

Investor Presentation

Dream Office REIT



February 2023

TSX:D.UN

Dream Office REIT

D.UN

Dream Office REIT (the “Trust” or “Dream Office”) is a premier office landlord in downtown Toronto with over 3.2 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.

84.4%

portfolio occupancy
(including committed)⁽¹⁾

5.1 million

square feet of gross
leasable area⁽²⁾

\$3.1 billion

Total assets⁽³⁾

3.2 million

square feet of Toronto
Downtown office space⁽²⁾

Updated as at Q4 2022.

Note 1 – Excluding properties under development, assets held for sale and investments in joint ventures. Note 2 – Includes properties under development, excluding assets held for sale and investments in joint ventures. Note 3 – Including assets held for sale.





2nd largest

Financial Services Centre in North America

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

~75%

of new immigrants in Ontario settle in Toronto

95.4

Global Liveability Index score

~40%

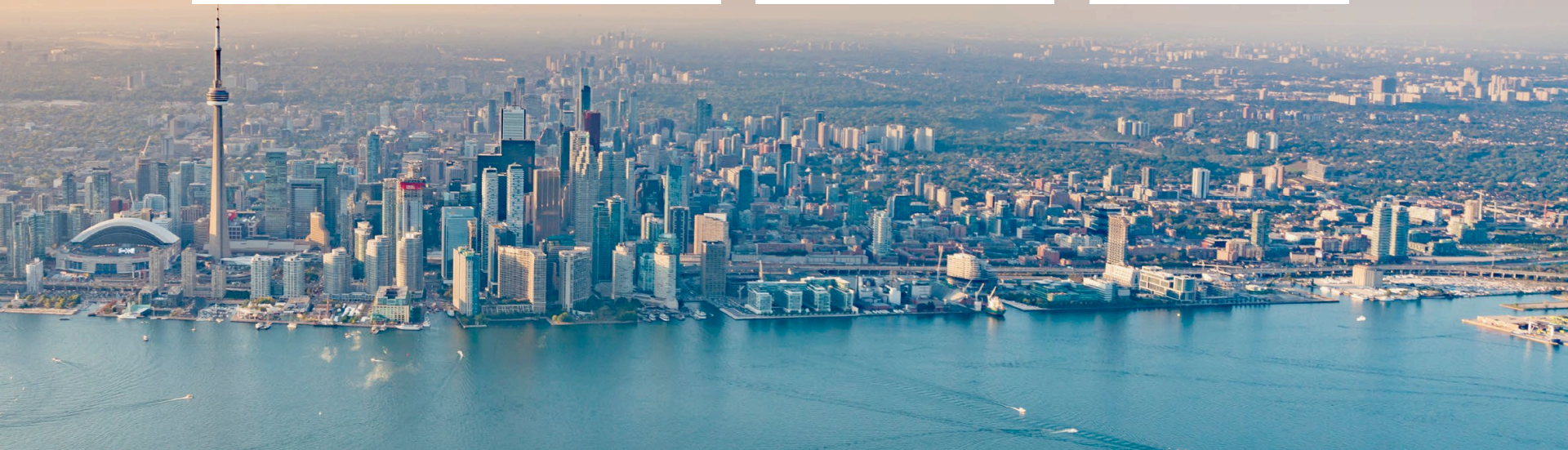
of Canada's Business Headquarters call Toronto home

#1

Fastest-growing city in Tech Employment in North America

~20%

of Canada's GDP





High concentration of well connected assets in Downtown Toronto

5.0 years

\$1.9 B

weighted average lease term in Toronto Downtown ⁽¹⁾

assets in Toronto Downtown ⁽¹⁾

87.7%

82%

in-place and committed occupancy in Toronto Downtown ⁽¹⁾

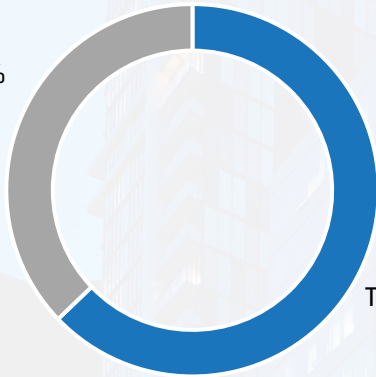
exposure in Toronto Downtown Office (by fair value) ⁽¹⁾

Note 1 – Excluding properties under development, properties held for sale, and joint ventures that are equity accounted as at December 31, 2022.



GLA by Region

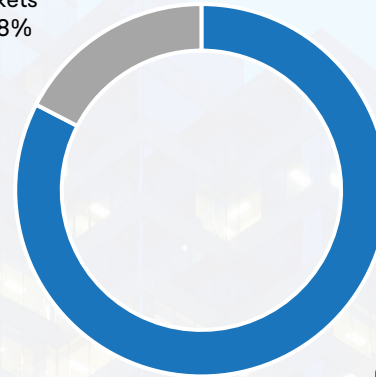
Other Markets
(1.9MM sf), 37%



Toronto Downtown
(3.2MM sf), 63%

Fair Value by Region

Other Markets
(\$0.4B), 18%



Toronto
Downtown
(\$1.9B), 82%

Note 1 – Excluding properties under development, properties held for sale, and joint ventures that are equity accounted as at December 31, 2022.



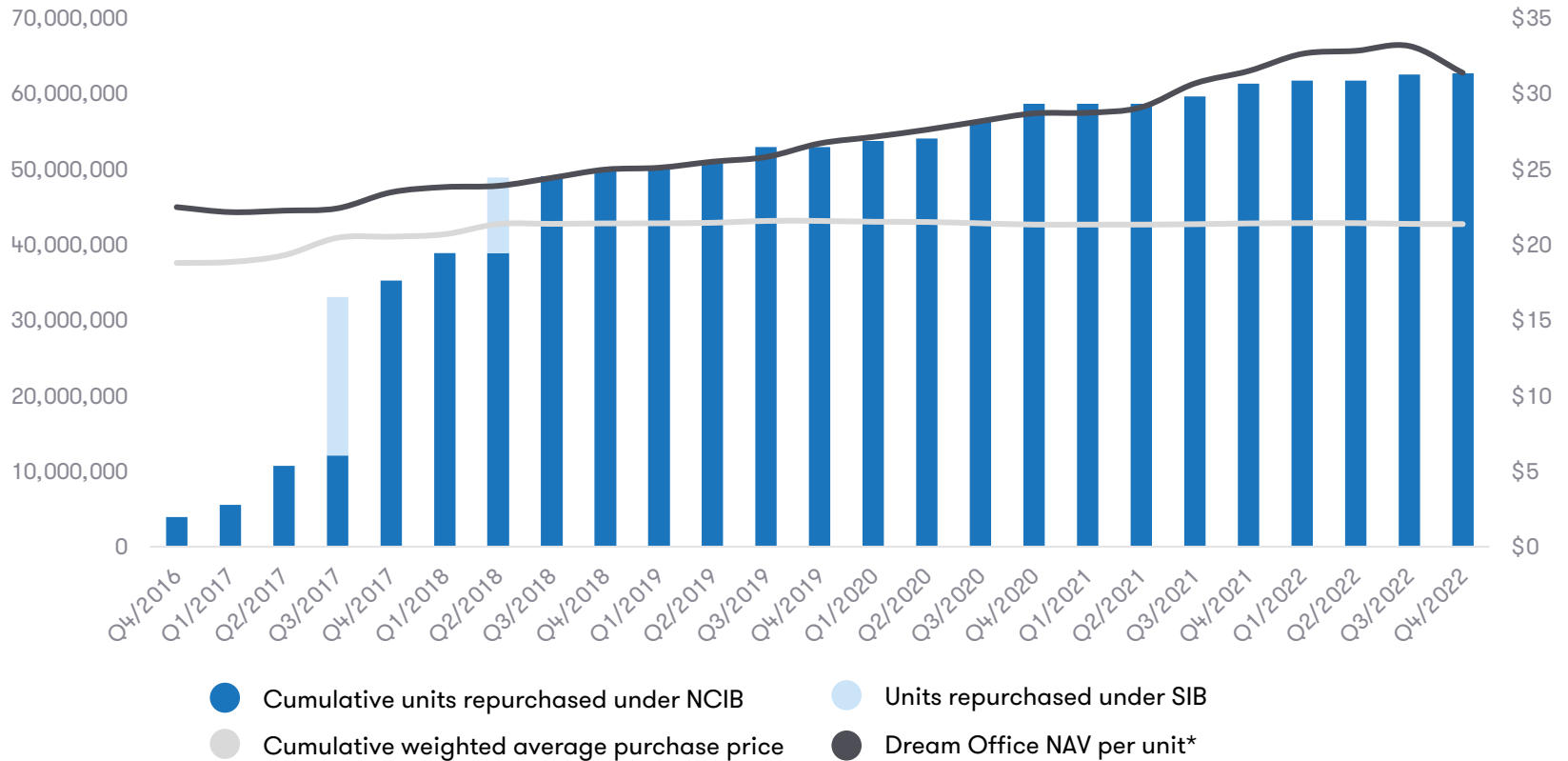
In Q4, we sold 720 Bay for **\$135M**, above the asset's IFRS value¹.

The property was pledged against our \$375M revolving credit facility.

We intend to use the proceeds from the sale to repay debt and opportunistically repurchase shares under our NCIB program.

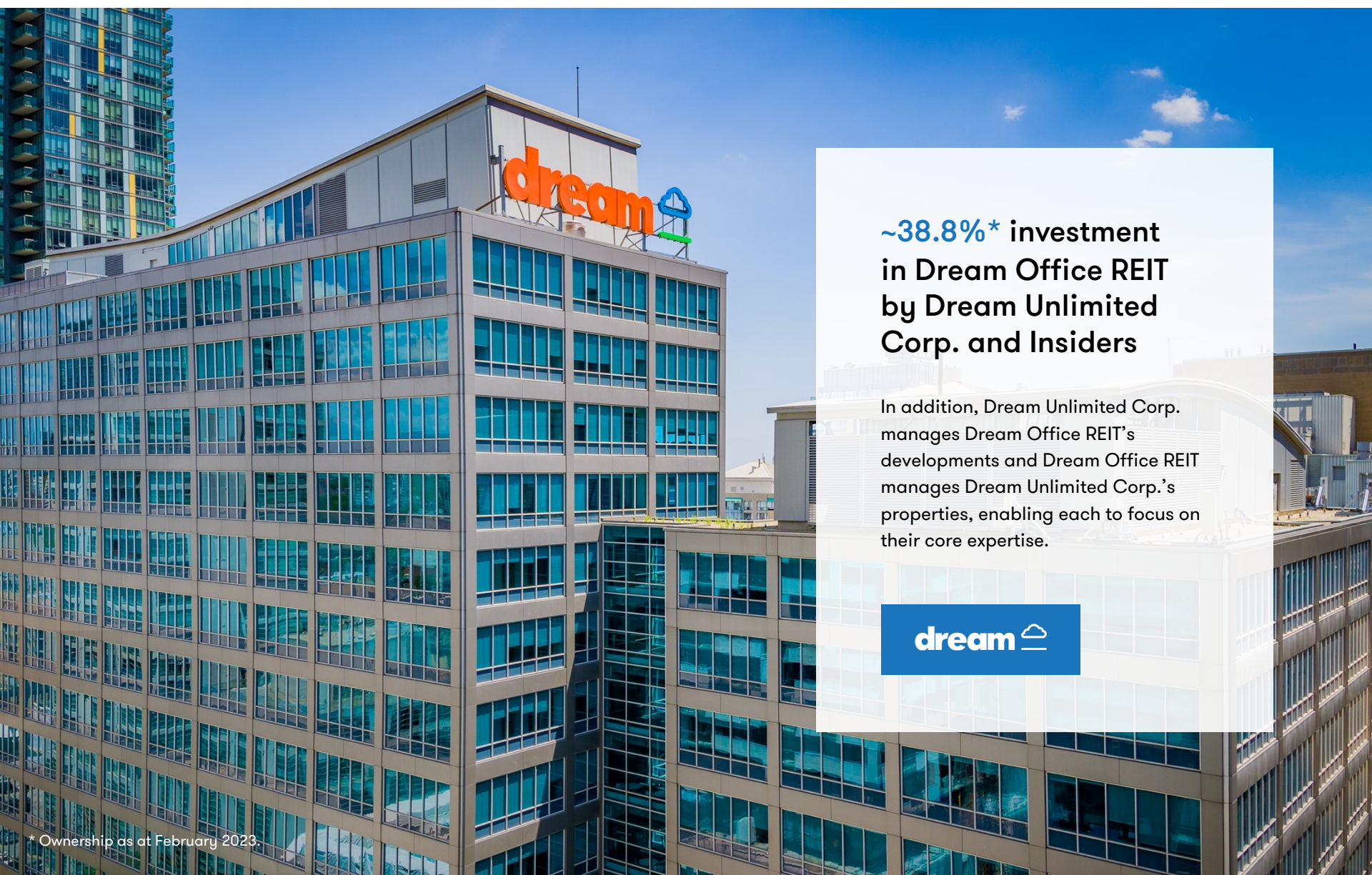
The transaction improves our leverage ratio and re-loads our balance sheet to buyback our units at below our NAV.

Note 1 - The transaction closed January 30, 2023



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. For additional information, please refer to the cautionary statements under the heading "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" in this presentation.



~38.8%* investment in Dream Office REIT by Dream Unlimited Corp. 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 core expertise.



* Ownership as at February 2023.



44.6%

Level of Debt*

\$172M

Available Liquidity*

\$116M

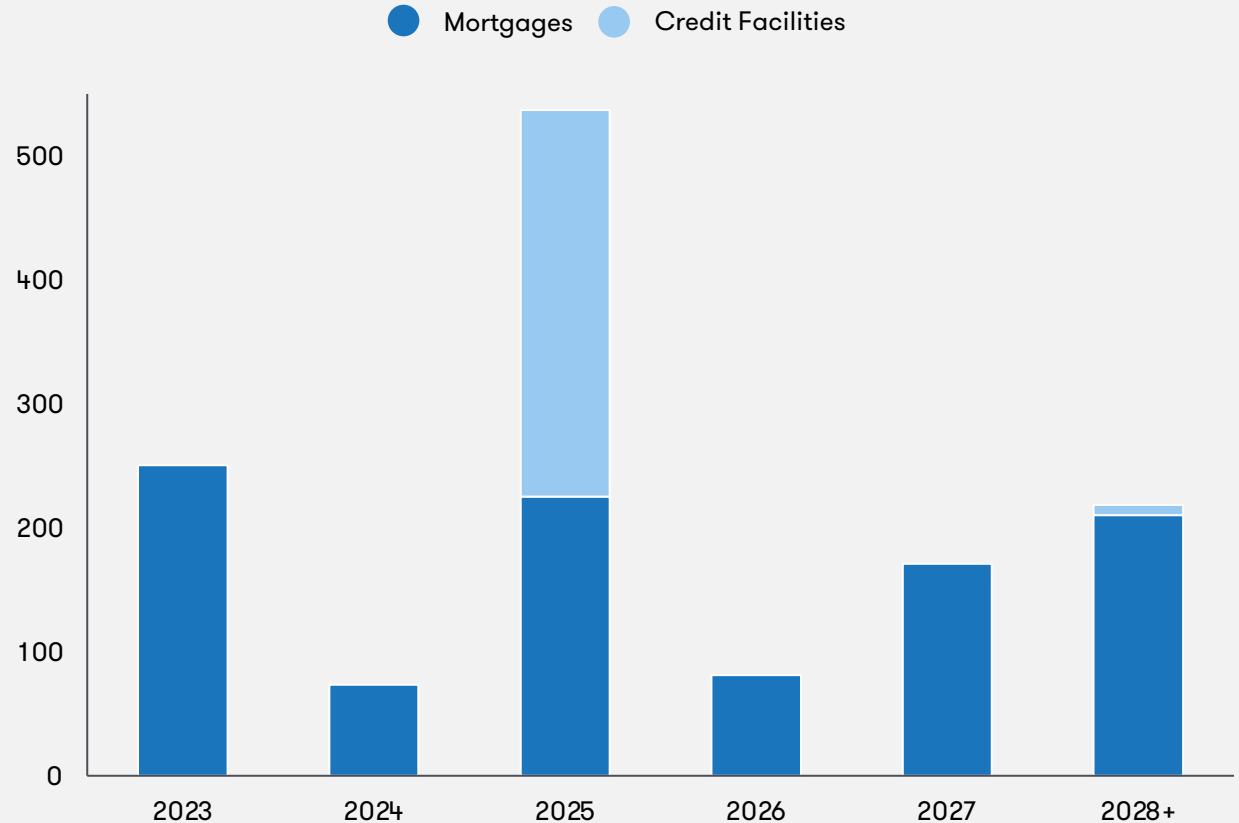
Unencumbered Assets*

19.8%

Variable Debt Exposure

4.42%

W.A. Face Rate of Interest



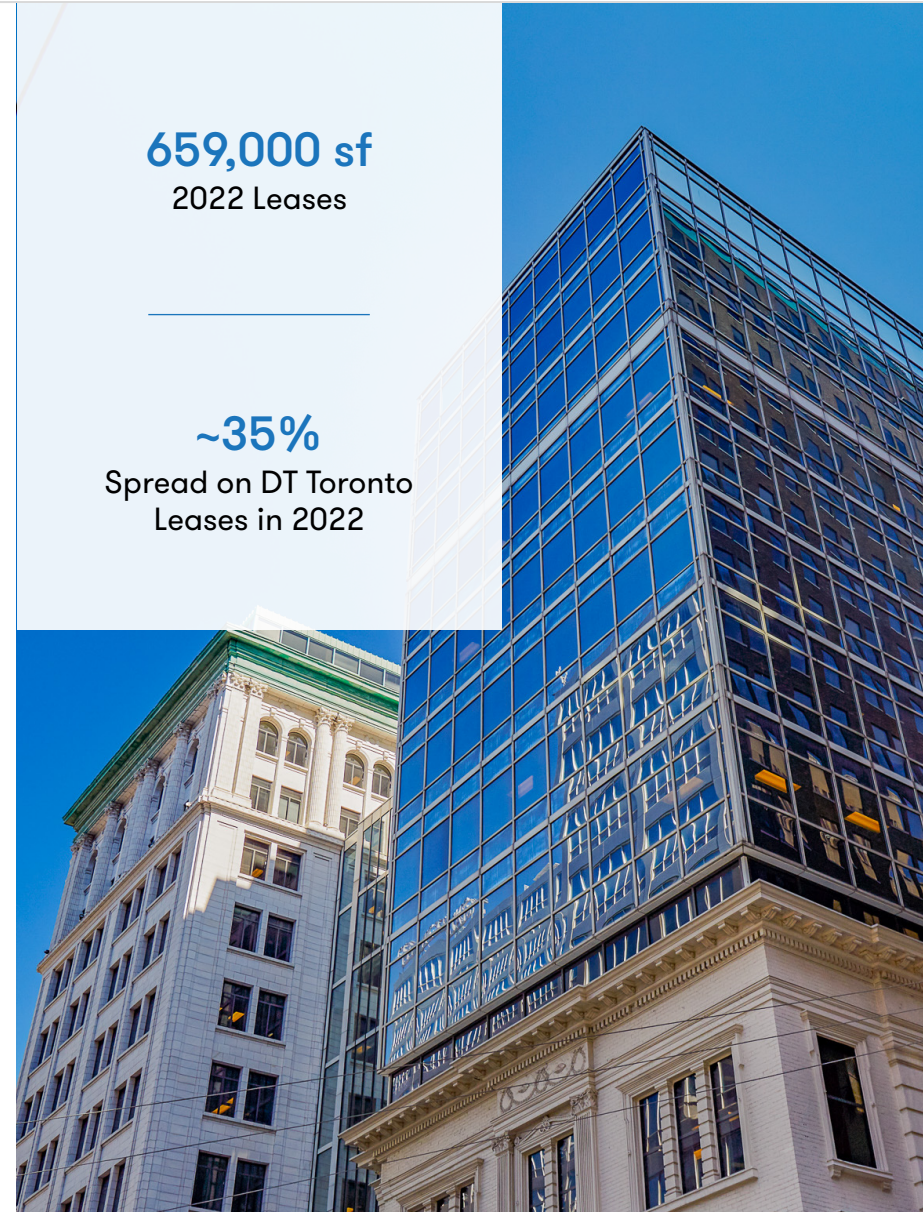
As at Q4 2022. *Level of Debt (also known as net total debt-to-net total assets) is a non-GAAP ratio that comprises net total debt (a non-GAAP financial measure) divided by net total assets (a non-GAAP financial measure). The most directly comparable financial measure to net total debt is total debt, and the most directly comparable financial measure to net total assets is total assets. 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. For additional information, please refer to the cautionary statements under the heading “Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures” in this presentation.



We have made meaningful progress in leasing:

- In 2022, we executed leases totaling approximately 659,000 sf across our portfolio. 575,000 square feet of leases in Toronto downtown were executed at rents 34.6% higher than the weighted average prior net rent on the same space.
- In 2022, the Trust has secured commitments for approximately 609,000 square feet, or 85%, of 2023 full-year portfolio natural lease expiries, consistent with pre-COVID leasing trends.

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



659,000 sf
2022 Leases

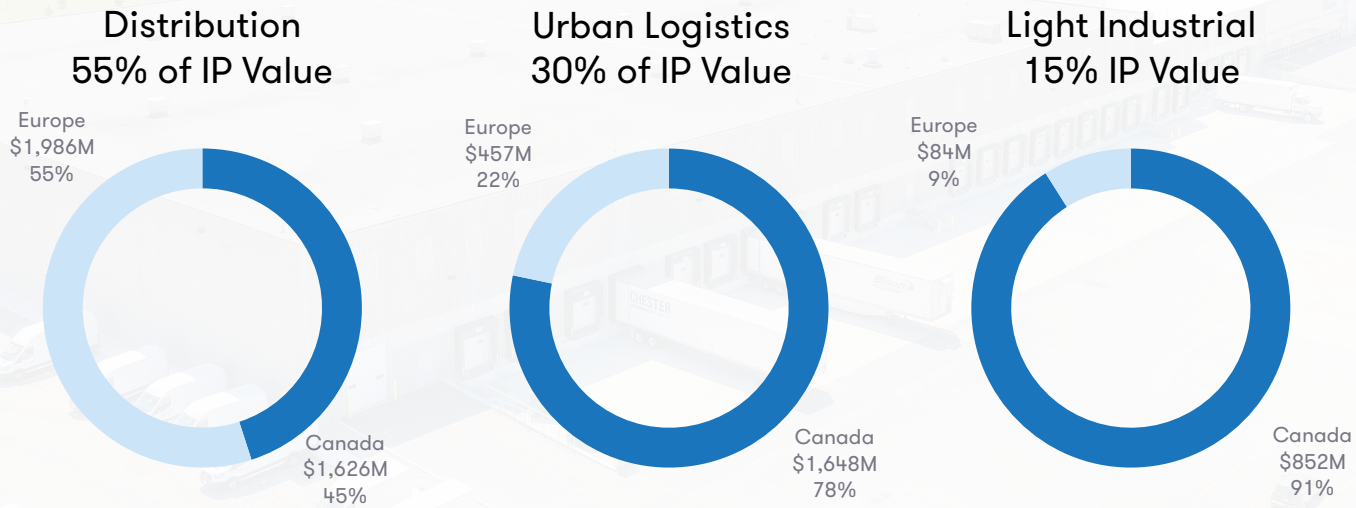
~35%
Spread on DT Toronto
Leases in 2022

* Spread excludes 54,000 sf of flexible workspace lease with percentage rents.

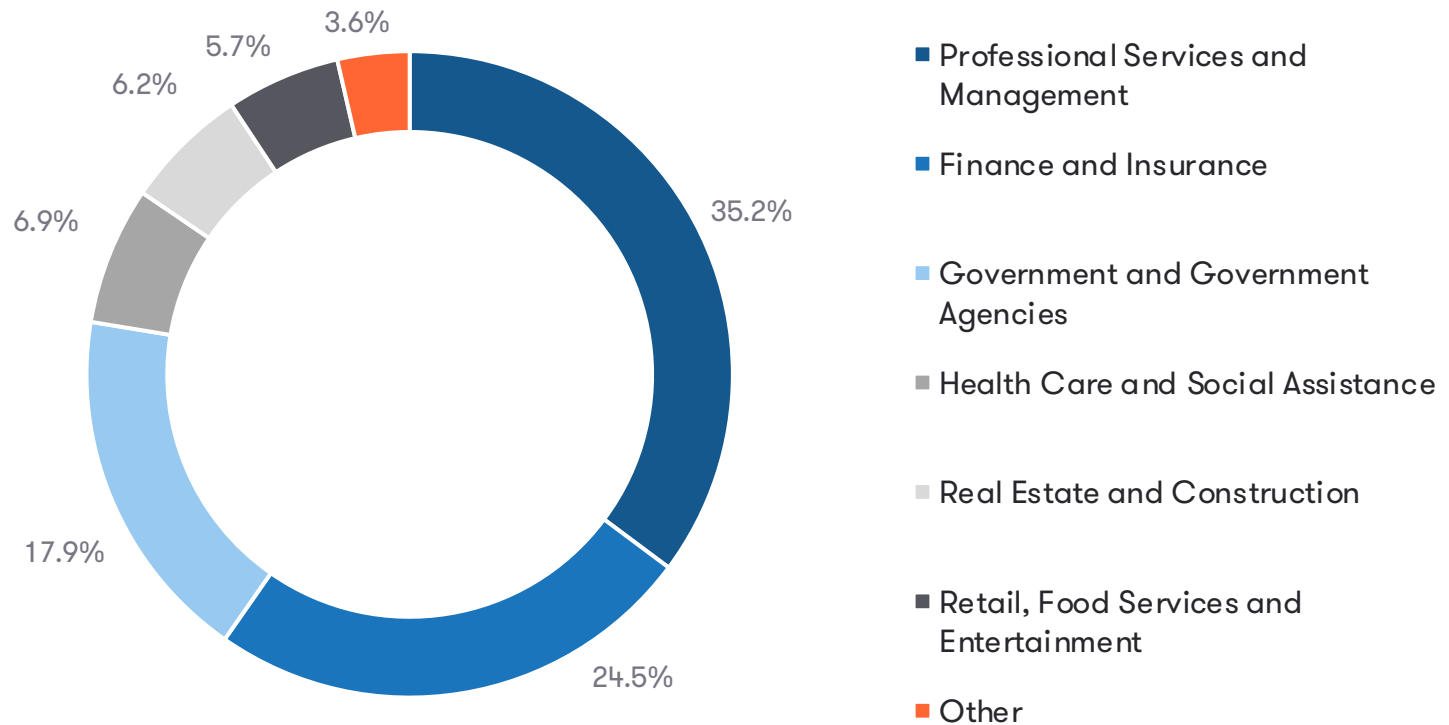


Dream Office REIT has a 9.7% interest in Dream Industrial REIT (\$398M* investment)

Dream Office REIT retained and generally increased number of units owned 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.



As at Q4 2022
* DIR.UN unit Price as at February 15, 2023.



Dream Office REIT has a **diversified tenant mix** across industries including Finance, Insurance, Government, Professional Services, Healthcare, Real Estate and Retail.



Rank	Tenant	% of Rent*	Investment Grade
1	 Government of Canada	9.4%	✓
2	 Ontario	6.6%	✓
3	 INTERNATIONAL FINANCIAL DATA SERVICES	3.6%	-
4	 usbank	2.6%	✓
5	 STATE STREET.	2.6%	✓
6	 co-operators	2.4%	✓
7	 MEDCAN	2.3%	-
8	 lae	2.2%	-
9	 wework	2.2%	-
10	 Veeva	1.6%	-

Top 10 tenants make up approximately **36%** of total annualized gross rent and **50%** of our top tenants have credit ratings of **A-** or higher



250 Dundas St. West



Rezoned

Current: 121,000 sf office building
Future: 503,000 sf¹ 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



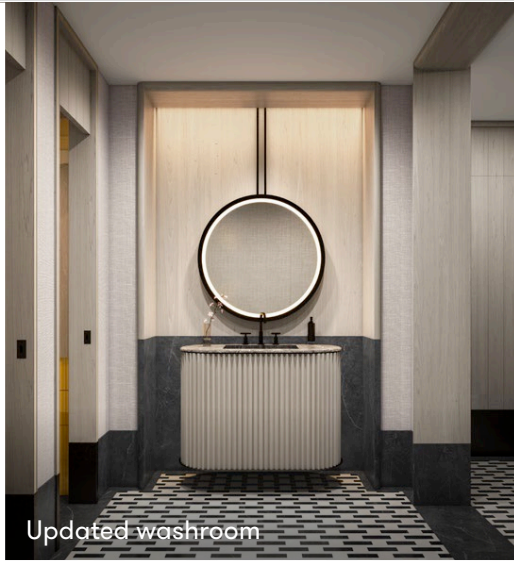
Rezoned

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



Exterior



Updated washroom

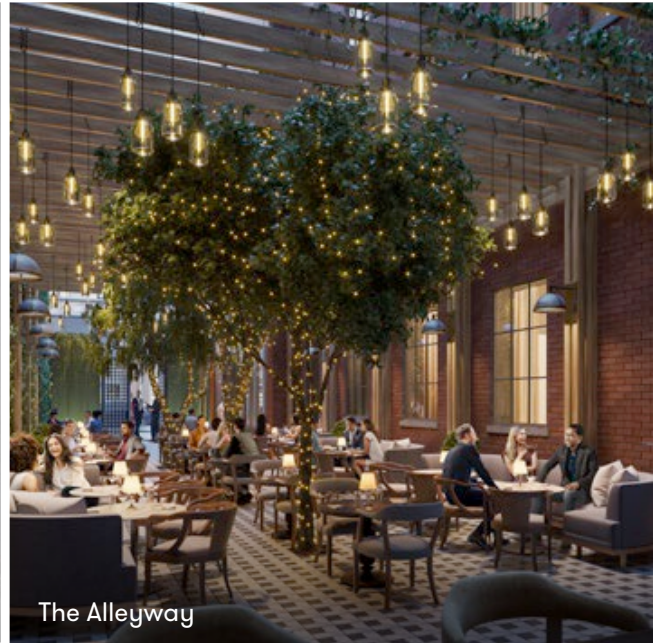


Conceptual rendering

Reclassification Start: Q1/21
Planned Completion: 2023
Est. Capital Spend: ~\$16M



Conceptual rendering



The Alleyway



Bay Street Collection

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



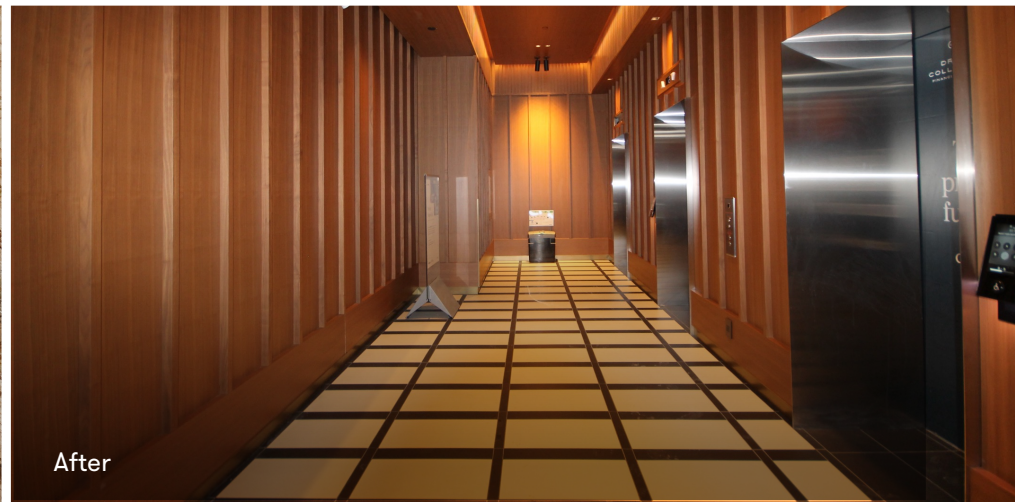
Before



After



Before



After



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.



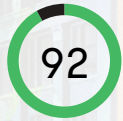
Taskforce on Climate-related Financial Disclosures

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 301 signatories and U.S.\$59 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.



Indicator	Target (v. 2019 baseline)	2019	2020	2021	% Change (v. 2019 baseline)
Energy consumption (ekWh)	10% reduction of energy consumption by 2025	170,417,623	141,298,958	146,268,282	-14%
Total GHG emissions (tCO ₂ e)	20% reduction of emissions by 2025, 50% reduction by 2030, 100% reduction by 2035 (within investment and emissions boundaries ⁽¹⁾)	25,994	21,283	20,822	-7%
Water consumption (m ²)	10% reduction of water consumption by 2025	405,633	274,097	258,502	-14%
Percentage of portfolio with a green building certification	100% certification (any program) of all Canadian office sites by 2025	96%	93%	97%	-

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 and 2021. 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 2021 ESG Report [\[link\]](#).



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 [\(link\)](#)



Sustainability-Linked Loans

In September 2022, Dream Office REIT negotiated a sustainability-linked pricing adjustment on our main corporate revolving credit facilities relating to GHG intensity and green building certifications.

Under the newly negotiated terms, the pricing for the facilities will decrease or increase by up to five basis points for meeting, or failing to meet, the sustainability-related targets.



Gender Balance

- D.UN’s strength as an organization comes from our strong and diverse workforce.
- **50%** of D.UN Trustees are women.
- **47%** of managers are women.
- The firm is committed to ensuring a diverse workforce at executive and board levels

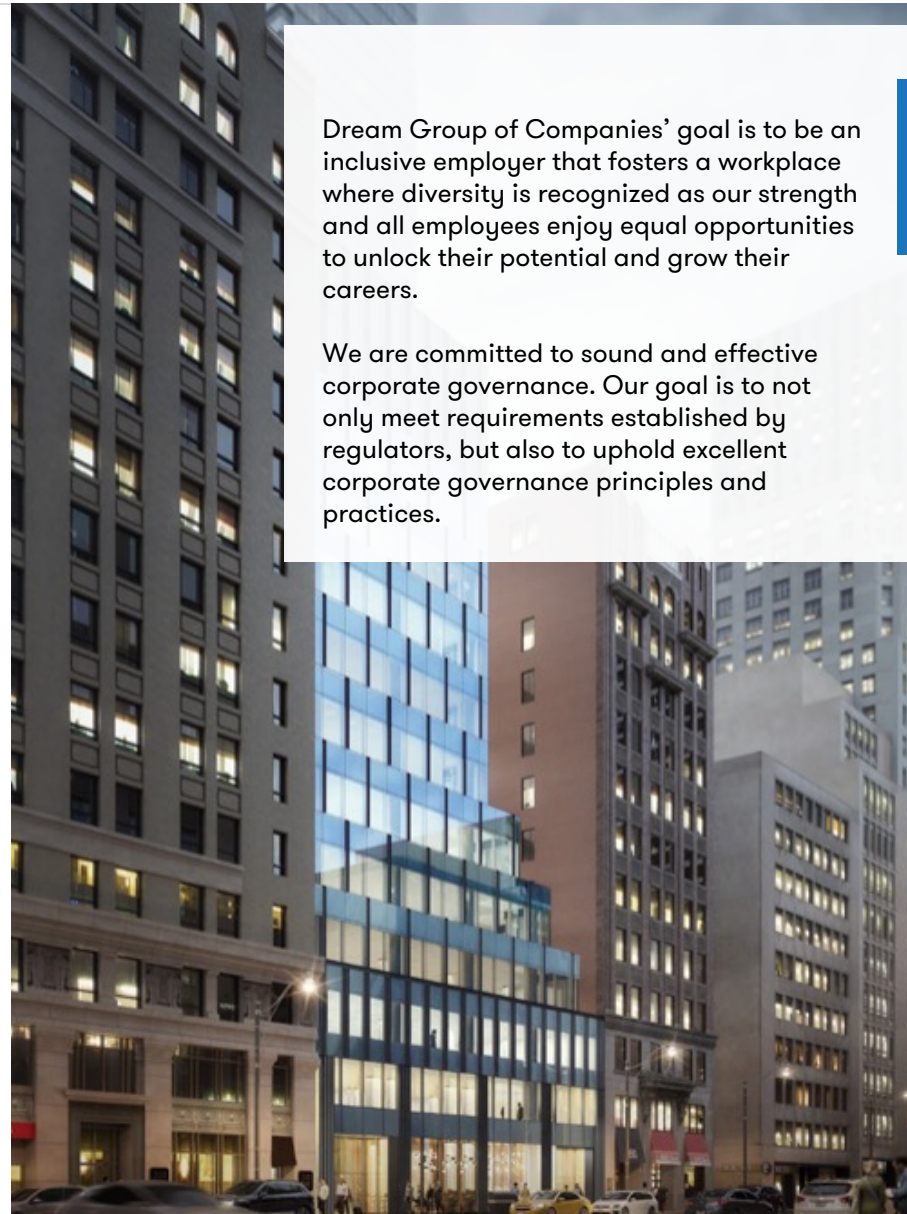
Employee development

- 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

- **75%** 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.

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



Dream Group of Companies’ goal is to be an inclusive employer that fosters a workplace where diversity is recognized as our strength and all employees enjoy equal opportunities to unlock their potential and grow their careers.

We are committed to sound and effective corporate governance. Our goal is to not only meet requirements established by regulators, but also to uphold excellent corporate governance principles and practices.

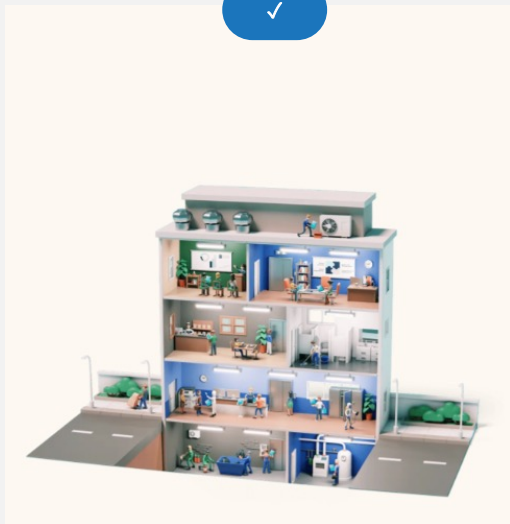


Investment in Alate - Using Technology to Rethink Real Estate

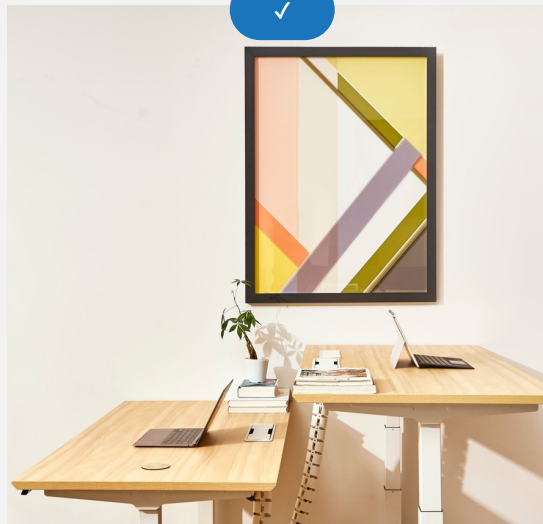
Alate Partners

Dream Office REIT, along with Dream Unlimited Corp., 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.

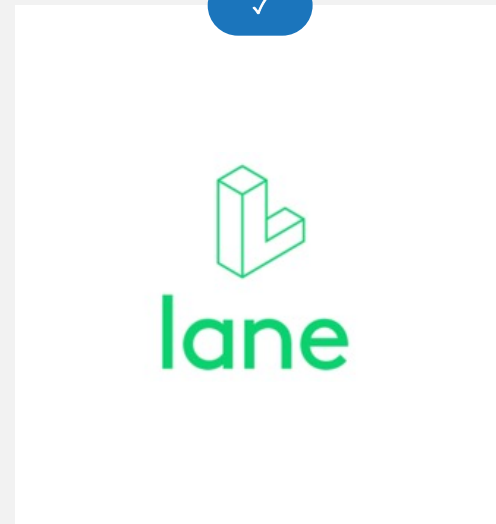
We invested in Alate and the ventures in 2018 and have since established a successful track record. In Q4 2021, a new Alate PropTech fund was formed around the vehicle's existing investments and outside investors were secured. The Trust maintains a 25% interest in the managing GP and is entitled to fees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



Eden



Branch



Lane



Feel free to contact us should you have any questions

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Jay Jiang
CFO
(416) 365-6638
jjiang@dream.ca



Michael J. Cooper

Chairman & CEO

Service: 26 Years

Industry Experience: 34 Years



Jay Jiang

CFO

Service: 8 Years

Industry Experience: 15 Years



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

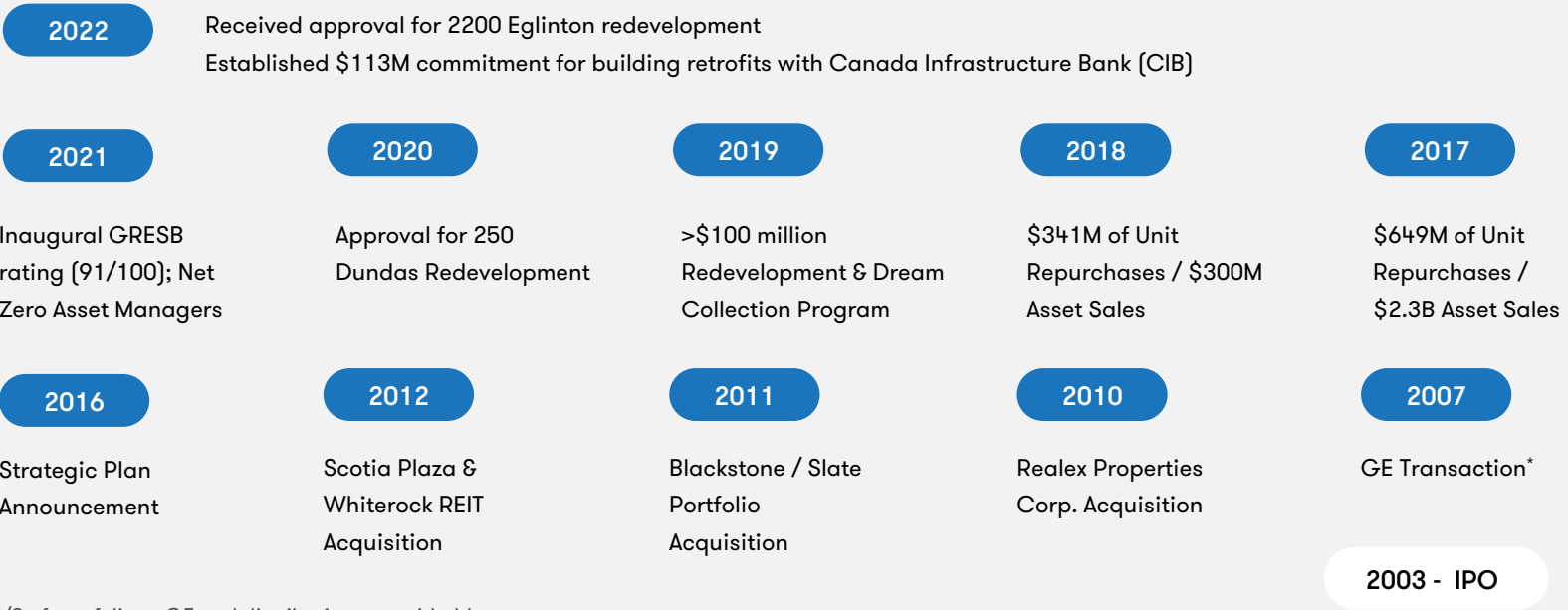
Independent



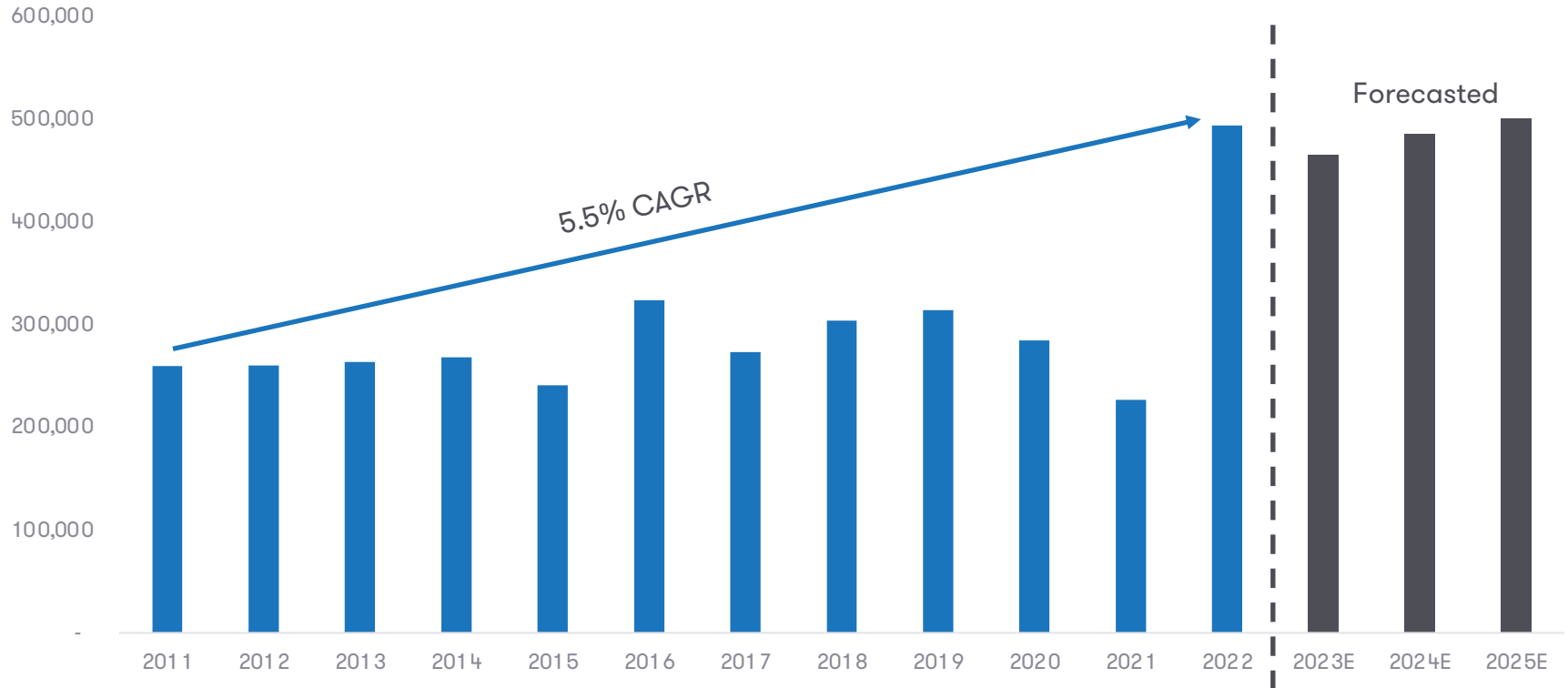
24% IRR** delivered to unitholders since our creation in 2003.

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.

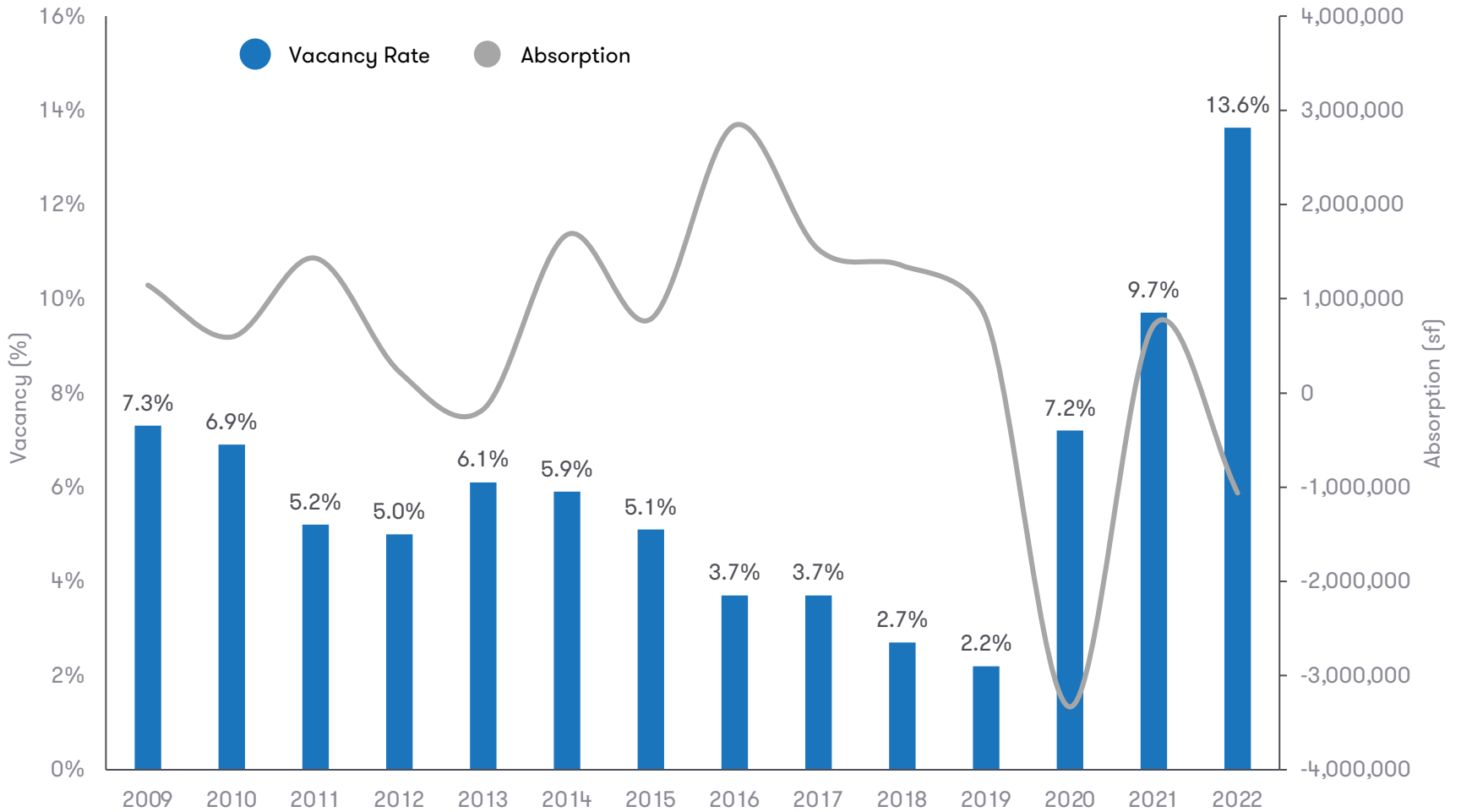


* Sale of 2/3 of portfolio to GE and distributions to unitholders
** Total return calculation includes distributions and the latest reported NAV

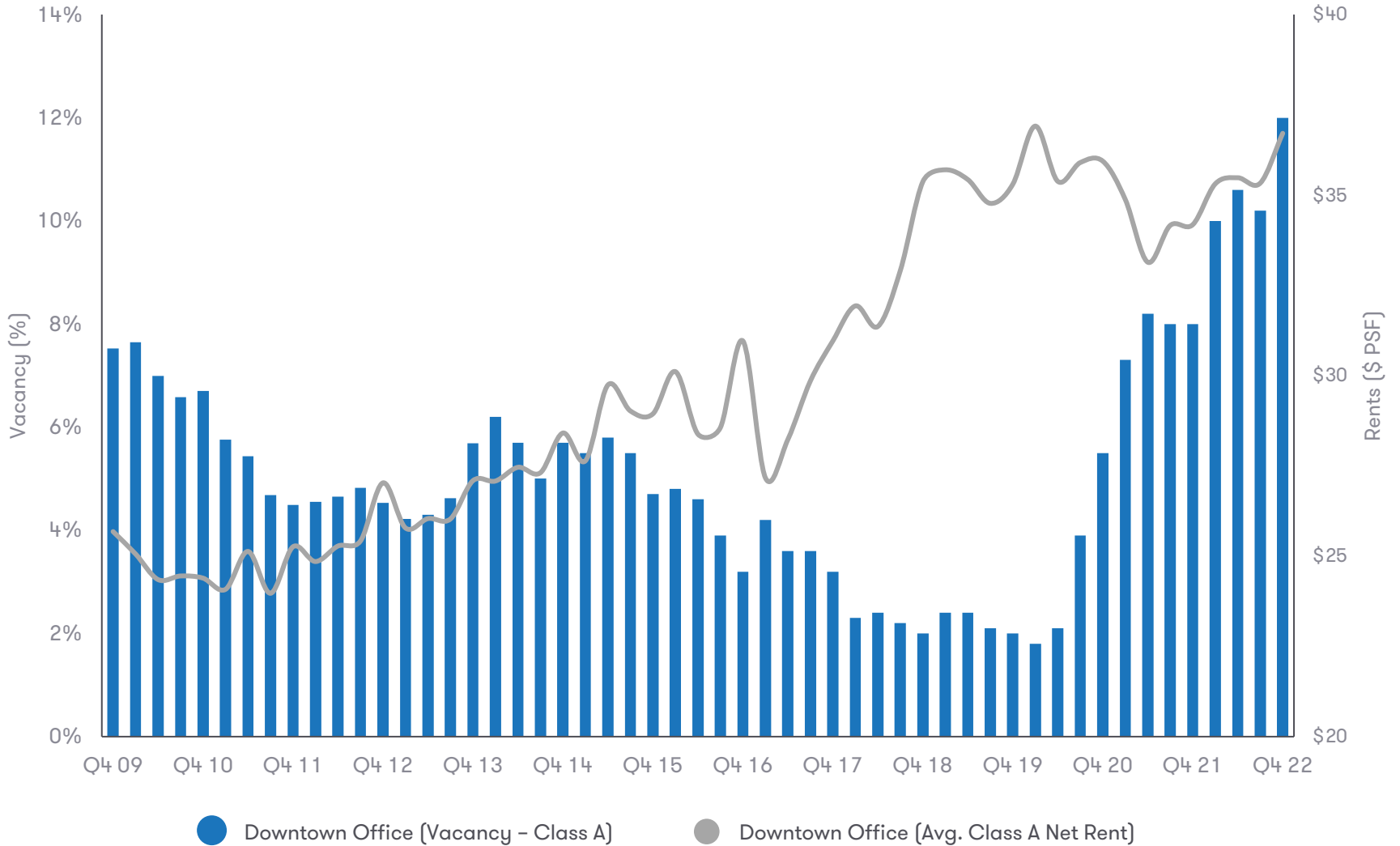


Canada is targeting **1.45** million immigrants between 2023 and 2025.
Toronto was the most popular destination for immigrants, accounting for over 30% of the new immigrant population in 2021.

*Source: Statistics Canada (2022)



*Vacancy figures representative of vacancy % as at Q4 2022, Absorption figures are for year end. Source: CBRE





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; the quality and competitive advantage of our assets; expected occupancy; the effect of building improvements on tenant experience and building quality, value and performance; opportunities for intensification, redevelopment and value creation; our intention to use the proceeds of the sale of 720 Bay to repay debt and repurchase shares under our normal course issuer bid program; the capitalization and quality of our balance sheet; our ability to manage capital and leverage; the ability of Dream Industrial REIT's management team to create long-term value; our development plans, including in respect of target square footage, use, completion timelines, and costs; our expectation that the revitalization of our Bay Street collection of assets will add value to such assets; our sustainability targets, including in respect of achieving net zero greenhouse gas emissions by 2035, making our buildings more sustainable, energy consumption, greenhouse gas emissions, water consumption, and building certifications; 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, independent trustee targets, and other governance commitments; Canada's immigration targets; 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; risks related to a potential economic slowdown in certain of the jurisdictions in which we operate and the effect inflation and any such economic slowdown 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 timing and extent of current and prospective tenants' return to the office; 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, inflation and interest rates will not materially increase beyond current market expectations, conditions within the real estate market remain consistent, 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.

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 December 31, 2022, dated February 16, 2023 (the "MD&A for Q4 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 Q4 2022 and can be found under the section "Supplementary financial measures and ratios and other disclosures". The MD&A for Q4 2022 is available on SEDAR at www.sedar.com under the Trust's profile and on the Trust's website at 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.