



# Dream Office REIT

## Investor Presentation



November 2022



# Dream Office REIT

## D.UN

Dream Office REIT (the “Trust” or “Dream Office”) is a premier office landlord in downtown Toronto with over 3.5 million square feet owned and managed. We have carefully curated an investment portfolio of high-quality assets in irreplaceable locations in one of the finest office markets in the world.



**85.7%**

portfolio occupancy  
(including committed)<sup>(1)</sup>

**5.4 million**

square feet of gross  
leasable area<sup>(2)</sup>

**\$3.1 billion**

Total assets

**3.5 million**

square feet of Toronto  
Downtown office space<sup>(2)</sup>

Updated as at Q3 2022.

Note 1 - Excluding properties under development and investments in joint ventures.

Note 2 - Includes properties under development, excluding investments in joint ventures.





**2nd**

Largest Financial Services Centre in North America

- HQ of Canada's Largest Stock Exchange
- Home to Five of Canada's Six Largest Banks

**Home to ~40%**

of Canada's Business Headquarters

**~20%**

of Canada's GDP

**#1**

Fastest Growing City in Tech Employment in North America

**95.4**

Global Liveability Index score

**~75%**

of new immigrants in Ontario settle in Toronto





## High concentration of well connected assets in Downtown Toronto

**4.9 years**

**\$2.1 B**

weighted average lease term in Toronto Downtown <sup>(1)</sup>

assets in Toronto Downtown <sup>(1)</sup>

**88.9%**

**82%**

in-place and committed occupancy in Toronto Downtown <sup>(1)</sup>

exposure in Toronto Downtown Office (by fair value) <sup>(1)</sup>

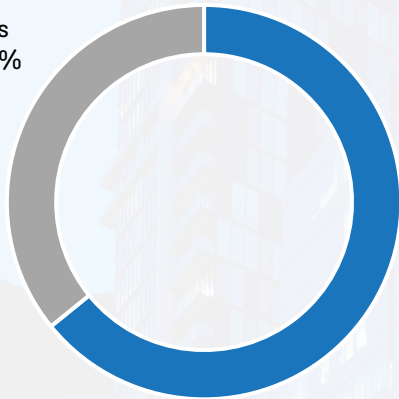
Note 1 - Excluding properties under development and joint ventures that are equity accounted as at September 30, 2022.





## GLA by Region

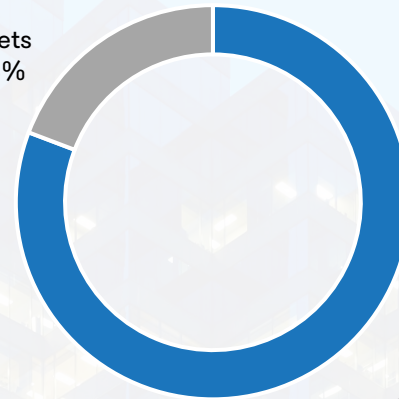
Other Markets  
(1.9MM sf), 35%



Toronto  
Downtown  
(3.4MM sf), 65%

## Fair Value by Region

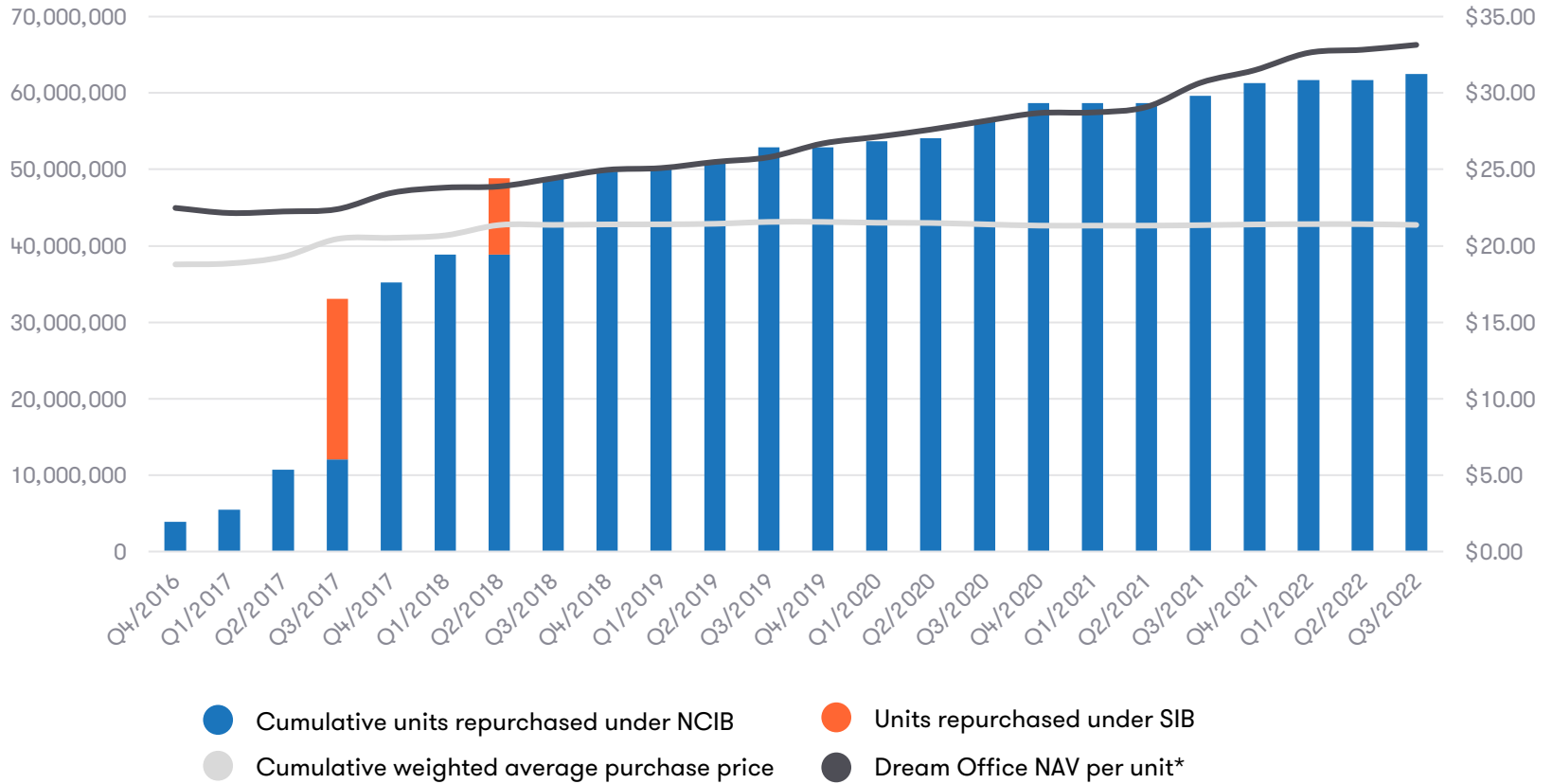
Other Markets  
(\$0.5B), 18%



Toronto  
Downtown  
(2.1B), 82%

Note 1 – Excluding properties under development and joint ventures that are equity accounted as at September 30, 2022.

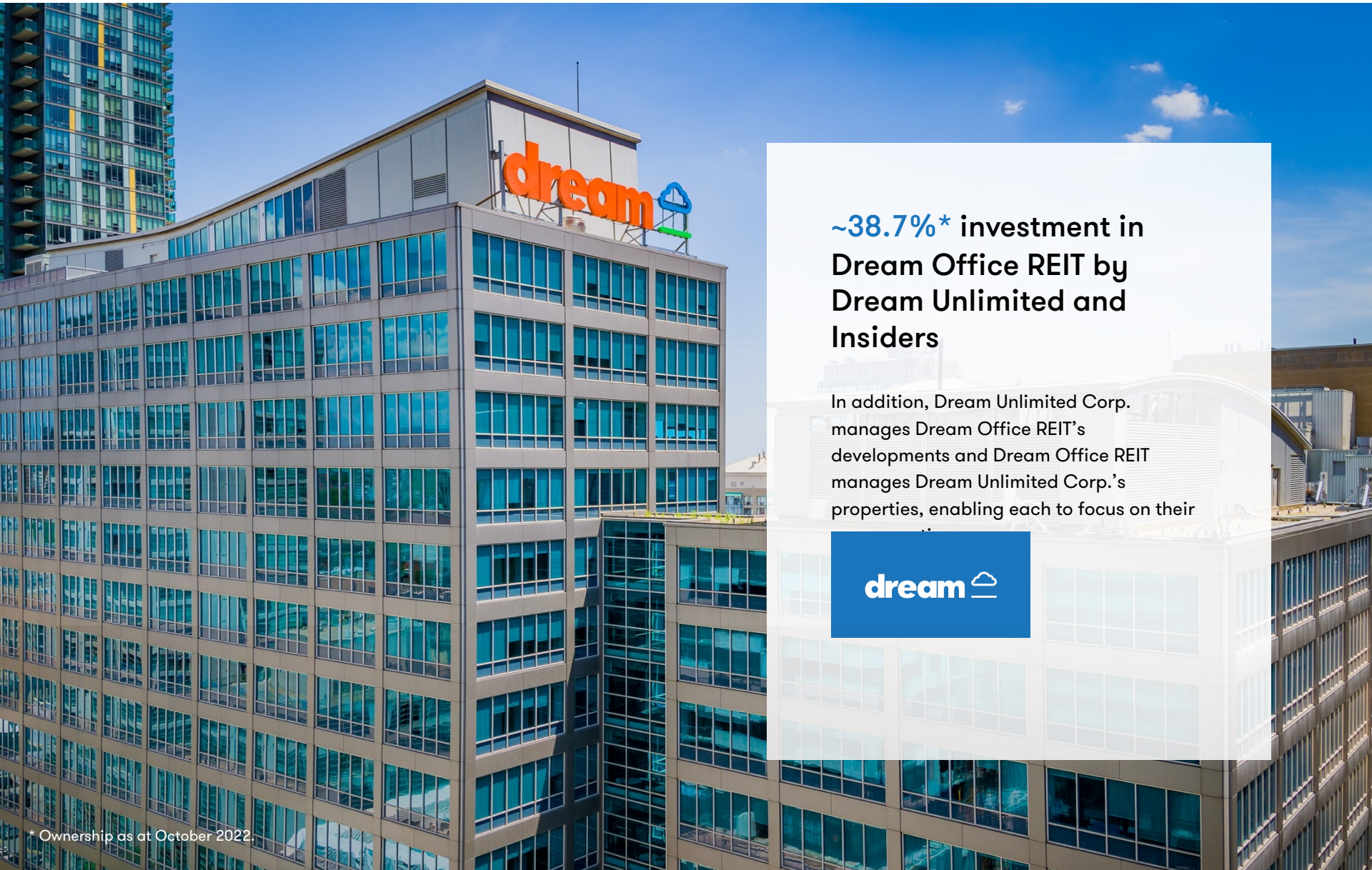




Since Q4/16, Dream Office repurchased and cancelled **nearly 63 million units** at prices well below NAV, creating significant shareholder value

\* NAV (also known as net asset value) per unit is a non-GAAP ratio. NAV per unit is calculated as total equity (including LP B Units) divided by the total number of REIT A and LP B units outstanding as at the end of the period. Total equity (including LP B Units) is a non-GAAP measure and the most directly comparable financial measure is equity. This non-GAAP ratio and non-GAAP measure are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. For additional information, please refer to the cautionary statements under the heading "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" in this presentation.





## ~38.7%\* investment in Dream Office REIT by Dream Unlimited and Insiders

In addition, Dream Unlimited Corp. manages Dream Office REIT's developments and Dream Office REIT manages Dream Unlimited Corp.'s properties, enabling each to focus on their



\* Ownership as at October 2022



**42.6%**

Level of Debt\*

**\$221M**

Available Liquidity\*

**\$112M**

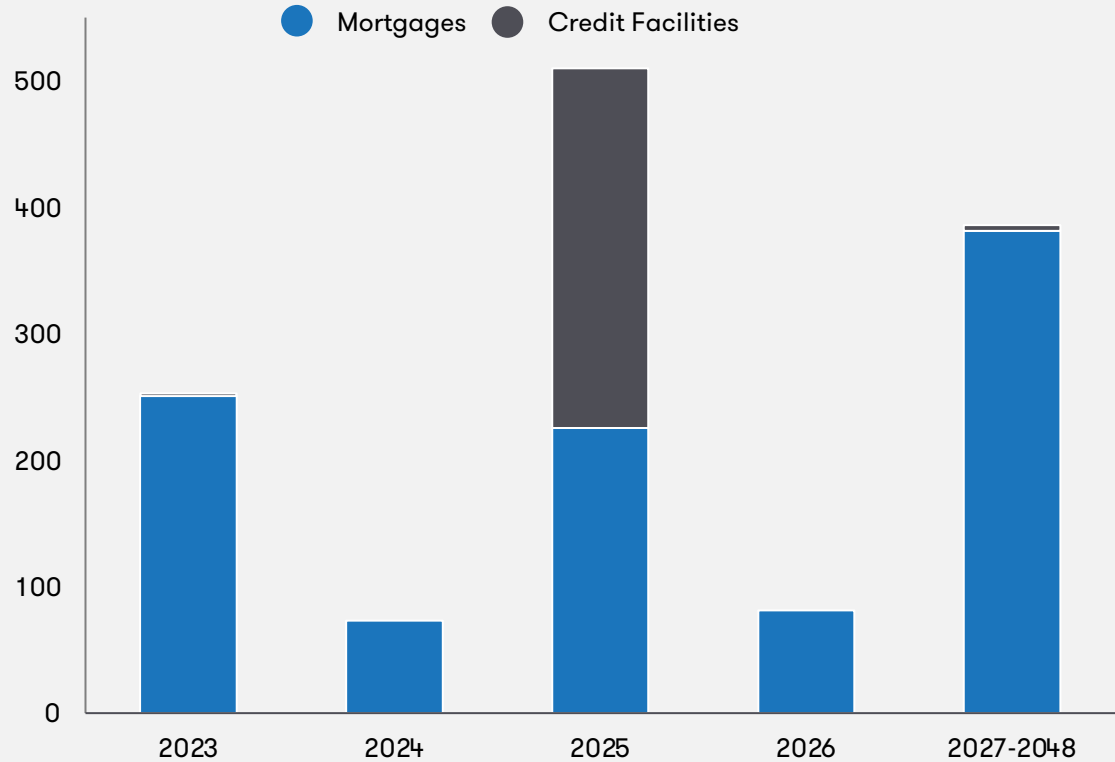
Unencumbered Assets\*

**31.8%**

Variable Debt Exposure

**4.22%**

W.A. Face Rate of Interest



As at Q3 2022. Subsequent to quarter end, we fixed the interest rate on \$150 million of principal on the revolving credit facility at a rate of 5.37% for five years by way of an interest rate swap to reduce our exposure to variable rate debt from 32% to 21%. \*Level of Debt (also known as net total debt-to-net total assets) is a non-GAAP ratio that comprises net total debt (a non-GAAP financial measure) divided by net total assets (a non-GAAP financial measure). Available liquidity is a non-GAAP financial measure and the most directly comparable financial measure is undrawn credit facilities. Unencumbered assets is a supplementary financial measure. These specified financial measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. For additional information, please refer to the cautionary statements under the heading "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" in this presentation.





**Our near-term leasing and debt maturity profiles are very manageable.**

- In Q3 2022, we executed leases totaling approximately 165,000 sf across our portfolio. 133,000 square feet of leases in Toronto downtown were executed at rents 34.2% higher than the weighted average prior net rent on the same space.
- To date, the Trust has secured commitments for approximately 817,000 square feet, or 102%, of 2022 full-year portfolio natural lease expiries, consistent with pre-COVID leasing trends.

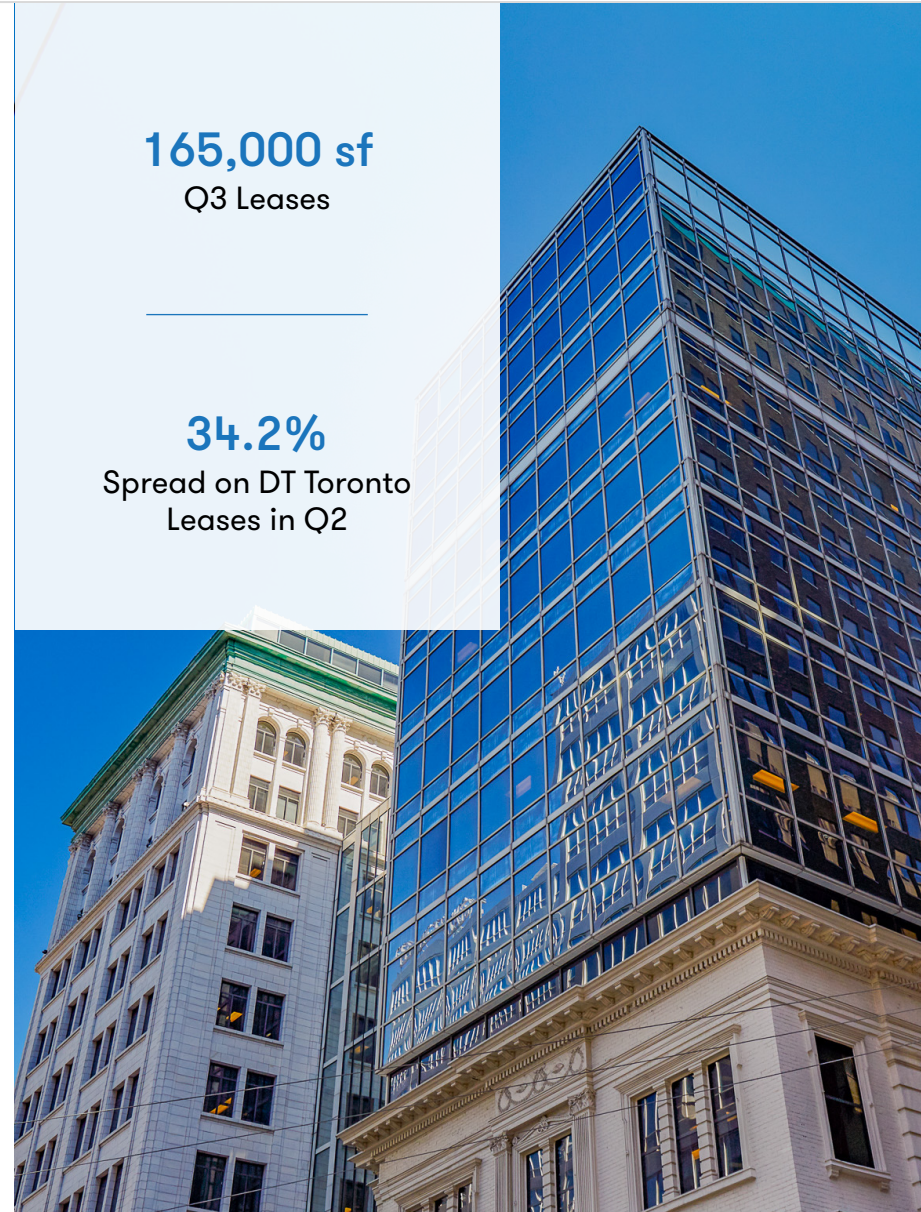
**We have an exceptional portfolio, diversified tenant base and strong lender relationships.**

**165,000 sf**

Q3 Leases

**34.2%**

Spread on DT Toronto  
Leases in Q2



\* Excludes 54,000 sf of flexible workspace lease with percentage rents.

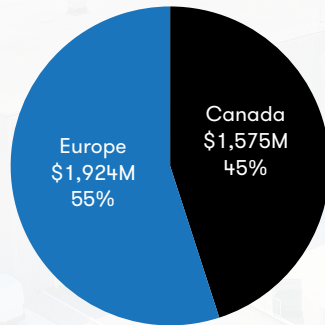




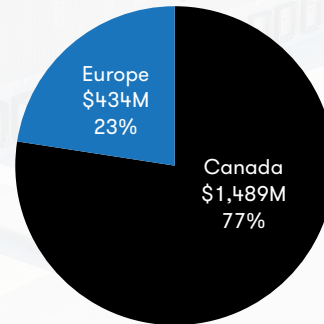
## Dream Office REIT has a 9.7% interest in Dream Industrial REIT (\$305M\*\* investment)

Dream Office REIT retained and expanded its interest in Dream Industrial REIT from its IPO in 2012. Dream Industrial REIT owns and operates a diversified portfolio of high quality industrial space in growing logistics markets primarily in Canada and Europe, supported by a management team with a proven track record of long-term value creation.

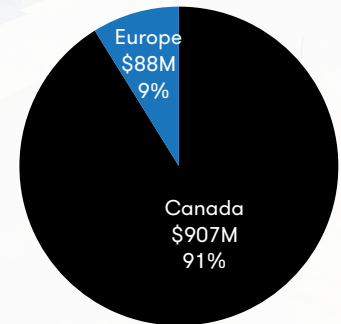
**Distribution**  
55% of IP Value



**Urban Logistics**  
30% of IP Value



**Light Industrial**  
15% IP Value

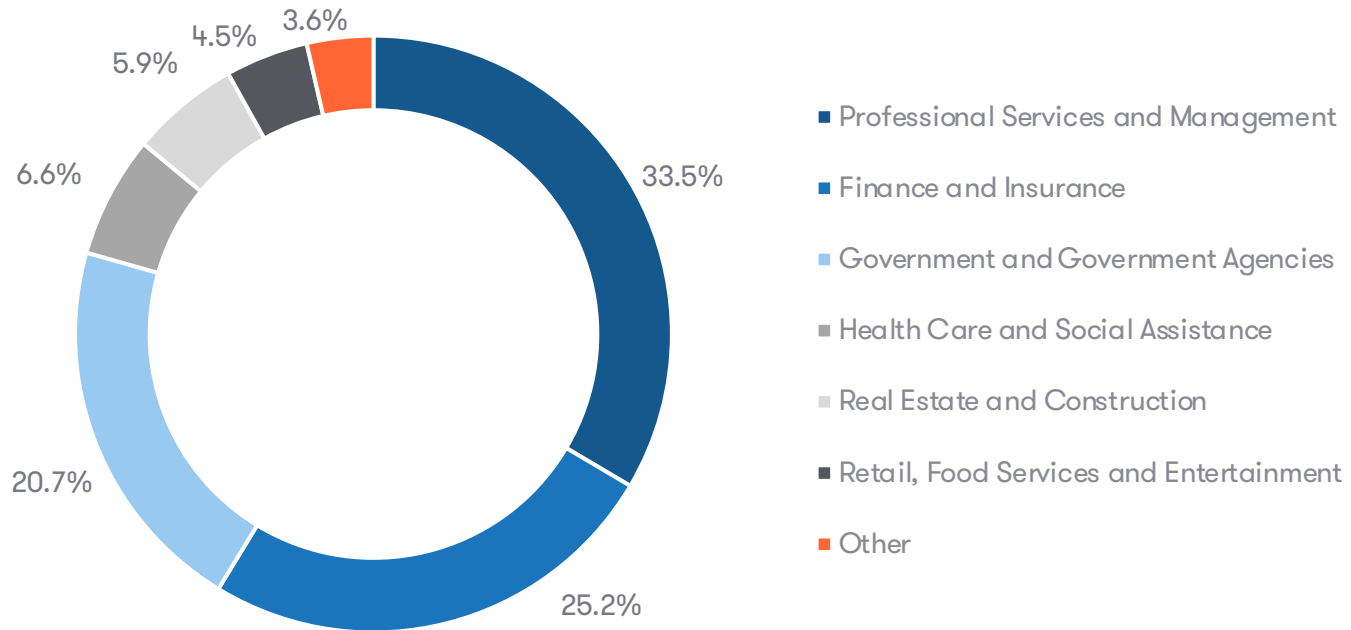


As at Q3 2022  
\*\* DIR.UN unit Price as at November 2, 2022.





### Estimated Annualized Gross Rental Revenue by Tenant Industry



Dream Office REIT has a diversified tenant mix with approximately **20%** of annualized gross rental revenue from governments and government agencies



Rank	Tenant		% of Rent*	Investment Grade
1	 Ontario	Government of Ontario	11.3%	✓
2	 Government of Canada	Government of Canada	8.3%	✓
3	 STATE STREET	State Street Trust Company	3.7%	✓
4	 INTERNATIONAL FINANCIAL DATA SERVICES	International Financial Data Service	3.5%	-
5	 usbank	U.S. Bank National Association	2.5%	✓
6	 co-operators	Co-operators Life Insurance	2.4%	✓
7	 MEDCAN	Medcan Health Management Inc.	2.3%	-
8	 wework	WeWork	2.2%	-
9	 Veeva	Veeva Software Solutions	1.5%	-
10	 FIELD LAW	Field Law	1.3%	-

Top 10 tenants make up approximately **38%** of total annualized gross rent and **50%** of our top tenants have credit ratings of **A-** or higher

\* % of Annualized Gross Rental Revenue as at Q3 2022





### 250 Dundas St. West



Rezoned

Current: **121,000 sf** office building

Future: **503,000 sf<sup>1</sup>** mixed-use building

### 212-220 King St. West



Current: **95,000 sf** office buildings

Future: **1.1 million sf** mixed-use building  
(Dream Office has a 50% interest)

### 2200 Eglinton Ave. East



Current: **442,000 sf** office building

Future: Targeting over **2.7 million sf**  
residential, retail and office uses

All figures at 100% share.  
Note 1 - Gross Floor Area



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## Bay Street Collection

Revitalizing our Bay Street collection adds significant value to our core Downtown Toronto assets.



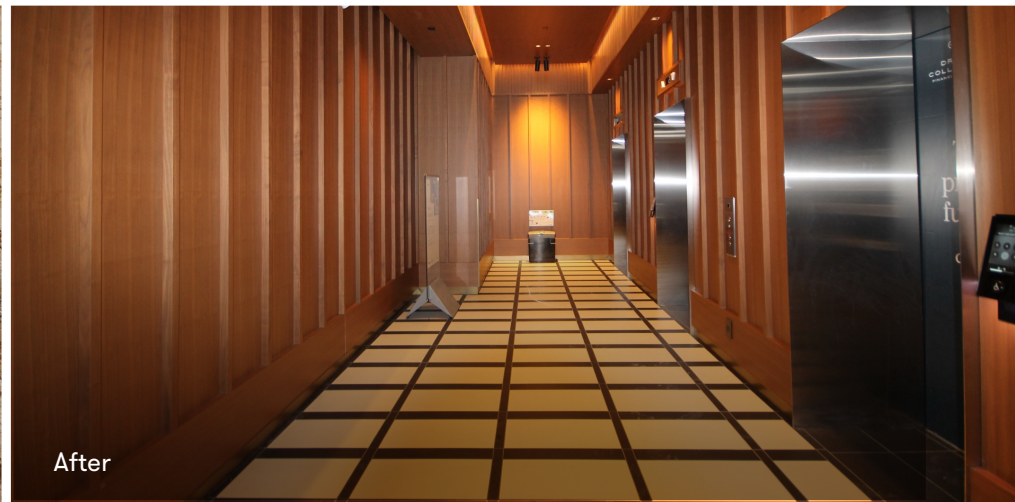
Before



After



Before



After



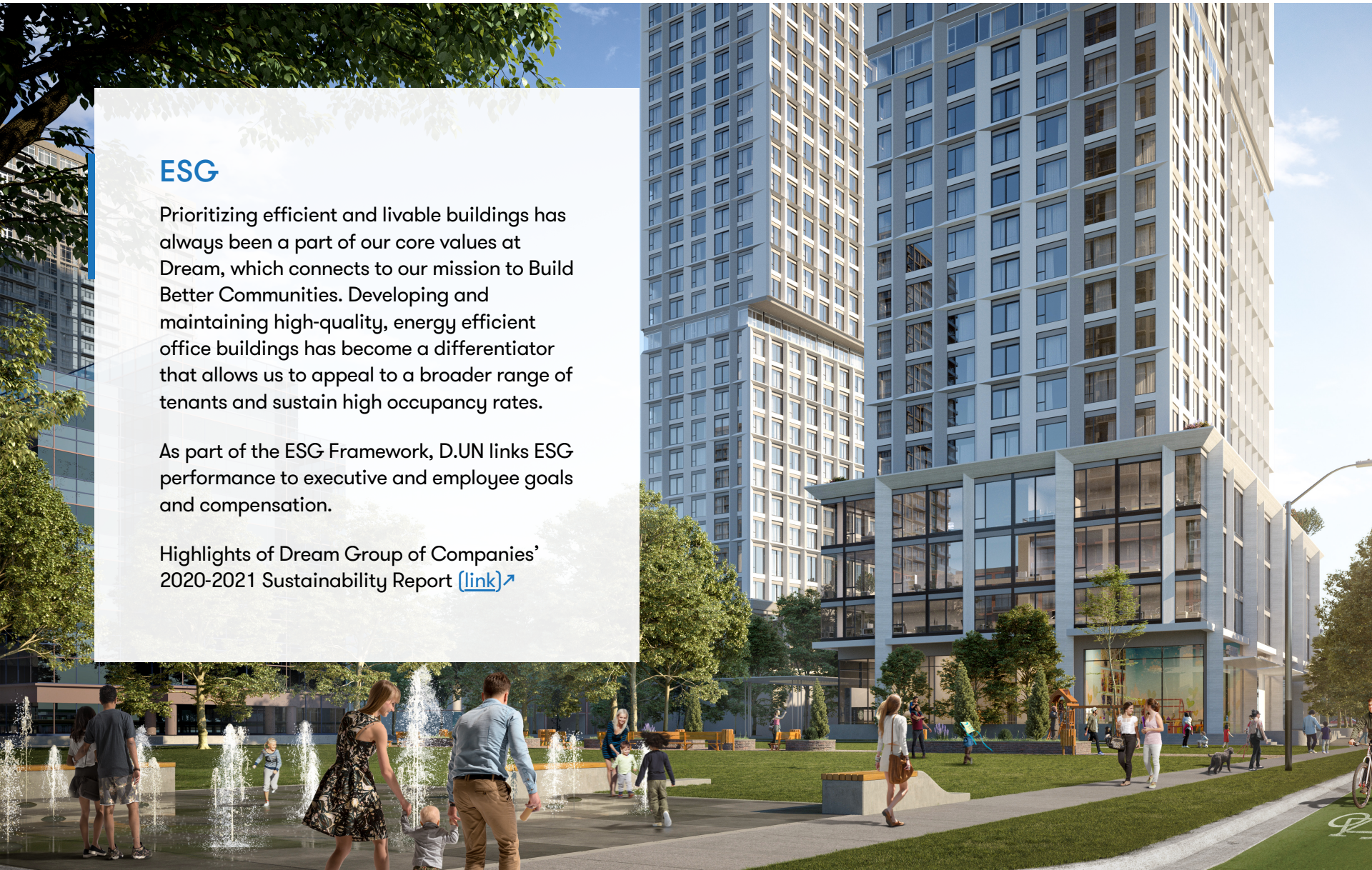


## ESG

Prioritizing efficient and livable buildings has always been a part of our core values at Dream, which connects to our mission to Build Better Communities. Developing and maintaining high-quality, energy efficient office buildings has become a differentiator that allows us to appeal to a broader range of tenants and sustain high occupancy rates.

As part of the ESG Framework, D.UN links ESG performance to executive and employee goals and compensation.

Highlights of Dream Group of Companies' 2020-2021 Sustainability Report [\(link\)](#)







### United Nations Principles for Responsible Investment

The United Nations Principles for Responsible Investment (UN PRI) is the world's leading responsible investor collaboration. DRM, with support from D.UN, became a signatory to the UN PRI in 2021 and will report on our responsible investment activities starting in 2023.



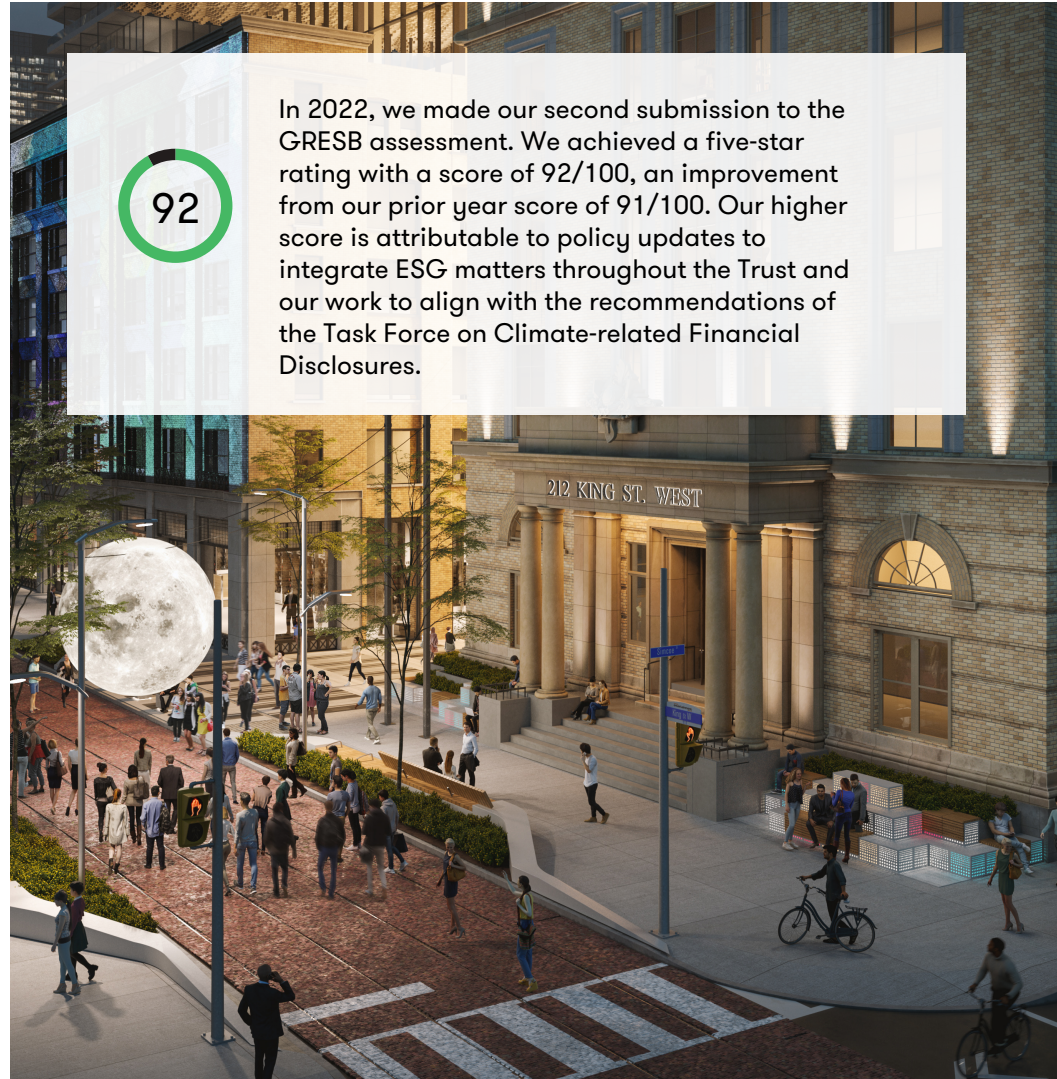
### Taskforce on Climate-related Financial Disclosures

The Taskforce on Climate-related Financial Disclosures (TCFD) recommendations are structured around four core reporting areas: governance, strategy, risk management and metrics and targets. DRM, with support from D.UN, became an official supporter in 2021.

### NET ZERO ASSET MANAGERS INITIATIVE

### Net Zero Asset Managers (NZAM)

The Net Zero Asset Managers (NZAM) initiative is an alliance of global asset managers committing to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with the global efforts to limit warming to 1.5 degrees Celsius. The initiative covers 273 signatories and U.S.\$61.3 trillion in assets under management of which Dream Unlimited, with the support of Dream Office, was one of the first Canadian companies to join.



In 2022, we made our second submission to the GRESB assessment. We achieved a five-star rating with a score of 92/100, an improvement from our prior year score of 91/100. Our higher score is attributable to policy updates to integrate ESG matters throughout the Trust and our work to align with the recommendations of the Task Force on Climate-related Financial Disclosures.

\*Established in 2009, GRESB is the leading ESG benchmark for real estate and infrastructure investments across the world, used by 140 institutional and financial investors to inform decision-making and covering \$5.7 trillion of AUM and nearly 117,000 individual assets.





## CANADA INFRASTRUCTURE BANK

Supporting Dream Office REIT's target to achieve net zero greenhouse gas (GHG) emissions by 2035 or sooner for all its operations and new developments, the Canada Infrastructure Bank (CIB) is committing up to \$112.9 million under its Commercial Building Retrofits Initiative.

The non-revolving credit facility is available until the earlier of March 31, 2027 or the completion of all funded projects, during which the accumulated drawings bear interest at an annual fixed rate of 2.15%.

The loan will finance 19 building retrofits across Dream's portfolios in Ontario and Saskatchewan, built from 1875 to 1992.

Full press release [\(link\)](#)

In Q3, we made our inaugural draw on the CIB Facility of \$4.2 million.







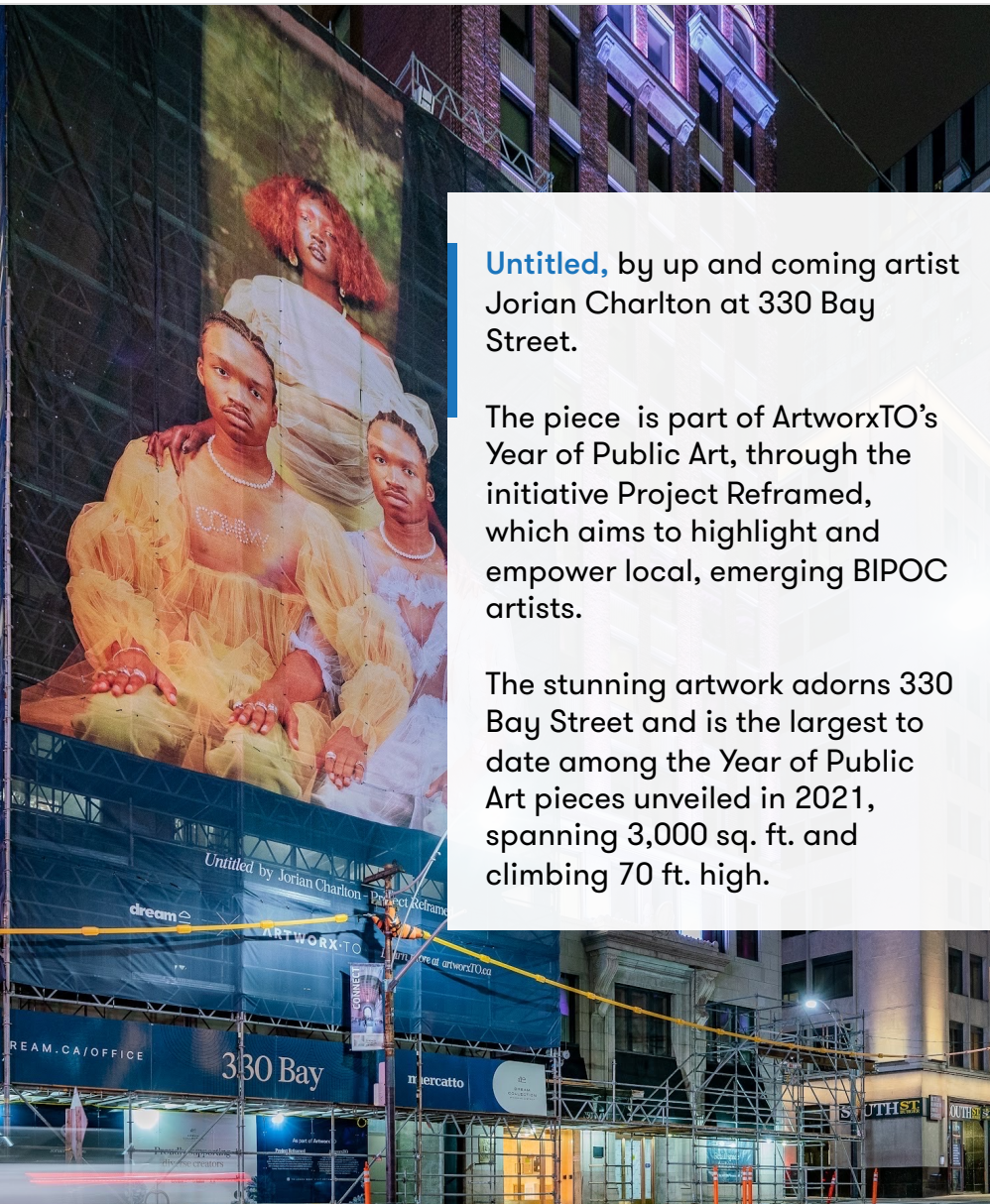
Indicator	Target	2019	2020	Y/Y change
Energy consumption (ekWh)	10% reduction of energy consumption by 2025 (v. 2019 base)	170,417,623	141,298,958	-17%
Total GHG emissions (tCO <sub>2</sub> e)	20% reduction of emissions by 2025, 50% reduction by 2030, 100% reduction by 2035 (within investment and emissions boundaries <sup>(1)</sup> ; v. 2019 baseline)	25,994	21,283	-18%
Water consumption (m <sup>2</sup> )	10% reduction of water consumption by 2025 (v. 2019 base)	405,633	274,097	-32%
Waste diversion	75% waste diversion target by 2025	44%	57%	30%
Percentage of portfolio with a green building certification	100% certification (any program) of all Canadian office sites by 2025	96%	93%	-

## Dream Office has set out to achieve net zero greenhouse gas emissions by 2035

Due to COVID-19 and the transition to working remotely, energy and water consumption and waste generation in our office properties significantly decreased in 2020. We exceeded our 2025 targets in 2020 and are advancing towards our goals in the Net Zero initiative.

Note 1 – See Net Zero by 2035 Action Plan report published April 28th, 2022 for further details [\(link\)](#).

\*Detailed ESG progress and targets can be found in our 2020-2021 ESG Report [\(link\)](#).



**Untitled**, by up and coming artist Jorian Charlton at 330 Bay Street.

The piece is part of ArtworxTO's Year of Public Art, through the initiative Project Reframed, which aims to highlight and empower local, emerging BIPOC artists.

The stunning artwork adorns 330 Bay Street and is the largest to date among the Year of Public Art pieces unveiled in 2021, spanning 3,000 sq. ft. and climbing 70 ft. high.

## Gender Balance

- D.UN's strength as an organization comes from our strong and diverse workforce.
- **57%** of D.UN Trustees are women.
- **45%** of managers are women.
- The firm is committed to ensuring a diverse workforce at executive and board levels

## Employee development

- D.UN's strength as an organization comes from our strong and diverse workforce, and Dream is committed to the development of its employees.

## Governance

- **71%** of D.UN Trustees are independent.
- Dream Office REIT is committed to having a high ratio of independent trustees on the board overseeing key company strategies and goals.

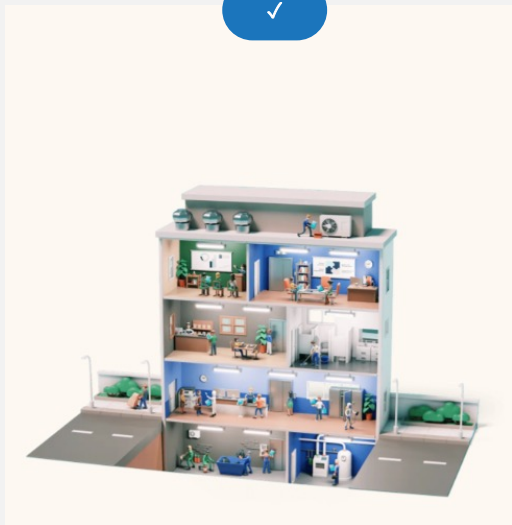


# Investment in Alate - Using Technology to Rethink Real Estate

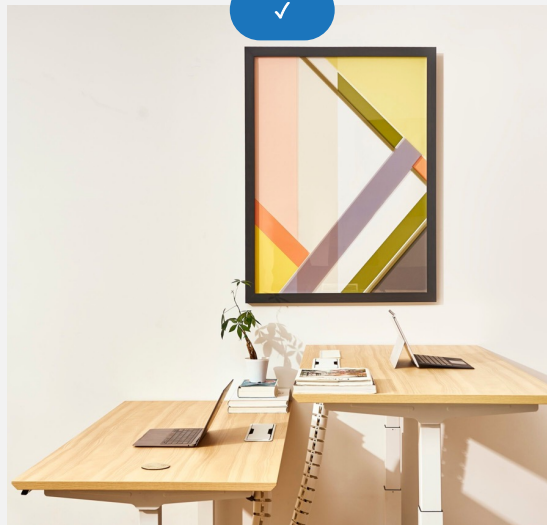
## Alate Partners

Dream Office REIT, along with Dream Unlimited, entered into a strategic partnership with Relay Ventures to create Alate Partners to invest in technology companies that are rethinking how real estate is designed, built, and managed. In addition to capital, Alate provides entrepreneurs with unique access to real estate expertise, customers, and partners that can help accelerate their growth.

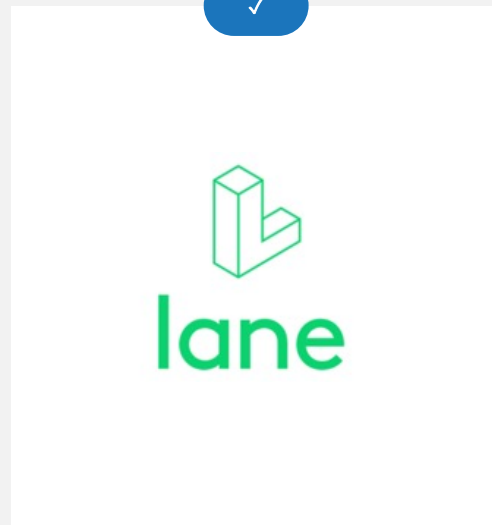
We invested in Alate and the ventures in 2018 and have since established a successful track record. In Q4 2021, a new Alate PropTech fund was formed around the vehicle's existing investments and outside investors were secured. The Trust maintains a 25% interest in the managing GP and is entitled to fees for managing the fund.



Eden



Branch



Lane





1

## Smaller Floor Plate

Tenants can easily lease the entire floor and do not have to share space or bathrooms with others

2

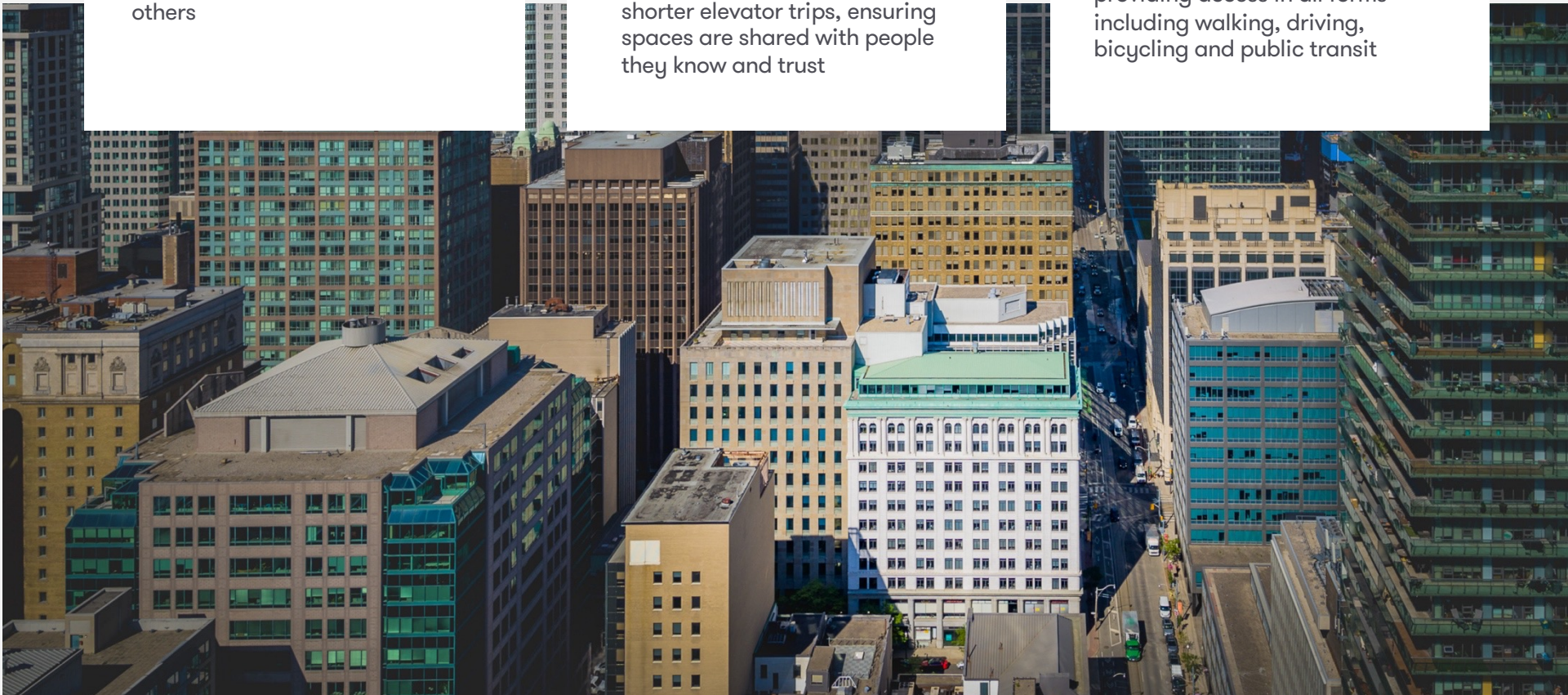
## Lower Rise Buildings

Our lower-rise office buildings have a smaller number of people and provide occupants with shorter elevator trips, ensuring spaces are shared with people they know and trust

3

## Very Well Located

Our assets are well located in the heart of the downtown core, providing access in all forms including walking, driving, bicycling and public transit





### Forward looking information

This investor presentation may contain forward-looking information within the meaning of applicable securities legislation, including but not limited to statements regarding our objectives and strategies to achieve those objectives; our ability to increase the desirability, occupancy and liquidity of our buildings; expected occupancy; the effect of building improvements on tenant experience and building quality, value and performance; opportunities for intensification, redevelopment and value creation; future development plans and costs; renewal and leasing assumptions; our sustainability targets, including achieving net zero greenhouse gas emissions by 2035 and making our buildings more sustainable; our goal of reporting on responsible investment activities starting in 2023; our commitments and engagement with third party sustainability initiatives; expectations regarding retrofits to be implemented with funds from the loan by the Canada Infrastructure Bank; our diversity targets and governance commitments; our ability to achieve building certifications; debt maturity and future financing; expectations regarding our lender relationships; our expectations regarding a new Alate fund; our capital allocation strategy and target returns; and our overall financial performance, profitability and liquidity for future periods and years. Forward-looking statements generally can be identified by words such as “outlook”, “objective”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “could”, “likely”, “plan”, “project”, “budget” or “continue” 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 Dream Office REIT’s control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general and local economic and business conditions; inflation; risks related to a potential recession in certain of the jurisdictions in which we operate and the effect inflation and any such recession may have on market conditions and lease rates; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence; the uncertainties around the timing and amount of future financings; uncertainties surrounding the COVID-19 pandemic; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; rental rates on future leasing; and interest and currency rate fluctuations. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable, interest rates remain stable, conditions within the real estate market remain consistent, relatively low inflation, that government restrictions due to COVID-19 on the ability of us and our tenants to operate their businesses at our properties will continue to ease and will not be re-imposed in any material respects, competition for acquisitions remains consistent with the current climate, and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this investor presentation speaks as of the date of this investor presentation. Dream Office REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in Dream Office REIT’s filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Office REIT’s website at [www.dreamofficereit.ca](http://www.dreamofficereit.ca).

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

The Trust’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). In this investor presentation, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures and ratios including NAV per unit, total equity (including LP B Units) available liquidity, level of debt (net total debt-to-net total assets), net total debt and net total assets, as well as other measures discussed elsewhere in this presentation. These non-GAAP financial measures and ratios are not standardized financial measures under IFRS and might not be comparable with similar measures disclosed by other issuers. The Trust has presented such non-GAAP measures and non-GAAP ratios as Management believes they are relevant measures of the Trust’s underlying operating performance and debt management. Certain additional disclosures such as the composition, usefulness and changes, as applicable, of the non-GAAP financial measures and ratios included in this presentation have been incorporated by reference from the management’s discussion and analysis of the financial condition and results from operations of the REIT for the three months ended September 30, 2022, dated November 3, 2022 (the “MD&A for the third quarter of 2022”) and can be found under the section “Non-GAAP Financial Measures and Ratios” and respective sub-headings labelled “Level of debt (net total debt-to-net total assets)”, “Available Liquidity”, “Net asset value (“NAV”) per Unit”, and “Total equity (including LP B Units or subsidiary redeemable units)”. The composition of supplementary financial measures included in this presentation have been incorporated by reference from the MD&A for the third quarter of 2022 and can be found under the section “Supplementary financial measures and ratios and other disclosures”. The MD&A for the third quarter of 2022 is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Trust’s profile and on the Trust’s website at [www.dreamofficereit.ca](http://www.dreamofficereit.ca) under the Investors section. Non-GAAP measures should not be considered as alternatives to net income, net rental income, cash flows generated from (utilized in) operating activities, cash and cash equivalents, total assets, non-current debt, total equity, or comparable metrics determined in accordance with IFRS as indicators of the Trust’s performance, liquidity, leverage, cash flow, and profitability.

### Market and Industry Data

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by us or on our behalf on the basis of our knowledge of the residential rental real estate sector in which we operate (including our estimates and assumptions relating to the sector based on that knowledge). We believe that the industry data is accurate and that our estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although we believe it to be reliable, it has not been independently verified.





Feel free to contact us should you have any questions

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**Michael J. Cooper**

Chairman & CEO

**Service:** 26 Years

**Industry Experience:** 34 Years

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**Jay Jiang**

CFO

**Service:** 8 Years

**Industry Experience:** 15 Years

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**Gordon Wadley**

COO

**Service:** 11 Years

**Industry Experience:** 17 Years





**Amar Bhalla**

Independent



**Donald Charter**

Independent



**Michael J. Cooper**



**Jane Gavan**



**The Hon. Dr. Kellie Leitch**

Independent



**Karine MacIndoe**

Independent



**Qi Tang**

Independent



## 24% IRR\*\* delivered to unitholders since our creation in 2003.

We grew Dream Office REIT quickly and in 2007, we saw an opportunity to crystalize a premium value, selling two-thirds of our business and returning more than 100% of our unitholders' investment.

After the global financial crisis, we grew again, becoming the third largest REIT in Canada. In 2016, during the oil crisis, we successfully delivered on an aggressive strategic plan to become a downtown Toronto office REIT with approximately 82% of our assets currently located in this market. Over the last five years, we have created one of the highest quality commercial REITs in Canada.

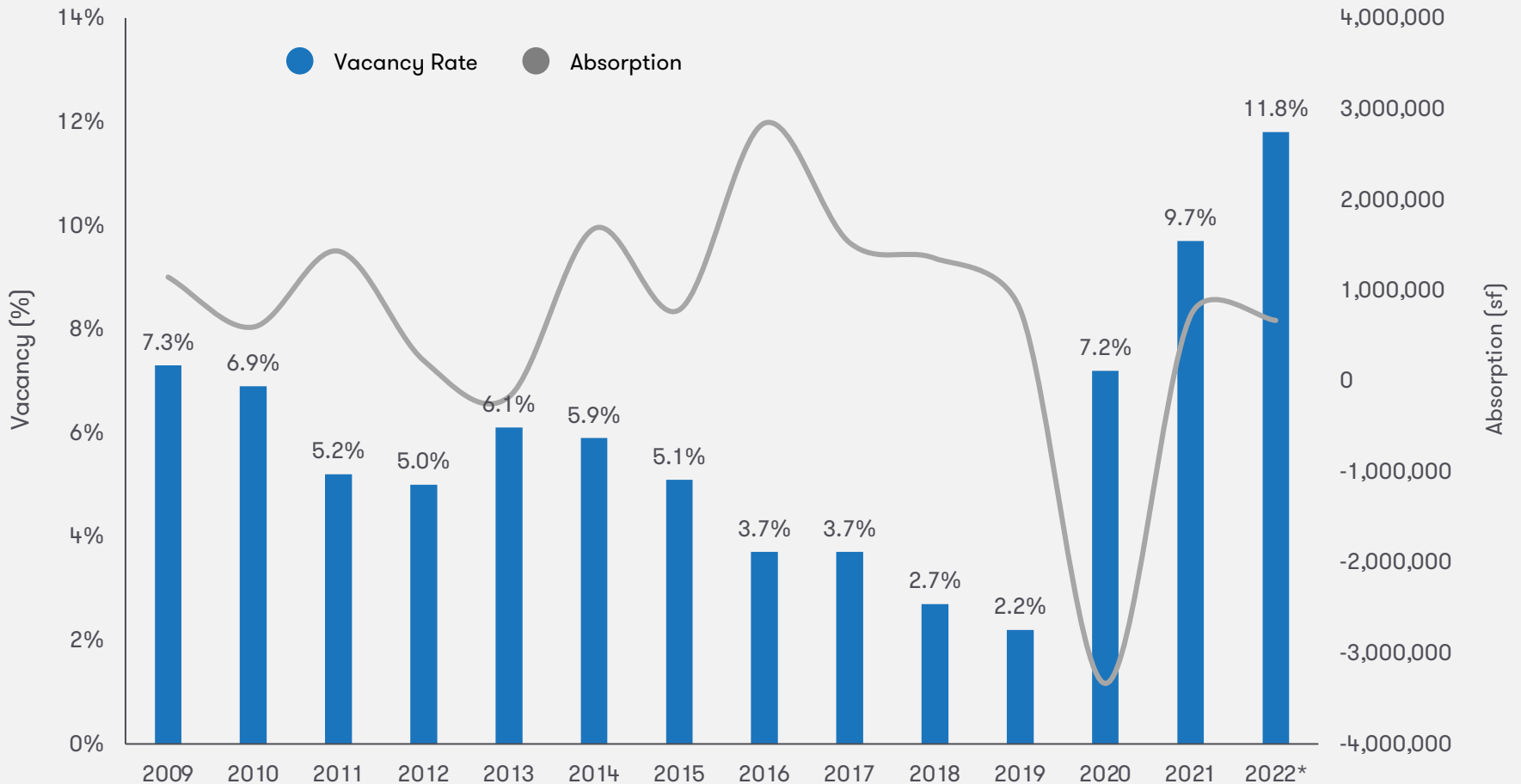
<div data-bbox="193 749 338 799" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2021</div> <div data-bbox="401 749 1541 806" style="margin-left: 20px;">Received inaugural GRESB rating (91/100), obtained the WELL Health-Safety Certification from the WIBI, and committed to Net Zero Asset Managers alongside Dream Group of companies.</div>				
<div data-bbox="193 878 338 928" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2020</div> <div data-bbox="189 963 448 1021" style="margin-top: 10px;">Approval for 250 Dundas Redevelopment</div>	<div data-bbox="540 878 685 928" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2019</div> <div data-bbox="537 963 807 1063" style="margin-top: 10px;">&gt;\$100 million Redevelopment &amp; Dream Collection Program</div>	<div data-bbox="888 878 1033 928" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2018</div> <div data-bbox="884 963 1124 1063" style="margin-top: 10px;">\$341M of Unit Repurchases / \$300M Asset Sales</div>	<div data-bbox="1236 878 1381 928" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2017</div> <div data-bbox="1232 963 1425 1063" style="margin-top: 10px;">\$649M of Unit Repurchases / \$2.3B Asset Sales</div>	<div data-bbox="1564 878 1709 928" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2016</div> <div data-bbox="1561 963 1727 1021" style="margin-top: 10px;">Strategic Plan Announcement</div>
<div data-bbox="193 1106 338 1156" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2012</div> <div data-bbox="189 1192 351 1292" style="margin-top: 10px;">Scotia Plaza &amp; Whiterock REIT Acquisition</div>	<div data-bbox="540 1106 685 1156" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2011</div> <div data-bbox="537 1192 738 1292" style="margin-top: 10px;">Blackstone / Slate Portfolio Acquisition</div>	<div data-bbox="888 1106 1033 1156" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2010</div> <div data-bbox="884 1192 1078 1256" style="margin-top: 10px;">Realex Properties Corp. Acquisition</div>	<div data-bbox="1236 1106 1381 1156" style="background-color: #0070C0; color: white; border-radius: 15px; padding: 5px; display: inline-block;">2007</div> <div data-bbox="1232 1192 1414 1220" style="margin-top: 10px;">GE Transaction*</div>	<div data-bbox="1561 1106 1783 1170" style="background-color: white; color: #0070C0; border-radius: 15px; padding: 5px; display: inline-block;">2003 - IPO</div>

\* Sale of 2/3 of portfolio to GE and distributions to unitholders  
\*\* Total return calculation includes distributions and the latest reported NAV





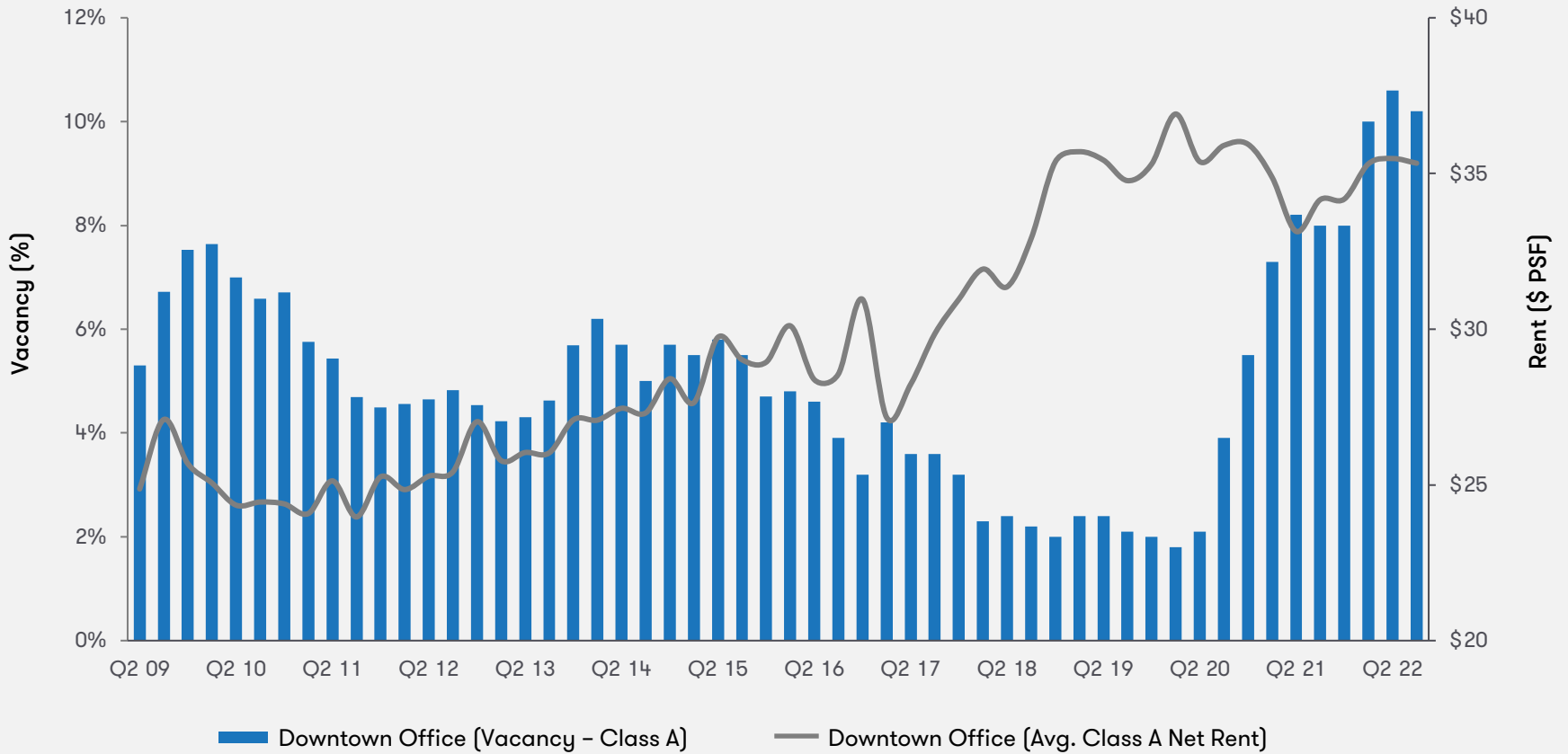
### Historical Vacancy and Absorption



\*Vacancy figures representative of vacancy % as at Q3 2022, Absorption figures are YTD 2022  
Source: CBRE



### Historical Class A Vacancy & Rent Growth\*



2022 data updated as at Q3 2022  
\*Source: CBRE





# Appendix VI: Toronto is the Fastest Growing City for Tech Employment



Between 2016 and 2021, Toronto had the most tech talent growth (+88,900 jobs), followed by Seattle and Vancouver.

\*Source: CBRE 2022 Scoring Tech Talent. U.S. Bureau of Labor Statistics (April 2022), Statistics Canada (2021).