DREAM OFFICE REIT REPORTS Q2 2023 RESULTS

This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release. All dollar amounts in our tables are presented in thousands of Canadian dollars, except for rental rates and per unit amounts, unless otherwise stated.

TORONTO, AUGUST 3, 2023, DREAM OFFICE REAL ESTATE INVESTMENT TRUST (D.UN-TSX) ("Dream Office REIT", the "Trust" or "we") today announced its financial results for the three months ended June 30, 2023 and provided a business update.

OPERATIONAL HIGHLIGHTS

(unaudited)

			As at
	June 30, 2023	March 31, 2023	June 30, 2022
Total properties(1)			
Number of active properties	**26**	26	28
Number of properties under development	**2**	2	2
Gross leasable area (in millions of square feet)	**5.1**	5.1	5.5
Investment properties value	**$ 2,363,523**	$ 2,386,395	$ 2,603,123
Total portfolio(2)			
Occupancy rate – including committed (period-end)(3)	**83.9%**	84.0%	85.0%
Occupancy rate – in-place (period-end)(3)	**80.9%**	80.2%	81.6%
Average in-place and committed net rent per square foot (period-end)	**$ 25.33**	$ 25.13	$ 23.35
Weighted average lease term (years)	**5.0**	5.2	5.3

See footnotes at end.

		Three months ended
	June 30, 2023	June 30, 2022
Operating results		
Funds from operations ("FFO")(4)	**$ 17,507**	$ 20,332
Comparative properties net operating income ("NOI")(5)	**27,750**	26,739
Net rental income	**25,296**	26,181
Net income (loss)	**(49,706)**	65,922
Per unit amounts		
Diluted FFO per unit(6)	**$ 0.35**	$ 0.38
Distribution rate per Unit	**0.25**	0.25

See footnotes at end.

"In the second quarter, we were able to return 31% of the market capitalization of Dream Office REIT to its unitholders by selling 12.5 million units of our investment in Dream Industrial REIT and buying back 12.5 million units of Dream Office REIT and continue to own the same portfolio of properties," said Michael Cooper, Chief Executive Officer of Dream Office REIT. *"With fewer units outstanding, gains in occupancy and net operating income will have an even more profound effect on unitholder values as we continue to see increased activity in our downtown Toronto portfolio, complete development approvals and increase our comparative properties net operating income."*

- **Net income for the quarter:** For the three months ended June 30, 2023, the Trust generated a net loss of $49.7 million. Included in net loss for the three months ended June 30, 2023 are negative fair value adjustments to investment properties totalling $38.9 million across the portfolio and net loss from our investment in Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT") totalling $33.7 million primarily due to the sale of 12,500,000 units at a price below IFRS carrying value during the quarter, partially offset by net rental income totalling $25.3 million and positive fair value adjustments to financial instruments totalling $14.7 million, primarily due to the revaluation of the subsidiary redeemable units as a result of a decrease in the Trust's unit price.

- **Diluted FFO per unit[6] for the quarter:** For the three months ended June 30, 2023, diluted FFO per unit decreased by $0.03 per unit to $0.35 per unit relative to $0.38 per unit in Q2 2022, driven by a lower share of FFO[4] from our investment in Dream Industrial REIT (-$0.02) due to the sale of 12,500,000 units during the quarter, lower net rental income from sold properties (-$0.02) and higher interest expense (-$0.02), partially offset by higher comparative properties NOI (+$0.02) and the accretive effect of repurchases under the normal course issuer bid ("NCIB") and substantial issuer bid ("SIB") (+$0.01).
- **Net rental income for the quarter:** Net rental income for the three months ended June 30, 2023 decreased by 3.4%, or $0.9 million, over the prior year comparative quarter primarily due to the sale of 720 Bay Street in Q1 2023.
- **Comparative properties NOI[5] for the quarter:** For the three months ended June 30, 2023, comparative properties NOI increased by 3.8%, or $1.0 million, over the prior year comparative quarter, primarily driven by higher in-place net rents across the portfolio from rent step ups and higher rates on new leases and renewals. Partially offsetting the increases was lower weighted average in-place occupancy in both regions. The increase in comparative properties NOI was primarily driven by a year-over-year increase of 5.1%, or 1.0 million, in Toronto downtown due to rent step ups and higher rates on new leases and renewals.
- **In-place occupancy**: Total portfolio in-place occupancy on a quarter-over-quarter basis increased by 0.7% relative to Q1 2023. In Toronto downtown, in-place occupancy increased by 1.5% relative to Q1 2023 as 86,000 square feet of new lease commencements and 39,000 square feet of renewals were partially offset by 80,000 square feet of expiries. In the Other markets region, in-place occupancy decreased by 0.7% relative to Q1 2023 as 14,000 square feet of expiries were partially offset by 2,000 square feet of renewals.

  Total portfolio in-place occupancy on a year-over-year basis decreased from 81.6% at Q2 2022 to 80.9% this quarter due to negative absorption in Toronto downtown and the sale of the fully-occupied 720 Bay Street in Q1 2023 along with negative absorption in Other markets, partially offset by the sale of Princeton Tower in Saskatoon in Q3 2022.
- **Lease commencements for the quarter:** For the three months ended June 30, 2023, excluding temporary leasing, 117,000 square feet of leases commenced in Toronto downtown, including a 54,000 square foot lease with a flexible workspace provider where rents comprise a share of the tenant's net revenues. The remaining 63,000 square feet of lease commencements were at net rents of $35.30 per square foot, or 21.7% higher than the previous rent in the same space with a weighted average lease term of 4.2 years. In the Other markets region, a 2,000 square feet lease commenced at $25.00 per square foot, flat when compared to previous rents in the same space with a lease term of one year.

  The renewal and relocation rate to expiring rate spread for the quarter was 15.3% above expiring rates on 41,000 square feet of renewals.

BUSINESS UPDATE

As at June 30, 2023, the Trust had $2.7 billion of total assets, $2.4 billion of investment properties and $1.3 billion of total debt.

During Q2 2023, the Trust executed leases totalling approximately 56,000 square feet across our portfolio. In Toronto downtown, the Trust executed 53,000 square feet of leases at a weighted average initial net rent of $34.62 per square foot, or 18.9% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 3.2 years. In the Other markets region, comprising our properties located in Calgary, Saskatoon, Regina, Mississauga, Scarborough and the United States ("U.S."), we executed leases totalling 3,000 square feet at a weighted average net rent of $27.74 per square foot, an increase of 9.8% from the weighted average prior net rent on the same space, with a weighted average lease term of 3.2 years. Subsequent to June 30, 2023, the Trust executed a further 53,000 square feet of leases in Toronto downtown at a weighted average initial net rent of $37.17 per square foot, or 54.8% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 12.6 years. In addition, the Trust has a further 229,000 square foot of deals which are conditional or in advanced stages of negotiations at a weighted average initial net rent of $27.13 per square foot, or 11.8% higher than the weighted average prior net rent per square foot on the same space with a weighted average lease term of 5.4 years.

Since the beginning of the year to today's date, the Trust has executed leases totalling approximately 294,000 square feet across our portfolio. In Toronto downtown, the Trust has executed 283,000 square feet of leases at a weighted average initial net rent of $33.04 per square foot, or 18.7% higher than the weighted average prior net rent per square foot on the same

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space, with a weighted average lease term of 6.4 years. In the Other markets region, the Trust has executed leases totalling 11,000 square feet at a weighted average initial net rent per square foot of $21.67, or 7.9% higher than the weighted average prior net rents on the same space, with a weighted average lease term of 2.7 years.

To date, the Trust has secured commitments for approximately 742,000 square feet, or 107%, of 2023 full-year natural lease expiries. In Toronto downtown, 14,000 square feet is currently being held intentionally vacant for retail repositioning and property improvement purposes.

Touring volume has been healthy and relatively in line with pre-COVID levels. However, the time to complete deals has stretched out as tenants take longer to make decisions. For leases completed over the course of the year, we continue to see strong net rents; however, leasing costs are elevated relative to historical norms as tenants are putting more emphasis on upgrading their workspace to attract employees back into the office as well as higher material and labour costs. Demand for built out space is increasing as tenants seek to minimize downtime and capital while maximizing flexibility. We have developed eight turnkey spaces totalling 37,000 square feet to meet this demand, of which five suites totalling 22,000 square feet have been leased. We are seeing strong interest from prospective tenants for the remaining three suites.

During Q2 2023, we successfully completed the launch of premium restaurant Daphne in the ground floor retail space at 67 Richmond Street West alongside our joint venture partner, INK Entertainment. Since the beginning of 2022, as part of our strategy to pursue premium retail offerings at our properties, we have completed 52,000 square feet of restaurant leases in the downtown core at weighted average initial net rents of $54.44 per square foot, or 24.8% higher than the weighted average prior net rents on the same space, escalating to an average net rent of approximately $70.00 per square foot over the terms of the leases with a weighted average lease term of 14.1 years. For certain restaurant leases, the Trust has revenue participation rights over and above the contractual net rents. These restaurants elevate our assets and bring vibrancy and traffic to our properties.

We remain committed to investing in our well-located real estate portfolio in downtown Toronto to distinguish our assets and attract unique tenants. During 2022, we took 366 Bay Street and 67 Richmond Street West in Toronto offline to fully revitalize the assets. The development projects at these properties comprise full modernizations of the properties, including technical systems, interior lighting and elevators, along with enhanced common areas and larger floorplates. At 366 Bay Street, we have spent $10.6 million over the course of the project, $7.9 million of which has been funded by our Canada Infrastructure Bank credit facility (the "CIB Facility") which provides low-cost fixed-rate financing for commercial property retrofits to achieve certain energy efficiency savings and greenhouse gas emission reductions. At 67 Richmond Street West, we have spent $1.6 million on the project, $1.3 million of which has been funded by the CIB facility. The projects at 366 Bay Street and 67 Richmond Street West are expected to be completed and ready to lease in Q4 2023 and Q2 2024, respectively.

Subsequent to Q2 2023, we secured a commitment at 366 Bay Street for a lease for the entire building with a global financial institution that has been attracted by the location of the asset, as well as the successful completion of our redevelopment and decarbonization program at the building. The lease is expected to have a term of 15 years for approximately 40,000 square feet with initial net rents of $38.00 per square foot, escalating to $50.00 per square foot over the term of the lease. The full building fixturing and fitout is expected to commence in Q4 2023 on redevelopment project completion with lease commencement scheduled for Q4 2024.

Also during the quarter, we announced our 50/50 joint venture partnership with CentreCourt for the mixed-use development of Block 2 at 2200-2206 Eglinton Avenue East and 1020 Birchmount Road in Scarborough, Ontario. The development planning process for the project is underway and we are currently working through the next steps with our partner. The development is expected to consist of two towers comprising 651,000 square feet of gross floor area, which will contain approximately 1,000 residential units, 39 affordable housing units and 8,000 square feet of retail space.

On May 16, 2023, the Trust completed the sale of 12,500,000 Dream Industrial REIT units and used the proceeds to buy back 12,500,000 of its REIT A units under the SIB. The sale of Dream Industrial REIT units allowed the Trust to monetize a portion of its holdings and offer to unitholders the option to either access liquidity by selling at a premium to market trading price or increase their ownership in the Trust. We continue to opportunistically look to sell or partner on our existing assets to reduce leverage and increase the value of the business.

As at June 30, 2023, the Trust had approximately $204.5 million of available liquidity(7), comprising $12.2 million of cash, undrawn revolving credit facilities totalling $93.8 million and undrawn amounts on our CIB Facility of $98.4 million. The Trust also had $17 million of unencumbered assets(8) and a level of debt (net total debt-to-net total assets)(9) of 48.3%.

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During Q2 2023, the Trust drew $3.8 million against the CIB Facility. In total, we have drawn $14.4 million against the CIB Facility since 2022. These draws represent 80% of the costs to date for capital retrofits at 13 properties in Toronto downtown for projects to reduce the operational carbon emissions in these buildings by an estimated 3,241 tonnes of carbon dioxide ("CO_2"), or 57.5%, per year on project completion.

CAPITAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE METRICS		As at
(unaudited)	**June 30, 2023**	December 31, 2022
Financing		
Weighted average face rate of interest on debt (period-end)[10]	**4.40%**	4.42%
Interest coverage ratio (times)[11]	**2.2**	2.5
Net total debt-to-normalized adjusted EBITDAFV ratio (years)[12]	**10.9**	10.4
Level of debt (net total debt-to-net total assets)[9]	**48.3%**	44.6%
Average term to maturity on debt (years)	**2.9**	3.1
Undrawn credit facilities, available liquidity and unencumbered assets		
Undrawn credit facilities (in millions)	**$ 192.3**	$ 163.5
Available liquidity (in millions)[7]	**204.5**	171.6
Unencumbered assets (in millions)[8]	**17.1**	115.7
Capital (period-end)		
Total number of REIT A and LP B units (in millions)[13]	**37.9**	51.3
Net asset value ("NAV") per unit[14]	**$ 34.71**	$ 31.36

See footnotes at end.

- **NAV per unit[14]:** As at June 30, 2023, our NAV per unit increased to $34.71 compared to $31.36 at December 31, 2022. The increase in NAV per unit relative to December 31, 2022 is driven by cash flow retention (FFO net of distributions) and the effect of accretive unit repurchases under our NCIB program and SIB, partially offset by fair value losses on investment properties in both regions due to cap rate expansions across several properties and the sale of 12,500,000 units of Dream Industrial REIT at a price below IFRS carrying value. As at June 30, 2023, equity per the condensed consolidated financial statements was $1.2 billion.
- **Mortgage refinancing**: During the second quarter of 2023, the Trust repaid in full a $25.9 million mortgage secured by a property in Regina by drawing on the $375 million revolving credit facility and pledged the property against that facility.

  Subsequent to quarter-end, the Trust secured a commitment from a lender to refinance a $116.1 million mortgage which matures during 2023. The new $141.8 million fixed-rate interest-only mortgage is for a term of seven years with pricing to be determined at close, based on the seven-year swap rate plus 2.15% or approximately 6.3% at current market rates. The new mortgage is expected to close during Q3 2023.

"Year to date, we have addressed $186.3 million of mortgage maturities for a weighted average term of 5.2 years," said Jay Jiang, Chief Financial Officer of Dream Office REIT. *"We have only $140 million of loans maturing from now until the end of 2024, of which approximately $67 million is maturing in the second half of 2023. We will continue to explore opportunities to reduce debt and make our business safer."*

INVESTOR DAY

In lieu of a conference call, on Wednesday, September 6, 2023, Dream Unlimited Corp., Dream Office REIT and Dream Impact Trust are welcoming investors for a joint investor session. The event will be hosted at our head office at 30 Adelaide Street East, Suite 301 at 10:00 am ET. This session will discuss each company's net asset value, capital allocation strategy and business plan, to provide better insight into how we view and manage the businesses. To attend, please RSVP to Kim Lefever at klefever@dream.ca.

OTHER INFORMATION

Information appearing in this press release is a selected summary of results. The condensed consolidated financial statements and Management's Discussion and Analysis ("MD&A") of the Trust are available at www.dreamofficereit.ca and on www.sedarplus.ca.

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.

FOOTNOTES

(1) Excludes properties held for sale and investments in joint ventures that are equity accounted at the end of each period.

(2) Excludes properties under development, properties held for sale and joint ventures that are equity accounted at the end of each period.

(3) Occupancy figures as at June 30, 2022 include the sold properties 720 Bay Street in Toronto and Princeton Tower in Saskatoon. Excluding these properties from June 30, 2022 figures, total portfolio in-place occupancy would have been 81.6% and in-place and committed occupancy would have been 85.3%. In Toronto downtown, in-place occupancy would have been 83.1% and in-place and committed occupancy would have been 87.9%.

(4) FFO is a non-GAAP financial measure. The most directly comparable financial measure to FFO is net income. The tables included in the Appendices section of this press release reconcile FFO for the three months ended June 30, 2023 and June 30, 2022 to net income. 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.

(5) Comparative properties NOI is a non-GAAP financial measure. The most directly comparable financial measure to comparative properties NOI is net rental income. The tables included in the Appendices section of this press release reconcile comparative properties NOI for the three months ended June 30, 2023 and June 30, 2022 to net rental income. 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.

(6) Diluted FFO per unit is a non-GAAP ratio. Diluted FFO per unit is calculated as FFO (a non-GAAP financial measure) divided by diluted weighted average number of units. For further information on this non-GAAP ratio, please refer to the statements under the heading "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" in this press release. A description of the determination of the diluted weighted average number of units can be found in the management's discussion and analysis of the financial condition and results of operations of the Trust for the three and six months ended June 30, 2023, dated August 3, 2023 (the "MD&A for the second quarter of 2023") in the section "Supplementary Financial Measures and Other Disclosures" under the heading "Weighted average number of units".

(7) Available liquidity is a non-GAAP financial measure. The most directly comparable financial measure to available liquidity is undrawn credit facilities. The tables included in the Appendices section of this press release reconcile available liquidity to undrawn credit facilities as at June 30, 2023 and December 31, 2022. 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.

(8) Unencumbered assets is a supplementary financial measure. For further information on this supplementary financial measure, please refer to the statements under the heading "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" in this press release.

(9) Level of debt (net total debt-to-net total assets) is a non-GAAP ratio. Net total debt-to-net total assets comprises net total debt (a non-GAAP financial measure) divided by net total assets (a non-GAAP financial measure). The tables in the Appendices section reconcile net total debt and net total assets to total debt and total assets, the most directly comparable financial measures to these non-GAAP financial measures, respectively, as at June 30, 2023 and December 31, 2022. For further information on this non-GAAP ratio and these non-GAAP financial measures, please refer to the statements under the heading "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" in this press release.

(10) Weighted average face rate of interest on debt is calculated as the weighted average face rate of all interest-bearing debt balances excluding debt in joint ventures that are equity accounted.

(11) Interest coverage ratio (times) is a non-GAAP ratio. Interest coverage ratio comprises trailing 12-month adjusted EBITDAFV divided by trailing 12-month interest expense on debt. Adjusted EBITDAFV, trailing 12-month adjusted EBITDAFV and trailing 12-month interest expense on debt are non-GAAP measures. The tables in the Appendices section reconcile adjusted EBITDAFV to net income for the three and six months ended June 30, 2023 and June 30, 2022 and for the year ended December 31, 2022 and trailing 12-month adjusted EBITDAFV and trailing 12-month interest expense on debt to adjusted EBITDAFV and interest expense on debt, respectively, for the trailing 12-month period ended June 30, 2023. For further information on this non-GAAP ratio and these non-GAAP financial measures, please refer to the statements under the heading "Non-GAAP Financial Measures and Ratios and Supplementary Financial Measures" in this press release.

(12) Net total debt-to-normalized adjusted EBITDAFV ratio (years) is a non-GAAP ratio. Net total debt-to-normalized adjusted EBITDAFV comprises net total debt (a non-GAAP financial measure) divided by normalized adjusted EBITDAFV (a non-GAAP financial measure). Normalized adjusted EBITDAFV comprises adjusted EBITDAFV (a non-GAAP financial measure) adjusted for NOI from sold properties in the quarter. For further information on this non-GAAP ratio and these non-GAAP financial measures, please refer to the statements under the heading "Non-GAAP Financial Measures and Ratios and Supplementary Financial Measures" in this press release.

(13) Total number of REIT A and LP B units includes 5.2 million LP B Units which are classified as a liability under IFRS.

(14) 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 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. The tables included in the Appendices section of this press release reconcile total equity (including LP B Units) to equity as at June 30, 2023 and December 31, 2022. 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.

NON-GAAP FINANCIAL MEASURES, RATIOS AND SUPPLEMENTARY FINANCIAL MEASURES

The Trust's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including FFO, comparative properties NOI, available liquidity, adjusted EBITDAFV, trailing 12-month adjusted EBITDAFV, trailing 12-month interest expense on debt, net total debt, net total assets, normalized adjusted EBITDAFV – annualized and total equity (including LP B Units or subsidiary redeemable units) and non-GAAP ratios, including diluted FFO per unit, level of debt (net total debt-to-net total assets), interest coverage ratio, net total debt-to-normalized adjusted EBITDAFV and 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 second quarter of 2023 and can be found under the section "Non-GAAP Financial Measures and Ratios" and respective sub-headings labelled "Funds from operations and diluted FFO per unit", "Comparative properties NOI", "Level of debt (net total debt-to-net total assets)", "Net total debt-to-normalized adjusted EBITDAFV ratio (years)", "Interest coverage ratio (times)", "Available liquidity", "Total equity (including LP B Units or subsidiary redeemable units)", "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("adjusted EBITDAFV")", "Trailing 12-month Adjusted EBITDAFV and trailing 12-month interest expense on debt", and " NAV per Unit". In this press release, the Trust also discloses and discusses certain supplementary financial measures, including unencumbered assets. The composition of supplementary financial measures included in this press release are expressly incorporated by reference from the MD&A for the second quarter of 2023 and can be found under the section "Supplementary financial measures and ratios and other disclosures". The MD&A for the second quarter of 2023 is available on SEDAR+ at www.sedarplus.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. Reconciliations for FFO, comparative properties NOI, available liquidity, adjusted EBITDA, and total equity (including LP B Units) to the nearest comparable IFRS measure are contained at the end of this press release.

FORWARD-LOOKING INFORMATION

This press release 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 expectation that our buyback of Dream Office REIT units will increase unitholder value; the increase in activity in our downtown Toronto portfolio, completion of development approvals and increase in comparative properties NOI; our expectations regarding tenant requirement trends in respect of workspace preferences and upgrades, including demand for built out space; our strategy to pursue premium retail offerings at our properties; the expectation that restaurants at certain of our assets will provide benefits to such assets, including to increase traffic; expectations and plans for repositioning certain properties, including space held vacant for future occupancy; the effect of building improvements on tenant experience and building quality and performance; our development, redevelopment and intensification plans, including timelines, square footage and other project characteristics, including in respect of 366 Bay Street and 67 Richmond Street West; our plans in respect of the joint venture partnership with CentreCourt for the mixed-use development of Block 2 at 2200-2206 Eglinton Avenue and 1020 Birchmount Road, and characteristics and targets in respect of such projects; our objective of selling or partnering in respect of our assets to reduce leverage and increase the value of our business; our commitment to invest in our downtown Toronto portfolio, and the effect of these plans on the value and quality of our portfolio; our future capital requirements and cost to complete development projects; the expectation that we will be able to use our CIB Facility to fund development costs for certain projects; our ability to increase building performance and achieve certain energy efficiency and greenhouse gas reduction goals, including in respect of specific properties and of retrofits made in connection with the CIB Facility; expectations regarding our financing undertakings, including our ability to reduce debt and increase our business' safety; capital allocation, investments and expected benefits; and prospective leasing activity 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, including in respect of real estate; mortgage and interest rates and regulations; inflation; risks related to a potential recession economic slowdown in certain of the jurisdictions in which we operate and the effect inflation and any such recession 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 MD&A. These filings are also available at Dream Office REIT's website at www.dreamofficereit.ca

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APPENDICES

Funds from operations and diluted FFO per unit

	Three months ended June 30, 2023	2022
Net income (loss) for the period	**$ (49,706)**	$ 65,922
Add (deduct):		
Net loss (income) from investment in Dream Industrial REIT	**33,725**	(9,577)
Share of FFO from investment in Dream Industrial REIT	**4,839**	5,740
Depreciation and amortization	**2,972**	2,993
Costs (recovery) attributable to sale of investment properties	**(3)**	—
Interest expense on subsidiary redeemable units	**1,309**	1,309
Fair value adjustments to investment properties	**38,866**	5,820
Fair value adjustments to investment properties held in joint ventures	**27**	21
Fair value adjustments to financial instruments and DUIP included in G&A expenses	**(14,885)**	(52,416)
Internal leasing costs	**492**	527
Principal repayments on finance lease liabilities	**(14)**	(12)
Deferred income taxes expense (recovery)	**(115)**	5
FFO for the period	**$ 17,507**	$ 20,332
Diluted weighted average number of units	**49,882**	53,350
FFO per unit - diluted	**$ 0.35**	$ 0.38

Comparative properties NOI

	Three months ended June 30, 2023	June 30, 2022	Change Amount	Change %	Change in weighted average occupancy %	Change in in-place net rents %
Toronto downtown	**$ 20,747**	$ 19,743	$ 1,004	5.1	(0.3)	5.5
Other markets	**7,003**	6,996	7	0.1	(3.0)	1.6
Comparative properties NOI	**27,750**	26,739	1,011	3.8	(1.3)	4.9
Properties under development	**97**	326	(229)			
Property management and other service fees	**444**	518	(74)			
Change in provisions	**(336)**	(510)	174			
Straight-line rent	**229**	298	(69)			
Amortization of lease incentives	**(2,942)**	(2,903)	(39)			
Lease termination fees and other	**6**	20	(14)			
Sold properties	**49**	1,693	(1,645)			
Net rental income	**$ 25,296**	$ 26,181	$ (885)	(3.4)		

dream office REIT

Adjusted EBITDAFV

		Three months ended			Six months ended				Year ended
		June 30, 2023		June 30, 2022		**June 30, 2023**		June 30, 2022	December 31, 2022
Net income (loss) for the period	**$**	**(49,706)**	$	65,922	**$**	**(48,328)**	$	118,204	$ 63,641
Add (deduct):									
Interest – debt		**13,798**		11,942		**28,124**		23,201	51,836
Interest – subsidiary redeemable units		**1,309**		1,309		**2,617**		2,617	5,234
Current and deferred income taxes expense (recovery), net		**(115)**		5		**(323)**		129	672
Depreciation on property and equipment		**40**		117		**85**		247	430
Fair value adjustments to investment properties		**38,866**		5,820		**50,934**		(13,559)	95,171
Fair value adjustments to financial instruments		**(14,707)**		(52,372)		**(17,542)**		(32,090)	(60,834)
Net loss (income) from investment in Dream Industrial REIT		**33,725**		(9,577)		**31,292**		(52,476)	(60,237)
Distributions earned from Dream Industrial REIT		**3,098**		4,656		**7,721**		9,311	18,622
Share of net loss (income) from investment in joint ventures		**(5)**		450		**48**		522	532
Non-cash items included in investment properties revenue[(1)]		**2,713**		2,605		**5,335**		5,378	10,481
Change in provisions		**336**		510		**(6)**		1,112	1,709
Lease termination fees and other		**(6)**		(20)		**(179)**		(273)	(1,233)
Net loss on transactions and other items		**506**		527		**950**		1,032	1,890
Adjusted EBITDAFV for the period	**$**	**29,852**	$	31,894	**$**	**60,728**	$	63,355	$ 127,914

(1) Includes adjustments for straight-line rent and amortization of lease incentives.

Trailing 12-month adjusted EBITDAFV and trailing 12-month interest expense on debt

		Trailing 12-month period ended June 30, 2023
Adjusted EBITDAFV for the six months ended June 30, 2023	$	60,728
Add: Adjusted EBITDAFV for the year ended December 31, 2022		127,914
Less: Adjusted EBITDAFV for the six months ended June 30, 2022		(63,355)
Trailing 12-month adjusted EBITDAFV	**$**	**125,287**

		Trailing 12-month period ended June 30, 2023
Interest expense on debt for the six months ended June 30, 2023	$	28,124
Add: Interest expense on debt for the year ended December 31, 2022		51,836
Less: Interest expense on debt for the six months ended June 30, 2022		(23,201)
Trailing 12-month interest expense on debt	**$**	**56,759**

Interest coverage ratio (times)

	For the trailing 12-month period ended			
		June 30, 2023		December 31, 2022
Trailing 12-month adjusted EBITDAFV	**$**	**125,287**	$	127,914
Trailing 12-month interest expense on debt	**$**	**56,759**	$	51,836
Interest coverage ratio (times)		**2.2**		2.5

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

	June 30, 2023	December 31, 2022
Non-current debt	**$ 1,059,016**	$ 1,106,816
Current debt	**250,222**	265,967
Total debt	**1,309,238**	1,372,783
Less: Cash on hand[1]	**(10,611)**	(6,811)
Net total debt	**$ 1,298,627**	$ 1,365,972
Adjusted EBITDAFV – quarterly	**29,852**	32,857
Less: NOI of disposed properties for the quarter	**(48)**	(31)
Normalized adjusted EBITDAFV – quarterly	**$ 29,804**	$ 32,826
Normalized adjusted EBITDAFV – annualized	**$ 119,216**	$ 131,304
Net total debt-to-normalized adjusted EBITDAFV ratio (years)	**10.9**	10.4

(1) Cash on hand represents cash on hand at period-end, excluding cash held in co-owned properties and joint ventures that are equity accounted.

Level of debt (net total debt-to-net total assets)

	Amounts included in condensed consolidated financial statements	
	June 30, 2023	December 31, 2022
Non-current debt	**$ 1,059,016**	$ 1,106,816
Current debt	**250,222**	265,967
Total debt	**1,309,238**	1,372,783
Less: Cash on hand[1]	**(10,611)**	(6,811)
Net total debt	**$ 1,298,627**	$ 1,365,972
Total assets	**2,701,495**	3,066,892
Less: Cash on hand[1]	**(10,611)**	(6,811)
Net total assets	**$ 2,690,884**	$ 3,060,081
Net total debt-to-net total assets	**48.3%**	44.6%

(1) Cash on hand represents cash on hand at period-end, excluding cash held in co-owned properties and joint ventures that are equity accounted.

Available liquidity

	As at	
	June 30, 2023	December 31, 2022
Cash and cash equivalents	**$ 12,236**	$ 8,018
Undrawn revolving credit facilities	**93,821**	58,585
Undrawn CIB Facility	**98,441**	104,957
Available liquidity	**$ 204,498**	$ 171,560

dream office REIT

Total equity (including LP B Units) and NAV per unit

						Unitholders' equity
			June 30, 2023			December 31, 2022
	Number of Units		**Amount**	Number of Units		Amount
Unitholders' equity	**32,623,208**	**$**	**1,837,169**	46,110,593	$	1,842,010
Deficit	**—**		**(596,982)**	—		(321,769)
Accumulated other comprehensive income	**—**		**6,224**	—		11,933
Equity per condensed consolidated financial statements	**32,623,208**		**1,246,411**	46,110,593		1,532,174
Add: LP B Units	**5,233,823**		**67,725**	5,233,823		78,193
Total equity (including LP B Units)	**37,857,031**	**$**	**1,314,136**	51,344,416	$	1,610,367
NAV per unit		**$**	**34.71**		$	31.36