



DREAM OFFICE REIT ANNOUNCES \$178 MILLION BOUGHT DEAL SECONDARY OFFERING OF UNITS OF DREAM INDUSTRIAL REIT WITH INTENTION TO RETURN CAPITAL TO UNITHOLDERS

TORONTO, May 4, 2023, DREAM OFFICE REAL ESTATE INVESTMENT TRUST (D.UN-TSX) ("Dream Office REIT", the "Trust" or "we") today announced it has entered into an agreement to sell, on a bought deal basis, 12,500,000 units of Dream Industrial REIT (DIR.UN-TSX) (the **"DIR Units"**) at a price of \$14.20 per DIR Unit to a syndicate of underwriters led by TD Securities Inc. (the **"Underwriters"**) for total gross proceeds of approximately \$177.5 million (the **"Secondary Offering"**). Closing of the Secondary Offering is subject to certain customary conditions. The Secondary Offering is expected to close on or about May 16, 2023.

The Trust intends to use the net proceeds from the Secondary Offering, together with cash on hand and drawings under the Trust's existing credit facility to fund the commencement of a substantial issuer bid (the **"SIB Offer"**) pursuant to which the Trust will offer to purchase up to 12,500,000 of its outstanding REIT units, Series A (**"REIT A Units"**) at a purchase price of \$15.50 per REIT A Unit in cash (the **"Purchase Price"**).

Consistent with the Trust's strategy of maximizing net asset value (**"NAV"**) per unit for our unitholders, the Trust's Board of Trustees has authorized the commencement of the SIB Offer as it allows the Trust to monetize a portion of its holdings of 26,039,307 units of Dream Industrial REIT and to offer our unitholders the option to either access liquidity by selling their REIT A Units for cash at a premium to the current trading price of the REIT A Units or potentially increase their ownership in the Trust.

Holders of LP Class B Units, Series 1 of Dream Office LP (**"LP B Units"**), a subsidiary of the Trust, will be permitted to participate in the SIB Offer by tendering their LP B Units on an as-exchanged basis.

The Purchase Price represents a 23% premium over the closing price of the REIT A Units on the Toronto Stock Exchange on May 4, 2023, the last full trading day prior to this announcement. As at March 31, 2023, the NAV per unit of Dream Office REIT was \$31.50 and the NAV per unit of Dream Industrial REIT was \$17.03.

Relative to the Trust's NAV per unit of \$31.50¹ as at March 31, 2023, provided the SIB Offer is successful and fully tendered, the Trust's pro forma NAV per unit is expected to be approximately \$35.85, before transaction costs and fees.

Dream Unlimited Corp. (**"Dream"**) has advised the Trust that it intends to participate in the SIB Offer, although Dream expects to make a determination of the number of REIT A Units or LP B Units to tender closer to the expiration date of the SIB Offer based on prevailing market conditions and other factors at that time.

"Dream Office has an exceptional portfolio of office properties. The Trust's ownership in Dream Industrial REIT units represent in excess of 60% of the overall market cap of the Trust. The SIB Offer represents unit repurchases at approximately 51% discount to March 31, 2023 NAV per unit and provides unitholders the ability to maintain the same exposure to the office assets while receiving approximately 31% of the market capitalization of Dream Office. Each unitholder can choose to increase their ownership of Dream Office or more or less maintain their ownership per cent and reduce their capital investment. We will look to opportunistically sell or partner on our existing assets to continually reduce leverage and increase the value of our business," said Michael Cooper, Chief Executive Officer of Dream Office REIT.



Details of the SIB Offer

Details of the SIB Offer, including instructions for tendering REIT A Units to the SIB Offer and the factors considered by the Board of Trustees in making its decision to approve the SIB Offer, will be included in the formal offer to purchase and issuer bid circular and other related documents (the “Offer Documents”), which are expected to be mailed to unitholders, filed with applicable Canadian Securities Administrators and made available free of charge on or about May 10, 2023 on SEDAR at www.sedar.com and on the Trust’s website at www.dreamofficereit.ca. Unitholders should carefully read the Offer Documents prior to making a decision with respect to the SIB Offer. The SIB Offer will not be conditional on any minimum number of REIT A Units being tendered, but will be subject to various other conditions that are typical for a transaction of this nature.

The SIB Offer will expire at 5:00 p.m. Eastern time on June 19, 2023, unless terminated or extended by the Trust. If more than 12,500,000 REIT A Units are properly tendered to the SIB Offer, the Trust will take-up and pay for the tendered REIT A Units on a pro-rata basis according to the number of REIT A Units tendered, except that “odd lot” tenders (holders beneficially owning fewer than 100 REIT A Units) will not be subject to pro-rata. Assuming that 12,500,000 REIT A Units are purchased pursuant to the SIB Offer, the aggregate purchase price pursuant to the SIB Offer will be \$193,750,000. The Trust intends to fund the SIB Offer with a combination of proceeds from the DIR Offering, cash on hand and drawings under the Trust’s existing credit facility.

Our Board of Trustees has obtained an opinion from Cormark Securities Inc. to the effect that, based on and subject to the assumptions and limitations stated in such opinion, there is a liquid market for our REIT A Units as of May 4, 2023 and it is reasonable to conclude that, following the completion of the SIB Offer in accordance with its terms, there will be a market for unitholders who do not tender to the SIB Offer that is not materially less liquid than the market that existed at the time of the making of the SIB Offer. A copy of the opinion of Cormark Securities Inc. will be included in the Issuer Bid Circular.

Our Board of Trustees has authorized the making of the SIB Offer. However, our Board of Trustees is not making any recommendation to any Dream Office REIT unitholder as to whether to tender or refrain from tendering their REIT A Units under the SIB Offer. Unitholders are strongly urged to consult their own financial, tax and legal advisors and to make their own decisions whether to tender or to refrain from tendering their REIT A Units to the SIB Offer and, if so, how many REIT A Units to tender.

Any questions or requests for information may be directed to Computershare Investor Services Inc., as the depositary for the SIB Offer, at 1-800-564-6253 (Toll Free).

About Dream Office REIT

Dream Office REIT is an unincorporated, open-ended real estate investment trust. Dream Office REIT 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. For more information, please visit our website at www.dreamofficereit.ca.



FOOTNOTE

- (1) NAV per unit is a non-GAAP ratio. NAV per unit is calculated as Total equity (including LP B Units) (a non-GAAP financial measure) divided by the total number of REIT A Units and LP B Units outstanding as at the end of the period. Total equity (including LP B Units) is a non-GAAP measure. The most directly comparable financial measure to total equity (including LP B Units) is equity. For a reconciliation of total equity (including LP B Units) to equity, please see the section “Non-GAAP Financial Measures and Ratios” in the Management’s Discussion & Analysis of Dream Office REIT which section is incorporated by reference herein and as filed under Dream Office REIT’s profile on SEDAR at www.sedar.com. For further information on this non-GAAP financial measure please refer to the statements under the heading “Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures” in this press release.

FORWARD LOOKING INFORMATION

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding our strategy of maximizing NAV per unit, our ability to opportunistically sell or partner on existing assets, our ability to increase the value of the Trust’s business, the anticipated closing of the DIR Offering; the use of net proceeds from any financings, including the net proceeds from the DIR Offering; our intention to undertake the SIB Offer and the terms thereof, including the aggregate number and purchase price of the REIT A Units we may purchase under the SIB Offer, the expected expiration time of the SIB Offer, the sources and availability of funding for the SIB Offer, the anticipated reduction in the number of outstanding REIT A Units following successful completion of the SIB Offer; and the Trust’s pro forma NAV per unit following the following successful completion of the SIB Offer. 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, including in respect of real estate; mortgage and interest rates and regulations; inflation; risks related to a potential recession or economic slowdown in certain of the jurisdictions in which we operate and the effect inflation and any such recession or economic slowdown may have on market conditions and lease rates; the uncertainties around the availability, timing and amount of future equity and debt financings; development risks including construction costs, the project timings and the availability of labour; NOI from development properties on completion; the impact of the COVID-19 pandemic on the Trust; the effect of government restrictions on leasing and building traffic; employment levels; the uncertainties around the timing and amount of future financings; 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, which include but are not limited to: that the general economy remains stable; our interest costs will be relatively low and stable; that we will have the ability to refinance our debts as they mature; inflation and interest rates will not materially increase beyond current market expectations; conditions within the real estate market remain consistent; the timing and extent of current and prospective tenants’ return to the office; our future projects and plans will proceed as anticipated; that government restrictions due to COVID-19 on the ability of us and our tenants to operate their businesses at our properties 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 to fund our future projects and plans. All forward-looking information in this press release speaks as of the date of this press release. 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 management's discussion and analysis ("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 press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including total equity (including LP B Units) and non-GAAP ratios, including NAV per unit, as well as other measures discussed elsewhere in this release. These non-GAAP financial measures and ratios are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. The Trust has presented such non-GAAP financial measures and non-GAAP ratios as Management believes they are relevant measures of the Trust's underlying operating and financial performance. Certain additional disclosures such as the composition, usefulness and changes, as applicable, of the non-GAAP financial measures and ratios included in this press release are expressly incorporated by reference from the MD&A for the first quarter of 2023 and can be found under the section "Non-GAAP Financial Measures and Ratios" and sub-heading labelled "NAV per Unit". The MD&A for the first quarter of 2023 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 financial 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.

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