁽¹⁾	Unsecured debentures	Total
Total debt as at January 1, 2024	\$ 582,399	\$ 48,695	\$ 521,138	\$ 1,695,135	\$ 2,847,367
Cash items:					
Borrowings	—	—	226,318	200,902	427,220
Lump sum repayments	(108,892)	(50,000)	—	(200,000)	(358,892)
Principal repayments	(3,302)	—	—	—	(3,302)
Financing cost additions	—	(1,033)	(1,207)	(1,592)	(3,832)
Non-cash items:					
Foreign currency translation adjustments	8,597	—	47,970	—	56,567
Other adjustments ⁽²⁾	707	559	547	2,009	3,822
Total debt as at December 31, 2024	\$ 479,509	\$ (1,779)	\$ 794,766	\$ 1,696,454	\$ 2,968,950

(1) The unsecured term loans denominated in U.S. dollars and euros, the drawdowns on the unsecured revolving credit facility and the mortgages denominated in euros are translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

(2) Includes amortization of financing costs of \$4,258, amortization of fair value adjustments on assumed debt, reopening of Series A Debentures and Series F Debentures of \$(436).

	December 31, 2023				
	Mortgages	Unsecured revolving credit facility	Unsecured term loan ⁽¹⁾	Unsecured debentures	Total
Total debt as at January 1, 2023	\$ 529,600	\$ 50,742	\$ 338,057	\$ 1,494,549	\$ 2,412,948
Cash items:					
Borrowings	231,082	560,583	200,000	200,000	1,191,665
Lump sum repayments	(171,536)	(559,625)	—	—	(731,161)
Principal repayments	(6,418)	—	—	—	(6,418)
Financing cost additions	(4,402)	(753)	(500)	(1,492)	(7,147)
Non-cash items:					
Foreign currency translation adjustments	5,468	(2,759)	(16,740)	—	(14,031)
Other adjustments ⁽²⁾	(1,395)	507	321	2,078	1,511
Total debt as at December 31, 2023	\$ 582,399	\$ 48,695	\$ 521,138	\$ 1,695,135	\$ 2,847,367

(1) The unsecured term loan denominated in U.S. dollars, the unsecured revolving credit facility and the mortgages denominated in euros are translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

(2) Includes amortization and write-off of financing costs of \$3,217, amortization of fair value adjustments on assumed debt and cost of reopening of Series A Debentures of \$(1,706).

Mortgages

During the year ended December 31, 2024, the Trust repaid one mortgage in Canada and five mortgages in Europe at maturity totalling \$108,892 with a weighted average face interest rate of 1.81% per annum.

During the year ended December 31, 2023, the Trust discharged one mortgage and repaid an additional eight mortgages in Europe totalling \$164,307 with a face interest rate of 1.26% per annum. Additionally, the Trust closed on \$231,082 of new mortgages and refinanced \$99,015 of mortgages in Europe with weighted average face and effective interest rates of 4.93% and 5.20% per annum, respectively.

€153 million Unsecured Term Loan

On June 13, 2024, the Trust closed on an unsecured term loan (the “€153M Unsecured Term Loan”) maturing on June 13, 2027 with two one-year extension options to be exercised at the Trust’s discretion, subject to certain conditions. The €153M Unsecured Term Loan bears interest at the Euro Interbank Offered Rate (“EURIBOR”) plus spread. On the same day, the Trust entered into an interest rate swap agreement, maturing on June 13, 2029, to fix the floating interest rate to 4.014%. The proceeds were used to repay the euro leg of the Series B Debentures’ CCIRS that matured on June 17, 2024 and to fund European mortgage repayments.

\$200 million Unsecured Term Loan

On February 14, 2023, the Trust closed on an unsecured term loan (the “\$200M Unsecured Term Loan”) with an equivalent principal amount of \$200 million maturing on February 14, 2026 with a one-year extension option. The \$200M Unsecured Term Loan bears interest at the Canadian Overnight Repo Rate Average (“CORRA”) plus spread or Canadian prime rate plus spread on Canadian dollar draws, or the Federal Reserve Bank of New York (“SOFR”) plus spread or base rate plus spread on U.S. dollar draws.

The Trust drew down a principal amount of US\$145 million (equivalent to \$200 million) and entered into a CCIRS arrangement, maturing on March 15, 2028, to swap the U.S. dollar proceeds to Canadian dollars and to fix the floating interest rate to 4.848%. On July 26, 2024, the Trust extended the maturity of its \$200M Unsecured Term Loan to March 15, 2028, which is co-terminus with the related CCIRS.

Unsecured revolving credit facility

In August 2024, the Trust upsized its \$500 million unsecured revolving credit facility to \$750 million, and extended the maturity date from August 9, 2028 to August 13, 2029, while maintaining the \$250 million accordion option. The unsecured revolving credit facility bears interest at the CORRA rates plus spread or Canadian prime rate plus spread on Canadian dollar draws, the SOFR plus spread or the U.S. prime rate plus spread on U.S. dollar draws, or the Euro Interbank Offered Rate (“EURIBOR”) plus spread on euro draws.

Replacement of CDOR with CORRA

The administrator of the Canadian Dollar Offered Rate (“CDOR”) ceased publication of CDOR on June 28, 2024, and the Canadian financial benchmark was replaced by CORRA. The fallback provisions of the unsecured revolving credit facility, the \$200 million Unsecured Term Loan and the US\$250 million unsecured term loan have been appropriately updated to transition from CDOR to CORRA for Canadian drawdowns, effective June 28, 2024. The change had no economic impact on any debt and related derivatives pertaining to the Trust.

The amounts available and drawn under the unsecured revolving credit facility as at December 31, 2024 are as follows:

December 31, 2024					
	Maturity date	Borrowing capacity	Letter of credit amount	Principal outstanding	Amounts available to be drawn
Unsecured revolving credit facility ⁽¹⁾	August 13, 2029	\$ 750,000	\$ 7,882	\$ —	\$ 742,118

(1) The unsecured revolving credit facility has the ability to be drawn in Canadian dollars, U.S. dollars and euros. As at December 31, 2024, there was no principal amount outstanding.

As at December 31, 2023, \$50,000 was drawn on the unsecured revolving credit facility, in addition to letters of credit outstanding totalling \$8,048.

Debentures

As at December 31, 2024, the Trust has the following outstanding debentures, all rated BBB (mid) by DBRS Morningstar (“DBRS”): the \$450 million 1.662% Series A Debentures due 2025, the \$400 million 2.057% Series C Debentures due 2027 (Series C Green Bonds), the \$250 million 2.539% Series D Debentures due 2026 (Series D Green Bonds), the \$200 million 3.968% Series E Debentures due 2026 (Series E Green Bonds), and the \$400 million 5.383% Series F Debentures due 2028 (collectively, the “Debentures”) and the Series C Green Bonds, the Series D Green Bonds and the Series E Green Bonds (collectively, the “Green Bonds”).

\$400 million Series F Debentures

On March 22, 2023, the Trust completed a private placement offering of \$200 million aggregate principal amount of Series F 5.383% Senior Unsecured Debentures at an issuance price of \$1,000 per \$1,000 principal amount, and maturing on March 22, 2028 (the "Series F Debentures"). On January 4, 2024, the Series F Debentures were reopened and the Trust issued an additional \$200 million at an issuance price of \$1,004.51 per \$1,000 principal amount (plus accrued interest from September 22, 2023) (collectively, the "\$400 million Series F Debentures"). The Series F Debentures reopening has the same terms and conditions, and constitutes part of the same series, as the original \$200 million aggregate principal amount of the Series F Debentures issued by the Trust on March 22, 2023. Interest is payable on the \$400 million Series F Debentures on March 22 and September 22 of each year. The \$400 million Series F Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Financing costs related to the \$400 million Series F Debentures offering totalled \$2,737.

\$200 million Series B Debentures

On June 14, 2024, the Trust unwound the CCIRS relating to the Series B Debentures that was maturing on June 17, 2024. The euro leg notional of €136 million was repaid using proceeds from the €153M Unsecured Term Loan and the Trust received the Canadian dollar leg notional of \$200 million. On June 17, 2024, the Trust used the \$200 million proceeds from the CCIRS to repay the Series B Debentures at maturity.

Debt weighted average effective interest rates and maturity profile

As at December 31, 2024, the weighted average effective interest rate on total debt was 2.58% (December 31, 2023 – 2.48%). The weighted average effective interest rate includes the impact of fair value adjustments on assumed debt, deferred financing costs and the impact of CCIRS.

The scheduled principal and interest repayments and debt maturities are as follows as at December 31, 2024:

		Debt balance due at maturity	Scheduled principal repayments on debt maturing in future periods	Amount	Contractual interest payments	Total debt service requirements
2025	\$	869,475	\$ 2,700	\$ 872,175	\$ 75,284	\$ 947,459
2026		450,000	2,798	452,798	68,328	521,126
2027		400,000	2,900	402,900	63,506	466,406
2028		964,261	3,005	967,266	39,474	1,006,740
2029		268,228	1,687	269,915	7,365	277,280
2030		14,239	63	14,302	47	14,349
Total	\$	2,966,203	\$ 13,153	\$ 2,979,356	\$ 254,004	\$ 3,233,360
Unamortized financing costs				(11,063)		
Unamortized fair value adjustments				657		
Total debt				\$ 2,968,950		

Note 10

SUBSIDIARY REDEEMABLE UNITS

The Trust has the following subsidiary redeemable units outstanding:

	Note	Year ended December 31, 2024		Year ended December 31, 2023	
		Number of units issued and outstanding	Amount	Number of units issued and outstanding	Amount
Balance at beginning of year		13,346,572	\$ 186,318	18,551,855	\$ 216,871
Exchange to REIT Units		—	—	(5,205,583)	(74,019)
Remeasurement of carrying value	21	—	(28,695)	—	43,466
Balance at end of year		13,346,572	\$ 157,623	13,346,272	\$ 186,318

For the years ended December 31, 2024 and December 31, 2023, the Trust recorded \$9,344 and \$10,557, respectively, in distributions on the subsidiary redeemable units, which are included as interest expense in the consolidated statements of comprehensive income (see Note 20).

DILP, a subsidiary of Dream Industrial REIT, is authorized to issue an unlimited number of LP B Units (subsidiary redeemable units). The subsidiary redeemable units, together with the accompanying Special Trust Units, have economic and voting rights equivalent in all material respects to the REIT Units. Generally, each subsidiary redeemable unit entitles the holder to a distribution equal to distributions declared on each REIT Unit. Subsidiary redeemable units may be surrendered or indirectly exchanged for REIT Units on a one-for-one basis at the option of the holder, generally at any time, subject to certain restrictions.

Special Trust Units are issued in connection with subsidiary redeemable units. The Special Trust Units are not transferable separately from the subsidiary redeemable units to which they relate and will be automatically redeemed for a nominal amount and cancelled on surrender or exchange of such subsidiary redeemable units. Each Special Trust Unit entitles the holder to the number of votes at any meeting of unitholders that is equal to the number of REIT Units that may be obtained on the surrender or exchange of the subsidiary redeemable units to which they relate.

During the year ended December 31, 2023, 5,205,283 subsidiary redeemable units were exchanged for REIT Units, and a corresponding number of Special Trust Units were automatically redeemed and cancelled on exchange of such subsidiary redeemable units (see Note 15). As at December 31, 2024, 13,346,572 subsidiary redeemable units and Special Trust Units were issued and outstanding (December 31, 2023 – 13,346,572).

Note 11

DEFERRED UNIT INCENTIVE PLAN

The DUIP provides for the grant of deferred trust units to trustees, officers and employees as well as affiliates and their service providers, including the asset manager. Deferred trust units are granted at the discretion of the Board of Trustees and earn income deferred trust units based on the payment of distributions. Once granted, each deferred trust unit and the related distribution of income deferred trust units vest immediately for trustees, and evenly over a five-year period and three-year period on the anniversary date of the grant for officers and the remaining participants, respectively. Subject to an election option available for certain participants to postpone receipt of REIT Units, such deferred trust units will be issued immediately on vesting. As at December 31, 2024, up to a maximum of 4,400,000 deferred trust units are issuable under the DUIP (December 31, 2023 – 3,400,000).

The following tables provide a continuity of the DUIP balance and deferred trust units activity for the years ended December 31, 2024 and December 31, 2023:

	Note	Year ended December 31,	
		2024	2023
Balance at beginning of year		\$ 20,754	\$ 14,369
Deferred compensation expense	19	4,279	3,941
REIT Units issued for vested deferred trust units		(5,524)	(1,701)
Remeasurement of carrying value of deferred trust units	21	(4,237)	4,028
Cancelled or forfeited deferred trust units		(1,683)	—
Other Units granted		—	117
Balance at end of year⁽¹⁾		\$ 13,589	\$ 20,754

- (1) As at December 31, 2024, \$3,803 is included in “Derivatives and other non-current liabilities” and \$9,786 is fully vested and is included in “Current liabilities” in the consolidated financial statements (December 31, 2023 – \$5,860 is included in “Derivatives and other non-current liabilities” and \$14,894 is fully vested and is included in “Current liabilities” in the consolidated financial statements).

	Year ended December 31,	
	2024	2023
Outstanding and payable at beginning of year	1,715,467	1,424,335
Granted ⁽¹⁾	461,780	412,678
REIT Units issued	(441,226)	(115,546)
Cancelled or forfeited	(159,707)	(5,992)
REIT Units settled in cash	—	(8)
Outstanding and payable at end of year⁽²⁾	1,576,314	1,715,467

(1) Includes 95,039 income deferred trust units granted during the year ended December 31, 2024 (December 31, 2023 – 82,960 income deferred trust units).

(2) Includes 828,654 vested but not issued deferred trust units as at December 31, 2024 (December 31, 2023 – 1,043,503).

The following table summarizes the deferred trust units granted for the years ended December 31, 2024 and December 31, 2023:

	December 31, 2024		December 31, 2023	
	Grant price range	Number of units granted ⁽¹⁾	Grant price range	Number of units granted ⁽¹⁾
Deferred trust units granted	\$ 11.89–14.47	366,741	\$ 12.63–14.34	329,718

(1) Includes 209,500 deferred trust units granted to key management personnel as at December 31, 2024 (December 31, 2023 – 209,294).

Note 12

INCOME TAXES

The Trust is subject to corporate income taxes in Europe and the U.S. through the Trust's wholly-owned European subsidiaries and a U.S. subsidiary.

The tax effects of the temporary differences that give rise to the recognition of deferred tax assets and liabilities are presented below:

	December 31, 2024	December 31, 2023
Deferred tax assets		
Income tax loss carry-forwards	\$ 10,517	\$ 7,795
Deferred tax liabilities		
Investment properties	(29,946)	(22,746)
Equity accounted investment	(34,298)	(28,655)
Deferred tax liabilities, net	\$ (53,727)	\$ (43,606)

As at December 31, 2024, there were unused tax losses of \$11,970 for which no deferred tax asset is recognized (December 31, 2023 – \$7,675), as it is not probable that the REIT will be able to utilize such losses against taxable profits in the future. These losses can be carried forward indefinitely.

In addition, there were deductible temporary differences of \$204,803 at December 31, 2024 (December 31, 2023 – \$195,672) that do not expire and for which no deferred tax asset was recognized.

	Year ended December 31,	
	2024	2023
Current income tax (expense)	\$ (2,588)	\$ (2,632)
Deferred income tax (expense) recovery	(7,176)	3,832
Current and deferred income tax (expense) recovery, net	\$ (9,764)	\$ 1,200

The following table reconciles the expected income taxes based upon the 2024 and 2023 statutory rates and the income tax expense recognized during the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Income before income taxes	\$ 269,375	\$ 103,099
Less: Income not subject to taxation in subsidiary corporations	(245,217)	(194,472)
Income (loss) subject to taxation in subsidiary corporations	\$ 24,158	\$ (91,373)
Statutory tax rate	26.5%	26.5%
Tax calculated at statutory tax rate	\$ 6,402	\$ (24,214)
Increase (decrease) resulting from:		
Tax benefits not recognized	2,807	16,946
Non-deductible expenses	1,396	2,326
Effects of different tax rates in U.S. and Europe in which the group operates	(1,324)	3,352
Non-taxable portion of capital gains	72	169
Other items	411	221
Current and deferred income tax expense (recovery), net	\$ 9,764	\$ (1,200)

Note 13

DERIVATIVES AND OTHER NON-CURRENT LIABILITIES

	Note	December 31, 2024	December 31, 2023
Tenant security deposits		\$ 30,127	\$ 30,524
Fair value of CCIRS	29	14,181	23,367
Fair value of IRS	29	11,390	4,601
Ground leases		11,701	11,738
DUIP	2, 11	3,803	5,860
Total		\$ 71,202	\$ 76,090

Note 14

AMOUNTS PAYABLE AND ACCRUED LIABILITIES

	Note	December 31, 2024	December 31, 2023
Trade payables and accrued liabilities		\$ 67,630	\$ 75,803
Accrued interest		9,691	6,618
Rent received in advance		12,480	11,901
Distributions payable	16	16,205	15,938
Current portion of CCIRS	29	22,289	—
Total		\$ 128,295	\$ 110,260

Note 15

EQUITY

	Note	December 31, 2024		December 31, 2023	
		Number of REIT Units	Amount	Number of REIT Units	Amount
Unitholders' equity		277,819,984	\$ 3,399,261	273,243,349	\$ 3,339,660
Retained earnings		—	1,256,934	—	1,191,907
Accumulated other comprehensive income	17	—	74,878	—	43,330
Total equity		277,819,984	\$ 4,731,073	273,243,349	\$ 4,574,897

Dream Industrial REIT Units

Dream Industrial REIT is authorized to issue an unlimited number of REIT Units and an unlimited number of Special Trust Units. The Special Trust Units may be issued only to holders of subsidiary redeemable units.

REIT Units represent an undivided beneficial interest in Dream Industrial REIT and in distributions made by Dream Industrial REIT. No REIT Unit has preference or priority over any other. Each REIT Unit entitles the holder to one vote at all meetings of unitholders.

Secondary offering of REIT Units and exchange of subsidiary redeemable units

On May 8, 2023, the Trust filed a prospectus supplement to its final base shelf prospectus dated November 26, 2021 to qualify the distribution of REIT Units by Dream Office REIT ("the Selling Unitholder"), and on May 16, 2023, the Trust closed on a secondary bought deal offering, along with the Selling Unitholder, 12,500,000 REIT Units at a price of \$14.20 per Unit, for gross total proceeds of \$177,500 (the "Offering"). All proceeds were paid to the Selling Unitholder. The Trust did not receive any proceeds of the Offering.

In connection with the Offering, the Selling Unitholder exercised its option to exchange 5,205,283 subsidiary redeemable units of Dream Industrial LP, a subsidiary of the Trust, for REIT Units on a one-for-one basis, and a corresponding number of Special Trust Units were automatically redeemed for a nominal amount and cancelled on exchange of such subsidiary redeemable units. The exchange of the subsidiary redeemable units to REIT Units was recorded based on the May 5, 2023 closing price of the Units on the TSX of \$14.22 for a total of \$74,019. As at December 31, 2024, 13,346,572 subsidiary redeemable units and Special Trust Units were issued and outstanding.

Short form base shelf prospectus

On September 6, 2023, the Trust filed and obtained a receipt for a final short form base shelf prospectus dated September 5, 2023 that is valid for a 25-month period, during which time the Trust may offer and issue, from time to time, REIT Units, Subscription Receipts and debt securities, or any combination thereof. No REIT Units have been issued under the short form base shelf prospectus dated September 5, 2023.

As at September 30, 2023, \$635,010 of REIT Units have been issued under the short form base shelf prospectus dated November 26, 2021, which has expired and been replaced with the short form base shelf prospectus dated September 5, 2023.

At-the-market equity program ("ATM Program")

On September 6, 2023, the Trust filed a prospectus supplement (the "ATM Program") to the final short form base shelf prospectus dated September 5, 2023, which qualified the Trust to issue REIT Units up to an aggregate sale price of \$250,000 to the public from time to time at prevailing market prices, directly on the TSX or on other marketplaces to the extent permitted.

During the year ended December 31, 2024, there were no issuances under the Trust's ATM Program.

During the year ended December 31, 2023, the Trust issued 7,510,426 REIT Units under the ATM Program dated November 30, 2021 at a weighted average price of \$14.27 per REIT Unit for gross proceeds of \$107,147. Total costs related to the issuance of these REIT Units amounted to \$2,143 and were charged directly to unitholders' equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to \$105,004.

Unit Purchase Plan

The Unit Purchase Plan feature of the Dividend Reinvestment Plan (“DRIP”) facilitates the purchase of additional REIT Units by existing unitholders. Participation in the Unit Purchase Plan is optional and subject to certain limitations on the maximum number of additional REIT Units that may be acquired. The price per Unit is calculated in the same manner as the DRIP. No commissions, service charges or brokerage fees are payable by participants in connection with either the reinvestment or purchase features of the DRIP. For the year ended December 31, 2024, 944 REIT Units (December 31, 2023 – 1,741 REIT Units) were issued under the Unit Purchase Plan for proceeds of \$12 (December 31, 2023 – \$25). Subsequent to December 31, 2024, there were no additional REIT Units issued under the Unit Purchase Plan.

Note 16

DISTRIBUTIONS

Dream Industrial REIT’s Declaration of Trust, as amended and restated, provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust. Monthly distribution payments to unitholders are payable on or about the 15th day of the following month.

The Trust declared distributions of \$0.70 per Unit for each of the years ended December 31, 2024 and December 31, 2023.

The following table summarizes distributions paid and payable for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Paid in cash	\$ (140,252)	\$ (134,389)
Paid by way of reinvestment in REIT Units ⁽¹⁾	(54,065)	(52,007)
Less: Payable at December 31, 2023/December 31, 2022	15,938	14,968
Add: Payable at December 31, 2024/December 31, 2023	(16,205)	(15,938)
Total distributions paid and payable	\$ (194,584)	\$ (187,366)

(1) Excludes REIT Units issued under the DRIP for LP B Units.

The following table summarizes our monthly distributions paid and payable subsequent to December 31, 2024:

Date distribution announced	Record date	Date distribution was paid or is payable	Distribution per REIT A Unit	Total cash distributions paid	Total DRIP distributions
December 18, 2024	December 31, 2024	January 15, 2025	\$ 0.05833	\$ 12,259	\$ 3,946 ⁽¹⁾
January 22, 2025	January 31, 2025	February 14, 2025	0.05833	11,689	4,537 ⁽²⁾

(1) Distributions of \$3,946 along with \$118 in bonus distributions were reinvested in an additional 348,013 REIT Units (including 3% bonus distribution on Units reinvested pursuant to the DRIP).

(2) Distributions of \$4,537 along with \$136 in bonus distributions were reinvested in an additional 401,817 REIT Units (including 3% bonus distribution on Units reinvested pursuant to the DRIP).

DRIP

For the year ended December 31, 2024, 4,134,465 REIT Units (December 31, 2023 – 3,806,146 REIT Units) were issued under the DRIP and \$54,065 (December 31, 2023 – \$52,007) was recorded as distributions in the consolidated statements of changes in equity. Subsequent to December 31, 2024, the Trust issued an additional 749,830 REIT Units under the DRIP.

Note 17

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Year ended December 31,					
	2024			2023		
	Opening balance January 1	Net change during the year	Closing balance December 31	Opening balance January 1	Net change during the year	Closing balance December 31
Unrealized gain (loss) on foreign currency translation of foreign operations	\$ 2,470	\$ 39,360	\$ 41,830	\$ (19,367)	\$ 21,837	\$ 2,470
Unrealized gain (loss) on hedge of net investment	17,048	(44,962)	(27,914)	29,930	(12,882)	17,048
Unrealized gain (loss) on cash flow hedge	—	—	—	(435)	435	—
Unrealized gain (loss) on interest portion of hedging derivatives	10,008	11,726	21,734	40,377	(30,369)	10,008
Share of other comprehensive income (loss) from equity accounted investments	13,804	25,424	39,228	20,358	(6,554)	13,804
Accumulated other comprehensive income (loss)	\$ 43,330	\$ 31,548	\$ 74,878	\$ 70,863	\$ (27,533)	\$ 43,330

Note 18

INVESTMENT PROPERTIES REVENUE

	Year ended December 31,	
	2024	2023
Rental income	\$ 382,409	\$ 358,166
Recoveries revenue	63,775	63,750
Property management and other income	20,034	15,685
Total	\$ 466,218	\$ 437,601

Note 19

GENERAL AND ADMINISTRATIVE EXPENSES

	Note	Year ended December 31,	
		2024	2023
Asset management fee	25	\$ (14,698)	\$ (14,428)
Professional fees and general corporate expenses ⁽¹⁾		(12,853)	(13,779)
Deferred compensation expense	11	(4,279)	(3,941)
General and administrative expenses		\$ (31,830)	\$ (32,148)

(1) Includes professional fees, corporate management and overhead related costs, public reporting costs, and Board of Trustees' fees and expenses.

Note 20

INTEREST

Interest on debt and other financing costs

The table below summarizes the interest on debt and other financing costs incurred and charged to the consolidated statements of comprehensive income for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Interest expense and other financing costs incurred, at contractual rate	\$ (76,171)	\$ (59,399)
Capitalized interest on developments	9,863	6,532
Amortization of financing costs	(4,258)	(3,217)
Amortization of fair value adjustments	436	1,705
Interest expense on debt and other financing costs	(70,130)	(54,379)
Add (deduct):		
Amortization of financing costs	4,258	3,217
Amortization of fair value adjustments	(436)	(1,705)
Capitalized interest on developments	(9,863)	(6,532)
Change in accrued interest	3,073	2,271
Cash interest paid on debt and other financing costs	\$ (73,098)	\$ (57,128)

Interest on subsidiary redeemable units

Interest payments incurred and charged to the consolidated statements of comprehensive income consisting of distributions to holders of subsidiary redeemable units are recorded as follows:

	Year ended December 31,	
	2024	2023
Paid in cash	\$ (9,344)	\$ (10,860)
Add-back: Interest payable at December 31, 2023/ December 31, 2022	779	1,082
Deduct: Interest payable at December 31, 2024/December 31, 2023	(779)	(779)
Interest on subsidiary redeemable units	\$ (9,344)	\$ (10,557)

The interest payable on subsidiary redeemable units at December 31, 2024 was settled in cash on January 15, 2025.

Note 21

FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

	Year ended December 31,	
	2024	2023
Remeasurement of carrying value of subsidiary redeemable units	\$ 28,695	\$ (43,466)
Remeasurement of carrying value of deferred trust units	4,237	(4,028)
Remeasurement of IRS	(11,182)	(12,153)
Amortization of fair value adjustments to CCIRS	(8,412)	(8,412)
Total	\$ 13,338	\$ (68,059)

Note 22

NET LOSS ON TRANSACTIONS AND OTHER ACTIVITIES

	Year ended December 31,	
	2024	2023
Internal leasing costs	\$ (6,142)	\$ (4,620)
Foreign exchange (loss) gain	(1,590)	1,249
Transaction costs on acquisitions and dispositions	(2,611)	(1,316)
Other	(1,325)	(75)
Total	\$ (11,668)	\$ (4,762)

Note 23

SUPPLEMENTARY CASH FLOW INFORMATION

The components of other adjustments under operating activities include:

	Note	Year ended December 31,	
		2024	2023
Change in straight-line rent	4	\$ (10,460)	\$ (5,624)
Deferred unit compensation expense, net	11	4,279	3,941
Deferred income tax expense (recovery), net	12	7,176	(3,832)
Interest on subsidiary redeemable units	20	9,344	10,557
Foreign exchange loss (gain)	22	1,590	(1,249)
Transaction costs on acquisitions and dispositions	22	2,611	1,316
Total other adjustments		\$ 14,540	\$ 5,109

The components of the changes in non-cash working capital under operating activities include:

	Year ended December 31,	
	2024	2023
Change in amounts receivable	\$ 3,436	\$ (3,787)
Change in prepaid expenses and other assets	(3,575)	1,247
Change in derivatives and other non-current assets	(335)	243
Change in amounts payable and accrued liabilities	(1,523)	16,516
Change in derivatives and other non-current liabilities	(855)	709
Change in current income tax liabilities	(3,010)	405
Change in non-cash working capital	\$ (5,862)	\$ 15,333

Note 24

SEGMENTED INFORMATION

A reportable operating segment is a distinguishable component of the Trust that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographic segment), which is subject to risks and rewards that are different from those of other reportable segments. The Trust's primary format for segment reporting is based on geographic segments, which is a key basis for the chief operating decision maker, determined to be the President and Chief Executive Officer ("CEO") of the Trust, for assessing the operating performance of the segments. The operating segments derive their revenue primarily from rental income from leases. All of the Trust's business activities and operating segments are reported within the geographic segments.

For the years ended December 31, 2024 and December 31, 2023, the Trust's reportable operating segments of its investment properties and results of operations were segmented into the following components: Ontario, Québec, Western Canada, Europe, the U.S., Dream Summit JV and Development JV.

The Trust's U.S. segmented income included the Trust's share of net rental income from the U.S. Fund while fair value adjustments to investment properties and internal leasing costs included in net loss on transactions and other activities exclude the equity accounted investment in the U.S. segment.

Effective February 17, 2023, the Trust's segmented income included the Trust's share of net rental income from the Dream Summit JV. Starting November 2024, the Trust's segmented income included the Trust's share of net rental income from the Development JV. Fair value adjustments to investment properties and internal leasing costs included in net loss on transactions and other activities excluded the equity accounted investments in the Dream Summit JV & Development JV segment.

The chief operating decision maker also considers the performance of assets held for sale (except for those where the Trust will continue to retain an interest) and disposed properties separately from the investment properties in the geographic segments, and discontinued operations, as applicable, separately from the segmented income in the geographic segments.

The Trust did not allocate interest expense to the geographic segments since financing is viewed as a corporate function. The Trust's financing strategy is to optimize the overall borrowing costs and it is not typically determined on a segment basis. Similarly, other income, other expenses, fair value adjustments to financial instruments, net loss on transactions and other activities (excluding internal leasing costs), and income taxes were not allocated to the segments.

Year ended December 31, 2024	Ontario	Québec	Western Canada	Europe	U.S. ⁽¹⁾	Dream Summit JV & Development JV ⁽¹⁾	Segment total	Other ⁽²⁾	Total
Investment properties revenue	\$ 133,483	\$ 77,836	\$ 71,397	\$ 158,058	\$ 24,821	\$ 30,102	\$ 495,697	\$ (29,479)	\$ 466,218
Investment properties operating expenses	(26,568)	(21,548)	(25,947)	(26,268)	(6,398)	(7,332)	(114,061)	3,275	(110,786)
Net rental income (segmented income)	\$ 106,915	\$ 56,288	\$ 45,450	\$ 131,790	\$ 18,423	\$ 22,770	\$ 381,636	\$ (26,204)	\$ 355,432
Fair value adjustments to investment properties	\$ (11,331)	\$ 3,270	\$ 13,094	\$ (29,798)	\$ —	\$ —	\$ (24,765)	\$ —	\$ (24,765)
Net loss on transactions and other activities ⁽³⁾	(2,096)	(1,031)	(1,903)	(1,112)	—	—	(6,142)	(5,526)	(11,668)

(1) U.S., Dream Summit JV and Development JV segments include the Trust's share of net rental income from the equity accounted investment while fair value adjustments to investment properties and net loss on transactions and other activities excludes the equity accounted investments in the U.S., Dream Summit JV and Development JV segments.

(2) Other includes properties sold, properties reclassified to assets held for sale, the reversal of net rental income from the equity accounted investment included in segmented income, net property management and other income, and items included in net loss on transactions and other activities that were not segmented.

(3) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs.

Year ended December 31, 2023	Ontario	Québec	Western Canada	Europe	U.S. ⁽¹⁾	Dream Summit JV ⁽¹⁾	Segment total	Other ⁽²⁾	Total
Investment properties revenue	\$ 121,049	\$ 70,975	\$ 73,860	\$ 155,964	\$ 22,723	\$ 24,596	\$ 469,167	\$ (31,566)	\$ 437,601
Investment properties operating expenses	(25,602)	(18,041)	(27,136)	(26,307)	(5,884)	(6,404)	(109,374)	5,953	(103,421)
Net rental income (segmented income)	\$ 95,447	\$ 52,934	\$ 46,724	\$ 129,657	\$ 16,839	\$ 18,192	\$ 359,793	\$ (25,613)	\$ 334,180
Fair value adjustments to investment properties	\$ 12,927	\$ 63,488	\$ (9,548)	\$ (133,556)	\$ —	\$ —	\$ (66,689)	\$ —	\$ (66,689)
Net loss on transactions and other activities ⁽³⁾	(1,359)	(730)	(1,827)	(632)	—	—	(4,548)	(214)	(4,762)

(1) U.S. and Dream Summit JV segments include the Trust's share of net rental income from the equity accounted investments while fair value adjustments on investment properties and net loss on transactions and other activities exclude the equity accounted investments in the U.S. and Dream Summit JV segments.

(2) Other includes properties sold, the reversal of net rental income from the equity accounted investment included in segmented income, net property management and other income, and items included in net loss on transactions and other activities that were not segmented.

(3) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs.

Investment properties and equity accounted investments

Year ended December 31, 2024	Ontario	Québec	Western Canada	Europe	U.S.	Dream Summit JV & Development JV	Segment total	Other	Total
Investment properties ⁽¹⁾	\$ 2,528,634	\$ 1,216,683	\$ 829,741	\$ 2,456,655	\$ —	\$ —	\$ 7,031,713	\$ —	\$ 7,031,713
Capital expenditures ⁽²⁾	68,966	12,736	60,711	18,386	—	—	160,799	—	160,799
Equity accounted investments	—	—	—	—	321,712	557,349	879,061	—	879,061

(1) The Ontario segment, Québec segment and Western Canada segment include \$92,713, \$42,086 and \$163,519, respectively, of properties held for development.

(2) Includes building improvements, lease incentives, initial direct leasing costs and development costs. The Ontario segment, Québec segment and Western Canada segment include \$53,187, \$493 and \$47,684, respectively, of development costs, pre-development costs and capitalized interest. The U.S. and Dream Summit JV & Development JV segments exclude the capital expenditures invested by the equity accounted investments.

Year ended December 31, 2023	Ontario	Québec	Western Canada	Europe	U.S.	Dream Summit JV & Development JV ⁽³⁾	Segment total	Other	Total
Investment properties ⁽¹⁾	\$ 2,466,641	\$ 1,217,394	\$ 798,615	\$ 2,441,624	\$ —	\$ —	\$ 6,924,274	\$ —	\$ 6,924,274
Capital expenditures ⁽²⁾	65,755	18,938	96,248	20,097	—	—	201,038	—	201,038
Equity accounted investments	—	—	—	—	278,784	530,222	809,006	—	809,006

(1) The Ontario segment and Western Canada segment include \$117,766 and \$114,345, respectively, of properties held for development.

(2) Includes building improvements, lease incentives, initial direct leasing costs and development costs. The Ontario segment and Western Canada segment include \$51,855 and \$79,599, respectively, of development costs, pre-development costs and capitalized interest. The U.S. and Dream Summit JV segments exclude the equity accounted investment.

(3) Restated to conform to current year presentation. The Development JV has been reclassified from the Ontario segment to the Dream Summit JV & Development JV segment.

Note 25

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

From time to time, Dream Industrial REIT and its subsidiaries enter into transactions and arrangements with related parties, generally conducted on a cost recovery basis or under normal commercial terms.

Agreements and arrangements with related parties

DAM

The Trust is party to (i) an amended and restated asset management agreement (the “North American AMA”) with DAM in respect of its North American portfolio; and (ii) an asset management agreement (the “European AMA”) with a subsidiary of DAM (“Europe Asset Manager”) in respect of its European portfolio. Pursuant to these agreements, DAM provides certain asset management services to the Trust and its subsidiaries. The agreements provide the Trust and DAM the opportunity to agree on additional services to be provided to the Trust for which DAM is to be reimbursed on a cost recovery basis.

North American AMA

The North American AMA entitles DAM to a base annual management fee, capital expenditure fee, acquisition fee, financing fee and incentive fee in respect of the Trust’s North American properties. The incentive fee calculation is based on an amount equal to 15% of the Trust’s funds from operations per Unit (“FFO per Unit”) from the Trust’s North American investment properties and gains on the disposition of any North American investment properties in the year in excess of the North American hurdle amount (the “North American Hurdle Amount”), multiplied by the number of Units outstanding, less the amount of any shortfall in the Incentive Distribution (as defined below) in respect of the European portfolio as described below. The North American Hurdle Amount was initially set as at January 1, 2020 as the product of (i) \$0.95 per Unit (increasing annually by 50% of the increase in the consumer price index (“CPI”) as defined in the North American AMA (\$1.04 as of December 31, 2024) multiplied by (ii) the proportion of the Trust’s total portfolio represented by the North American investment properties (based on the historic cost of the Trust’s investment properties).

The North American AMA had an initial term ending October 3, 2022 and is automatically renewed for further five-year terms unless and until terminated in accordance with its terms. The North American AMA may be terminated by DAM at any time after the initial term. Other than in respect of termination resulting from certain events of default of DAM, on termination of the North American AMA, all accrued fees under the North American AMA, including the incentive fee, become payable to DAM. In such circumstances, or if the Trust is acquired, the incentive fee is calculated as if all the Trust's North American investment properties were sold on the applicable date.

European AMA

The European AMA applies only to the Trust's European investment properties. Under the European AMA, the Europe Asset Manager is entitled to a base annual management fee, capital expenditure fee, acquisition fee and financing fee. In addition, a subsidiary of DAM ("DAM Europe") holds LP Class B Units of a subsidiary of the Trust through which the Trust holds the European investment properties. These LP Class B Units entitle DAM Europe to an annual distribution (the "Incentive Distribution") equal to 15% of the Trust's European FFO per Unit in excess of the European hurdle amount (the "European Hurdle Amount"), multiplied by the number of Units outstanding. The calculation of the European FFO per Unit includes the Trust's FFO from the European investment properties and gains on the disposition of any European investment properties in the year. The European Hurdle Amount was initially set as at January 1, 2020 as the product of (i) \$0.95 per Unit (increasing annually by 50% of the increase in the CPI as defined in the European AMA (\$1.04 as of December 31, 2024) multiplied by (ii) the proportion of the Trust's total portfolio represented by the European investment properties (based on the historic cost of the Trust's investment properties).

The European AMA has an initial term ending December 31, 2026 and is automatically renewed for further five-year terms unless and until terminated in accordance with its terms. The European AMA may be terminated by the Europe Asset Manager at any time after the initial term ends on December 31, 2026. Other than in respect of termination resulting from certain events of default of the Europe Asset Manager, on termination of the European AMA, all accrued fees under the European AMA become payable to the Europe Asset Manager. In such circumstances, or upon an acquisition of control of the Trust's subsidiary through which the Trust holds its European investment properties, the LP Class B Units will be redeemed at a redemption price equal to the Incentive Distribution calculated as if all of the European investment properties were sold at the applicable date.

Disposition gains in the Trust's FFO per Unit and European FFO per Unit calculations used for determining the incentive fee and Incentive Distribution are based on the fair value (or actual disposition value) of the Trust's North American and European investment properties, respectively, at the applicable date, relative to their historic purchase price.

As at December 31, 2024, the Trust recorded an incentive fee payable of \$0.6 million (2023 – \$nil) under the terms of the North American AMA, mainly resulting from disposition gains of \$17.1 million from nine investment properties sold for \$68.5 million, including the Trust's share of two dispositions in its joint ventures, during the year ended December 31, 2024.

As at December 31, 2024, the fair value of the LP Class B Units held by DAM Europe was \$nil (2023 – \$nil) and no Incentive Distribution has been paid or is payable by the Trust to DAM Europe.

In the event that all of the Trust's investment properties were sold or both the North American AMA and the European AMA were terminated, based on the investment properties value reported as at December 31, 2024 of \$7.0 billion, and based on the Trust's actual financial results for the year ended December 31, 2024, the estimated overall incentive fee payable would have been \$292.4 million.

The amount of the North American incentive fee payable by the Trust and the Incentive Distribution and the redemption price of the LP Class B Units on any date will be contingent upon various factors, including, but not limited to, changes in the Trust's FFO (as defined in the North American AMA) and changes in the European FFO, movements in the fair value of investment properties, acquisitions and dispositions, future foreign exchange rates, and changes in the total number of outstanding Units of the Trust.

PAULS Corp, LLC ("PAULS Corp")

Effective June 13, 2024, PAULS Corp is no longer a related party as Brian Pauls did not stand for re-election on the Trust's Board of Trustees.

U.S. Fund

On July 30, 2021, the Trust and certain of its subsidiaries and the U.S. Fund and its subsidiary entered into various property management agreements, where a subsidiary of the Trust provides property management and accounting, construction management and leasing services to the U.S. Fund under normal commercial terms.

Dream Office Real Estate Investment Trust (“Dream Office REIT”)

Dream Industrial REIT, DILP, DIMLP, Dream Industrial Management Corp. and Dream Office Management Corp. (“DOMC”), a subsidiary of Dream Office REIT, are parties to an administrative services agreement (the “Services Agreement”) where DOMC provides certain services to Dream Industrial REIT on a cost recovery basis. The Services Agreement is automatically renewed on October 4 of every year for additional one-year terms unless terminated by any party.

As at December 31, 2024 and December 31, 2023, Dream Office REIT indirectly owns, through its subsidiaries, 192,735 (2023 – 192,735) REIT Units and 13,346,572 (2023 – 13,346,572) LP B Units, representing approximately 4.7% (2023 – 4.7%) ownership in the Trust.

Board of Trustees and officers

The Trust has a Deferred Unit Incentive Plan and, during the years ended December 31, 2024 and December 31, 2023, issued deferred trust units to trustees and officers (see Note 11).

Related party transactions

Fees and cost reimbursements with related parties were as follows:

Agreements with DAM

The following table summarizes our fees paid to or received from DAM for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Incurred under the AMA:		
Asset management fee (included in general and administrative expenses)	\$ (14,698)	\$ (14,428)
Asset management fee (included in investment properties)	(794)	(443)
Capital expenditures fee (included in investment properties)	(4,900)	(6,662)
Acquisition fee (included in investment properties and equity accounted investments)	(382)	(3,848)
Incentive fee (included in net loss on transactions and other activities)	(592)	—
Expense reimbursements related to financing arrangements	(602)	(549)
Total costs incurred under the AMA	\$ (21,968)	\$ (25,930)
Total costs reimbursed under the Shared Services and Cost Sharing Agreement	\$ (1,972)	\$ (1,767)

Agreement and transactions with Dream Office REIT

The following table summarizes the costs reimbursed to Dream Office REIT for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Total costs reimbursed under the Services Agreement	\$ (8,233)	\$ (8,238)

The following table summarizes our distributions paid and payable to subsidiaries of Dream Office REIT for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Interest paid and payable to Dream Office REIT on subsidiary redeemable units	\$ (9,344)	\$ (10,557)
Distributions paid and payable to Dream Office REIT on REIT Units	(132)	(1,902)
Total interest and distributions paid and payable to Dream Office REIT	\$ (9,476)	\$ (12,459)

Agreements with PAULS Corp

Effective June 13, 2024, PAULS Corp is no longer a related party of Dream Industrial REIT. Our fees paid and costs reimbursed to an affiliate of PAULS Corp under the sub-property management agreement for the six months ended June 30, 2024 amounted to \$264 (for the year ended December 31, 2023 – \$429).

Agreements and transactions with the associate and joint ventures

The following table summarizes our fees earned from the associate and joint ventures for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Total fees earned under the Property Management Agreements ⁽¹⁾	\$ 19,632	\$ 15,343

(1) Amounts include management fees, construction fees, leasing fees and cost recovery for property management and accounting related to the U.S. Fund, Dream Summit JV and Development JV.

The following table summarizes our distributions received and receivable from the U.S. Fund for the years ended December 31, 2024 and December 31, 2023:

	Year ended December 31,	
	2024	2023
Total distributions received and receivable from the U.S. Fund ⁽¹⁾	\$ 10,007	\$ 10,519

(1) U.S. Fund distributions earned by the Trust are reinvested as capital contributions into the U.S. Fund until September 30, 2024. Starting October 1, 2024, distributions are received in cash.

Amounts due from (to) related parties

	December 31,	December 31,
	2024	2023
Amounts due from related parties		
U.S. Fund, Dream Summit JV and Development JV ⁽¹⁾	\$ 4,385	\$ 4,166

(1) As at December 31, 2024, the balance includes \$2,361 of distributions receivable from the U.S. Fund (December 31, 2023 – \$2,543).

	December 31,	December 31,
	2024	2023
Amounts due to related parties		
DAM	\$ (6,789)	\$ (6,505)
Dream Office REIT	(795)	(873)
PAULS Corp ⁽¹⁾	—	(36)
Total amounts due to related parties	\$ (7,584)	\$ (7,414)

(1) Effective June 13, 2024, PAULS Corp ceased to be a related party.

Distributions and interest payable to Dream Office REIT

	December 31,	December 31,
	2024	2023
Interest payable on subsidiary redeemable units to Dream Office REIT ⁽¹⁾	\$ (778)	\$ (779)
Distributions payable on REIT Units to Dream Office REIT ⁽²⁾	(11)	(11)

(1) Interest payable on subsidiary redeemable units is in relation to the 13,346,572 and 13,346,572 subsidiary redeemable units held by Dream Office REIT as at December 31, 2024 and December 31, 2023, respectively.

(2) Distributions payable is in relation to the 192,735 and 192,735 REIT Units held by Dream Office REIT as at December 31, 2024 and December 31, 2023, respectively.

Note 26

COMMITMENTS AND CONTINGENCIES

Dream Industrial REIT and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on our consolidated financial statements.

As at December 31, 2024, the Trust's remaining contractual commitments related to construction and development projects amounted to \$17,827 (December 31, 2023 – \$96,480).

As at December 31, 2024, the Trust's remaining contractual commitment of capital contributions to the U.S. Fund amounted to US\$9,731 (December 31, 2023 – US\$9,731).

Note 27

CAPITAL MANAGEMENT

The Trust's capital consists of debt, including mortgages, unsecured revolving credit facility, unsecured term loans, unsecured debentures, subsidiary redeemable units and unitholders' equity. The Trust's primary objectives in managing capital are to ensure adequate operating funds are available to maintain consistent and sustainable unitholder distributions, to service debt obligations and to fund leasing costs, building improvements, development projects, and capital commitment requirements. Further, the Trust also ensures that it remains in compliance with its financial covenants and maintains its credit rating. In November 2024, DBRS changed the trends on the Trust's credit ratings to Positive from Stable and confirmed both the Trust's Issuer Rating and the credit rating on its Debentures at BBB (mid).

Various debt ratios and cash flow metrics are used to ensure capital adequacy and to monitor capital requirements. The primary ratios used for assessing capital management are net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio, and interest coverage ratio. Other significant indicators include unencumbered investment properties, weighted average face interest rate on debt, average term to maturity of debt, secured debt as a percentage of total assets, and variable rate debt as a percentage of total debt. These indicators assist the Trust in assessing whether the debt level maintained is sufficient to provide adequate cash flows for leasing costs, building improvements, development projects and capital commitment requirements, and in evaluating the need to raise funds. Various mortgages and unsecured debt have debt covenant requirements that are monitored by the Trust to ensure there are no defaults. These covenants include loan-to-value ratios, cash flow coverage ratios, interest coverage ratios, debt service coverage ratios, unencumbered investment properties levels, and secured debt-to-total assets ratio. These covenants are measured at the subsidiary limited partnership level, are tested quarterly, and all have been complied with as at December 31, 2024 and December 31, 2023. For the years ended December 31, 2024 and December 31, 2023, there were no events of default on any of the Trust's obligations under its mortgages, unsecured revolving credit facility, unsecured term loans or unsecured debentures.

The Trust's equity consists of REIT Units, in which the carrying value is impacted by earnings and unitholder distributions. Amounts retained in excess of the distributions are used to fund leasing costs, building improvements, development projects, capital commitment requirements and working capital requirements. Management monitors distributions to ensure adequate resources are available by comparing total distributions (including distributions on subsidiary redeemable units), a non-IFRS financial measure, to among other considerations, its assessment of cash flows generated from (utilized in) operating activities.

Note 28

FINANCIAL INSTRUMENTS – RISK MANAGEMENT

IFRS 7, "Financial Instruments: Disclosures", places emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the Trust manages those risks, including market, foreign currency, credit and liquidity risks.

Market risk

Market risk consists of interest rate risk and other market price risk. The Trust has exposure to interest rate risk primarily as a result of its fixed rate debt due to the expected requirement to refinance such debts in the year of maturity. To a lesser extent, the Trust is exposed to variable rate debt on its drawings on the unsecured revolving credit facility. The Trust is exposed to the variability in market interest rates and credit spreads on maturing debt to be renewed and the variability of interest rates on its variable rate debt. The Trust has effectively addressed the exposure to variable rate debt on its U.S. dollar denominated unsecured term loans by entering into CCIRS and fixing the rates, its euro denominated unsecured term loan by entering into an IRS and fixing the rate and its variable rate mortgages by entering into IRS. The Trust had no other variable rate debt as at December 31, 2024 and December 31, 2023. In order to manage exposure to interest rate risk, the Trust endeavours to maintain an appropriate mix of fixed and variable rate debt, manage maturities of fixed rate debt and match the nature of the debt with the cash flow characteristics of the underlying asset.

The following interest rate sensitivity table outlines the potential impact of a 1% change in the interest rate on variable rate financial assets and fixed rate debt due to mature in 2025 as at December 31, 2024:

	Interest rate risk				
			-1%	+1%	
	Carrying amount	Income	Equity	Income	Equity
Financial assets					
Cash and cash equivalents ⁽¹⁾	\$ 80,277	\$ (803)	\$ (803)	\$ 803	\$ 803
Financial liabilities					
Debt due to mature in 2025 ⁽²⁾	869,475	8,695	8,695	(8,695)	(8,695)

(1) Cash and cash equivalents are short-term investments with an original maturity of three months or less, and exclude cash subject to restrictions that prevent the Trust's use for current purposes. Bank accounts with Canadian and U.S. currencies generally earn interest income at 3.60% and 4.45%, respectively. Bank accounts with euros generally earn interest income of the one-month EURIBOR less 1.00% or 1.75%. Cash and cash equivalents as at December 31, 2024 are short term in nature and may not be representative of the balance during the year.

(2) Excludes scheduled principal repayments on non-maturing debt.

Foreign currency risk

The Trust is exposed to foreign currency risk as it relates to its U.S. and European net investments due to fluctuations in the exchange rates between the Canadian and U.S. dollars, and between the Canadian dollar and euros. Changes in the respective foreign exchange rates would not have a material impact on net income; however, they may result in a change to other components of equity. For the year ended December 31, 2024, a \$0.10 change in the value of the U.S. dollar relative to the Canadian dollar would result in a \$59,636 change to other components of equity; meanwhile, a \$0.10 change in the value of the euro relative to the Canadian dollar would result in a \$25,821 change to other components of equity.

The Trust's objective in managing foreign currency risk is to mitigate the exposure from fluctuations in the exchange rate by maintaining U.S. dollar denominated debt against its U.S. assets, as well as euro denominated debt against its euro assets primarily through entering into CCIRS arrangements to exchange Canadian dollars for U.S. dollars or euros.

Credit risk

The Trust's assets mainly consist of investment properties. Credit risk arises from the possibility that tenants in investment properties may not fulfill their lease or contractual obligations. The Trust mitigates its credit risk by attracting tenants of sound financial standing and by diversifying its mix of tenants. As at December 31, 2024 and December 31, 2023, there is no single tenant that accounts for more than 5% of the Trust's annual gross revenue. The Trust also monitors tenant payment patterns and discusses potential tenant issues with property managers on a regular basis. An impairment analysis is performed at each balance sheet date using a provision matrix to measure expected credit losses, adjusted for forward-looking factors specific to the tenant and the economic environment. The provision is reduced for tenant security deposits held as collateral. The maximum exposure to credit risk is the carrying value of the trade receivables disclosed in Note 8, straight-line rent receivables disclosed in Note 4 and related party amounts receivable disclosed in Note 25.

Cash and cash equivalents, deposits and restricted cash carry minimal credit risk as all funds are maintained with highly reputable financial institutions.

The Trust's exposure to credit risk in respect of financial instruments relates primarily to counterparty obligations regarding derivatives contracts. The credit risk of derivative financial instruments is generally limited to the positive fair value of the instruments, which in general tends to be a relatively small proportion of the notional value. The Trust mitigates its credit risk through diversification and the use of established financial institutions. The maximum exposure to credit risk is the carrying value of derivative financial instruments in asset position disclosed in Note 30.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its obligations associated with the maturity of financial obligations. As at December 31, 2024, current liabilities exceeded current assets by \$1,012,434 (December 31, 2023 – \$337,962). Current liabilities include the US\$250 million unsecured term loan maturing in November 2025, \$450 million Series A Debentures maturing in December 2025, and subsidiary redeemable units of \$157,623 as at December 31, 2024 (December 31, 2023 – subsidiary redeemable units of \$186,318) which can be converted to REIT Units. The Trust's main sources of liquidity are its cash and cash equivalents on hand, unsecured revolving credit facility plus the \$250 million accordion option, and access to its unencumbered investment properties. The Trust is able to use its unsecured revolving credit facility on short notice, which eliminates the need to hold a significant amount of cash and cash equivalents on hand. The Trust also has an investment grade credit rating which provides access to debt capital markets as appropriate.

The amounts available and drawn under the revolving credit facility as at December 31, 2024 are as follows:

	December 31, 2024				
	Maturity date	Borrowing capacity	Letters of credit amount	Principal outstanding	Amounts available to be drawn
Unsecured revolving credit facility ⁽¹⁾	August 13, 2029	\$ 750,000	\$ 7,882	\$ —	\$ 742,118

(1) The unsecured revolving credit facility has the ability to be drawn in Canadian dollars, U.S. dollars and euros.

Working capital balances fluctuate significantly from period to period depending on the timing of receipts and payments. The Trust manages maturities of the fixed rate debts, monitors the repayment dates and maintains adequate cash and cash equivalents on hand and availability on the unsecured revolving credit facility including the \$250 million accordion option to ensure sufficient capital will be available to cover obligations as they become due.

Hedge effectiveness

Hedge ineffectiveness for CCIRS is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value or debit value adjustment on the CCIRS is not matched by the loan; and
- differences in critical terms between the CCIRS and loans.

Note 29

OTHER FINANCIAL INSTRUMENTS

IRS and CCIRS arrangements

The following table summarizes the Trust's interest rates and CCIRS arrangements outstanding as at December 31, 2024 and December 31, 2023:

	Fair value as at December 31, 2024		Fair value as at December 31, 2023	
Fair value through other comprehensive income				
Assets ⁽¹⁾	\$	49,402	\$	30,981
Liabilities ⁽²⁾		(36,470)		(23,367)
Fair value through profit or loss				
Assets ⁽³⁾	\$	2,446	\$	6,813
Liabilities		(11,390)		(4,601)

- (1) As at December 31, 2024, \$41,221 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements (December 31, 2023 – \$1,751 was due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).
- (2) As at December 31, 2024, \$22,289 is due to mature in the next twelve months and is included in "Amounts payable and accrued liabilities" in the consolidated financial statements (December 31, 2023 – \$nil).
- (3) As at December 31, 2024, \$296 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements (December 31, 2023 – \$1,148 was due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).

Hedge accounting applied on select financial instruments

The tables below summarize the Trust's financial instruments in which hedge accounting was applied for the years ended December 31, 2024 and December 31, 2023:

Hedge type	As at December 31, 2024			For the year ended December 31, 2024		
	Notional amount of hedging instrument	Assets (see Notes 7 and 29)	Liabilities (see Notes 13 and 29)	Change in fair value gain (loss) recognized in OCI ⁽⁵⁾	Hedge ineffectiveness recognized in profit or loss	Amounts reclassified from OCI to profit or loss
Cash flow hedge ⁽¹⁾	\$ 559,729	\$ 34,652	\$ —	\$ 45,889	\$ —	\$ (45,889)
Net investment hedge ⁽²⁾⁽³⁾⁽⁴⁾	€ 1,281,489	14,751	(36,470)	(44,962)	—	—

(1) Notional amount in Canadian dollars.

(2) Notional amount in euros.

(3) As at December 31, 2024, \$41,221 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements (December 31, 2023 – \$1,751 was due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).

(4) As at December 31, 2024, \$22,289 is due to mature in the next twelve months and is included in "Amounts payable and accrued liabilities" in the consolidated financial statements (December 31, 2023 – \$nil).

(5) Does not include the \$11,726 unrealized gain related to the interest rate portion of both the cash flow hedge and net investment hedge.

Hedge type	As at December 31, 2023			For the year ended December 31, 2023		
	Notional amount of hedging instrument	Assets (see Notes 7 and 29)	Liabilities (see Notes 13 and 29)	Change in fair value gain (loss) recognized in OCI ⁽⁴⁾	Hedge ineffectiveness recognized in profit or loss	Amounts reclassified from OCI to profit or loss
Cash flow hedge ⁽¹⁾	\$ 530,650	\$ —	\$ (16,724)	\$ (16,740)	\$ —	\$ 16,740
Net investment hedge ⁽²⁾⁽³⁾	€ 1,264,238	30,981	(6,643)	(12,882)	—	—

(1) Notional amount in Canadian dollars.

(2) Notional amount in euros.

(3) As at December 31, 2023, \$1,751 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements.

(4) Does not include the \$(30,369) unrealized loss related to the interest rate portion of both the cash flow hedge and net investment hedge.

US\$250M Unsecured Term Loan and U.S. dollar to euro CCIRS arrangement

As at December 31, 2024, the Trust has a US\$250M Unsecured Term Loan outstanding. The U.S. dollar principal and interest obligations were swapped for euro principal and interest obligations. Economically this is equivalent to holding euro denominated debt.

The Trust uses the CCIRS arrangement entered into for this US\$250M Unsecured Term Loan to hedge a portion of the foreign exchange risk associated with its European investments. The Trust also uses the CCIRS to hedge 100% of the U.S. dollar cash flows associated with this US\$250M Unsecured Term Loan.

For hedge accounting purposes, the CCIRS is bifurcated into two separate CCIRS to maximize hedge effectiveness:

- (i) a euro to Canadian dollar CCIRS to hedge a portion of the foreign exchange risk associated with the Trust's European investment (designated as a net investment hedge); and
- (ii) a Canadian dollar to U.S. dollar CCIRS to hedge the U.S. dollar cash flows associated with this U.S. term loan (designated as a cash flow hedge).

In the euro to Canadian dollar CCIRS, only the spot element is included in the hedging relationship. The forward elements, and foreign currency basis spreads, are excluded and recognized in other comprehensive income as transaction costs of hedging and are amortized to net income through the settlement of interest payments on the CCIRS. There is an economic relationship

between the hedged item (European investment) and the hedging instrument (CCIRS) as the foreign exchange movements on the European investment mirror the spot exchange movements on the CCIRS.

In the Canadian dollar to U.S. dollar CCIRS, there is an economic relationship as the cash flows in the hedged item (the US\$250M Unsecured Term Loan) mirror the U.S. cash flows in the hedging instrument (CCIRS).

The Trust has established a hedge ratio of one-to-one, as the underlying risk of the hedging instruments is identical to the hedge risk components. As all critical terms matched during the period, the economic relationship was 100% effective.

\$200M Unsecured Term Loan (US\$145 million) and U.S. dollar to Canadian dollar CCIRS arrangement

As at December 31, 2024, the Trust has an Unsecured Term Loan of US\$145 million outstanding. The U.S. dollar principal and interest obligations were swapped for Canadian dollar principal and interest obligations. Economically this is equivalent to holding Canadian dollar denominated debt.

The Trust uses the CCIRS to hedge 100% of the U.S. dollar cash flows associated with this \$200M Unsecured Term Loan.

For hedge accounting purposes, the CCIRS has been designated as a cash flow hedge. Only the spot element is included in the hedging relationship. The forward elements, and foreign currency basis spreads, are excluded and recognized in other comprehensive income as transaction costs of hedging and are amortized to net income through the settlement of interest payments on the CCIRS. There is an economic relationship between the hedged item (the \$200M Unsecured Term Loan) and the hedging instrument (CCIRS) as the \$200M Unsecured Term Loan's cash flows are matched with the cash flows on the U.S. leg of the CCIRS.

Debentures and Canadian dollar to euro CCIRS arrangement

As at December 31, 2024, the Trust has \$1,700,000 of fixed rate debentures outstanding. Of these, notional amounts totalling \$1,300,000 were swapped into euros using CCIRS, concurrently with the issuance of the respective debentures. The Canadian dollar principal and interest obligations were swapped for euro principal and interest obligations. Economically, this is equivalent to holding euro denominated debt.

The Trust uses the CCIRS to hedge a portion of the foreign exchange risk associated with its European investment.

For hedge accounting purposes, the CCIRS have been designated as a net investment hedge. Only the spot element is included in the hedging relationship. The forward element is excluded and recognized in other comprehensive income as transaction costs of hedging and is amortized to net income through the settlement of interest payments on the CCIRS. There is an economic relationship between the hedged item (European investment) and the hedging instrument (CCIRS), as the foreign exchange movements on the European investment mirror the spot exchange movements on the CCIRS. The Trust has established a hedge ratio of one-to-one as the underlying risk of the hedging instrument is identical to the hedge risk component. As all critical terms matched during the period, the economic relationship was 100% effective.

Interest rate swaps

The following tables summarize the details of the interest rate swaps that are outstanding as at December 31, 2024 and December 31, 2023:

Fair value assets

Transaction date	As at December 31, 2024				
	Mortgage principal amount (notional)	Fixed interest rate (%)	Maturity date	Financial instrument measurement	Fair value assets (see Note 7) ⁽²⁾
July 30, 2019	\$ 50,000	3.15	August 2029	Fair value through profit or loss \$	2,150
June 24, 2021 ⁽¹⁾	€ 41,520	(0.4)	February 2025	Fair value through profit or loss \$	296
				\$	2,446

(1) Notional amount in euros.

(2) As at December 31, 2024, \$296 is due to mature in 2025 and is included in "Prepaid expenses and other assets" in the consolidated financial statements.

					As at December 31, 2023	
Transaction date		Mortgage principal amount (notional)	Fixed interest rate (%)	Maturity date	Financial instrument measurement	Fair value assets (see Note 7) ⁽²⁾
July 30, 2019	\$	50,000	3.15	August 2029	Fair value through profit or loss	\$ 3,278
June 24, 2021 ⁽¹⁾	€	100,280	(0.4)–1.77	March 2024–February 2025	Fair value through profit or loss	\$ 3,535
						\$ 6,813

(1) Notional amount in euros.

(2) As at December 31, 2023, \$1,148 was due to mature in 2024 and was included in “Prepaid expenses and other assets” in the consolidated financial statements. The remainder of \$5,665 is due to mature in 2025 and is included in “Derivatives and other non-current assets” in the consolidated financial statements.

Fair value liabilities

					As at December 31, 2024	
Transaction date		Mortgage principal amount (notional)	Fixed interest rate (%)	Maturity date	Financial instrument measurement	Fair value liability (see Note 13)
September 27, 2023 ⁽¹⁾	€	68,556	3.34	September 2028	Fair value through profit or loss	\$ (4,566)
June 13, 2024 ⁽¹⁾	€	153,000	4.01	June 13, 2029	Fair value through profit or loss	\$ (6,824)
						\$ (11,390)

(1) Notional amount in euros.

As at December 31, 2023						
Transaction date		Mortgage principal amount (notional)	Fixed interest rate (%)	Maturity date	Financial instrument measurement	Fair value liability (see Note 13)
September 27, 2023 ⁽¹⁾	€	68,556	3.34	September 2028	Fair value through profit or loss	\$ (4,601)

(1) Notional amount in euros.

Note 30

FAIR VALUE MEASUREMENTS

Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Trust maximizes the use of observable inputs. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. The Trust’s policy is to recognize transfers in and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers among Levels 1, 2 and 3 for the years ended December 31, 2024 and December 31, 2023.

The following section summarizes the fair value measurements recognized in the consolidated financial statements by class of asset or liability and categorized by level according to the significance of the inputs used in making the measurements.

Investment properties

The Trust’s accounting policy as indicated in Note 2 is applied in determining the fair value of investment properties by using the income approach, which is derived from one of two methods: overall cap rate method and discounted cash flow method. As a result, these measurements are classified as Level 3 in the fair value hierarchy as summarized in the tables below. Investment properties classified as held for sale are marked to contractual sale prices and so are classified as Level 2 in the fair value hierarchy.

		Carrying value as at	Fair value as at December 31, 2024		
	Note	December 31, 2024	Level 1	Level 2	Level 3
Recurring fair value measurements					
Non-financial assets					
Investment properties	4	\$ 7,031,713	\$ —	\$ —	\$ 7,031,713
Investment property classified as asset held for sale	5	13,756	—	13,756	—

			Carrying value as at	Fair value as at December 31, 2023					
	Note		December 31, 2023		Level 1	Level 2	Level 3		
Recurring fair value measurements									
Non-financial assets									
Investment properties	4	\$	6,924,274	\$	—	\$	—	\$	6,924,274

Valuations of investment properties are most sensitive to changes in discount rates and cap rates. In applying the overall cap rate method the stabilized NOI of each property is divided by an appropriate cap rate. In applying the discounted cash flow method, the cash flows of a specific property are projected assuming a ten-year holding period. The estimated sale value at the end of the holding period is then calculated by dividing the projected net rental income for year 11 by a terminal cap rate. These projected cash flows are then added together and discounted at a discount rate reflecting the risks of the property being valued. The results of both methods are evaluated by considering the range of values calculated under both methods on a property-by-property basis.

The significant assumptions used in the valuation of investment properties are as follows:

Cap rate method

- cap rates – based on actual location, size and quality of the properties and taking into account any available market data at the valuation date;
- stabilized NOI – normalized property operating revenues less property operating expenses.

Discounted cash flow method

- discount and terminal cap rates – reflecting current market assessments of the return expectations; and
- market rents – reflecting management's best estimates with reference to recent leasing activity and external market data.

Investment properties are valued on a highest-and-best-use basis. For all of the Trust's investment properties, the current use is considered the highest and best use.

Investment properties valuation process

Management is responsible for determining the fair value measurements included in the consolidated financial statements. At the end of each reporting period, the Trust determines the fair value of investment properties by:

- considering current contracted sales prices for properties that are available for sale;
- obtaining appraisals from qualified external professionals on a rotational basis for select properties; and
- using internally prepared valuations that apply the income approach.

The Trust includes a valuation team who analyzes the fair value of each investment property at least once per quarter with reference to independent property appraisals and market conditions existing at the reporting date, using generally accepted market practices. At each reporting period, a select number of properties, determined on a rotational basis, are valued by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and categories of the investment properties. Judgment is also applied in determining the extent and frequency of obtaining independent property appraisals. For properties subject to an independent valuation report, the valuation team verifies all major inputs to the valuation and reviews the results with the independent valuers. For properties not subject to independent appraisals, valuations are prepared internally during each reporting period.

The valuation team directly reports the results to the CEO and Chief Financial Officer ("CFO") for approval. Discussion of valuation processes, key inputs, results and reasons for the fair value movements are held between the CEO, CFO and the valuation team at least once per quarter, in line with the Trust's quarterly reporting.

Financial instruments

Financial instruments carried at amortized cost where the carrying value does not approximate fair value are noted below:

		Carrying value as at	Fair value as at December 31, 2024		
	Note	December 31, 2024	Level 1	Level 2	Level 3
Financial instruments at amortized cost					
Mortgages	9	\$ 479,509	\$ —	\$ —	\$ 497,907
Unsecured debentures	9	1,696,454	—	1,689,587	—

		Carrying value as at	Fair value as at December 31, 2023		
	Note	December 31, 2023	Level 1	Level 2	Level 3
Financial instruments at amortized cost					
Mortgages	9	\$ 582,399	\$ —	\$ —	\$ 591,158
Unsecured debentures	9	1,695,135	—	1,621,474	—

Amounts receivable, cash and cash equivalents, restricted cash, the VTB loan receivable, deposits on acquisitions of investment properties, tenant security deposits, amounts payable and accrued liabilities are carried at amortized cost, which approximates fair value due to their short-term nature. The unsecured revolving credit facility and unsecured term loans are carried at amortized cost, which approximates fair value given that these financial instruments have variable interest rates. In addition, subsidiary redeemable units and DUIP are carried at amortized cost, which approximates fair value as they are readily redeemable financial instruments.

		Carrying value as at	Fair value as at December 31, 2024		
	Note	December 31, 2024	Level 1	Level 2	Level 3
Recurring fair value measurements					
Financial assets					
Fair value of CCIRS ⁽¹⁾	7	\$ 49,402	\$ —	\$ 49,402	\$ —
Fair value of interest rate swaps ⁽²⁾	7	2,446	—	2,446	—
Financial liabilities					
Fair value of CCIRS ⁽³⁾	13	(36,470)	—	(36,470)	—
Fair value of interest rate swaps	13	(11,390)	—	(11,390)	—

- (1) As at December 31, 2024, \$41,221 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements (December 31, 2023 – \$1,751 was due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).
- (2) As at December 31, 2024, \$296 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements (December 31, 2023 – \$1,148 was due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).
- (3) As at December 31, 2024, \$22,289 is due to mature in the next twelve months and is included in "Amounts payable and accrued liabilities" in the consolidated financial statements (December 31, 2023 – \$nil).

		Carrying value as at		Fair value as at December 31, 2023					
	Note	December 31, 2023		Level 1	Level 2	Level 3			
Recurring fair value measurements									
Financial assets									
Fair value of CCIRS ⁽¹⁾	7	\$	30,981	\$	—	\$	30,981	\$	—
Fair value of interest rate swaps ⁽²⁾	7		6,813		—		6,813		—
Financial liabilities									
Fair value of CCIRS	13		(23,367)		—		(23,367)		—
Fair value of interest rate swaps	13		(4,601)		—		(4,601)		—

- (1) As at December 31, 2023, \$1,751 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements.
- (2) As at December 31, 2023, \$1,148 is due to mature in 2024 and is included in "Prepaid expenses and other assets" in the consolidated financial statements. The remainder of \$5,665 is due to mature in 2025 and is included in "Derivatives and other non-current assets" in the consolidated financial statements.

The Trust uses the following techniques in determining the fair value disclosed for the following financial instruments classified as Levels 1, 2 and 3:

Unsecured debentures

The fair value of the unsecured debentures as at December 31, 2024 and December 31, 2023 are estimates made at a specific point in time based on relevant market information. These estimates are based on quoted market prices for the same financial instruments. As a result, these measurements are classified as Level 2 in the fair value hierarchy.

Mortgages

The fair value of mortgages as at December 31, 2024 and December 31, 2023 is determined by discounting the expected cash flows of each mortgage using market discount rates. For Canadian mortgages, the discount rates are determined using the Government of Canada benchmark bond yield for instruments of similar maturity adjusted for the credit risk of the underlying collateral. For European mortgages, the discount rates are determined using the EURIBOR for the remaining term of the mortgage, adjusted for the credit risk of the underlying collateral. In determining the adjustment for credit risk, the Trust considers market conditions and the fair value of the investment properties that the mortgages are secured by. As a result, these measurements are classified as Level 3 in the fair value hierarchy.

Unsecured revolving credit facility

The unsecured revolving credit facility is a variable rate facility priced at prevailing market interest rates depending on which currency is drawn on the facility plus a Trust-specific credit spread. Because the interest rates on the facility fluctuate with changes in market rates, the fair value of the facility is equivalent to amounts drawn on the facility. Because the applicable interest rate includes an unobservable Trust-specific credit spread, these are Level 3 measurements in the fair value hierarchy.

CCIRS arrangements

The fair value measurement of the CCIRS is valued based on the present value of the estimated future cash flows determined using observable yield curves and foreign currency rates. As a result, these measurements are classified as Level 2 in the fair value hierarchy.

Interest rate swap arrangements

The fair value measurement of the interest rate swaps is valued by qualified independent valuation professionals based on the present value of the estimated future cash flows determined using observable yield curves. As a result, these measurements are classified as Level 2 in the fair value hierarchy.



Trustees and Directors

Dr. R. Sacha Bhatia^{Ind.}
Toronto, Ontario
Executive Vice President,
Primary and Community Care
Ontario Health

Michael J. Cooper
Toronto, Ontario
President & Chief Responsible Officer
Dream Unlimited Corp.

Alison Harnick^{Ind.,2}
Toronto, Ontario
Senior Vice President, General Counsel
and Corporate Secretary
First Capital REIT

Alexander Sannikov
Toronto, Ontario
President and Chief Executive Officer
Dream Industrial REIT

Vicky Schiff^{Ind.,1,2}
Los Angeles, California
Corporate Director

Jennifer Scoffield^{Ind.,1}
Toronto, Ontario
Corporate Director

Vincenza Sera^{Ind.,1,2,3}
Toronto, Ontario
Corporate Director

Legend:

Ind. Independent

1. Member of the Audit Committee
2. Member of the Governance,
Compensation and
Environmental Committee
3. Chair of the Board of Trustees

Management Team

Alexander Sannikov
President & Chief Executive Officer

Lenis Quan
Chief Financial Officer

Bruce Traversy
Chief Investment Officer

Corporate Information

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(for change of address, registration or
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STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Listing Symbol: DIR.UN

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