



Investor Presentation

Dream Office REIT



November 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 3.5 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.

84.3%

portfolio occupancy
(including committed)⁽¹⁾

5.1 million

square feet of gross
leasable area⁽²⁾

\$2.7 billion

Total assets⁽³⁾

3.2 million

square feet of Toronto
Downtown office space
owned ⁽²⁾

Updated as at Q3 2023.

Note 1 – Excluding properties under development, assets held for sale 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

~30%

of new immigrants in
Canada settle in Toronto

96.5

Global Liveability
Index score

~40%

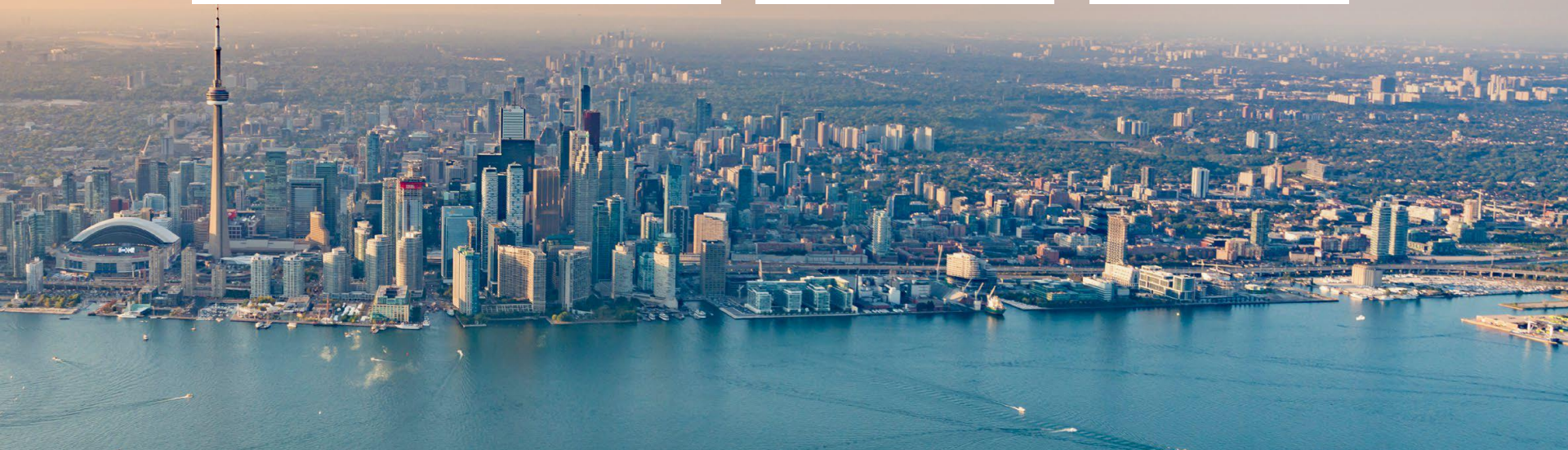
of Canada's Business Headquarters call
Toronto home

3rd

Largest tech-sector
in North America

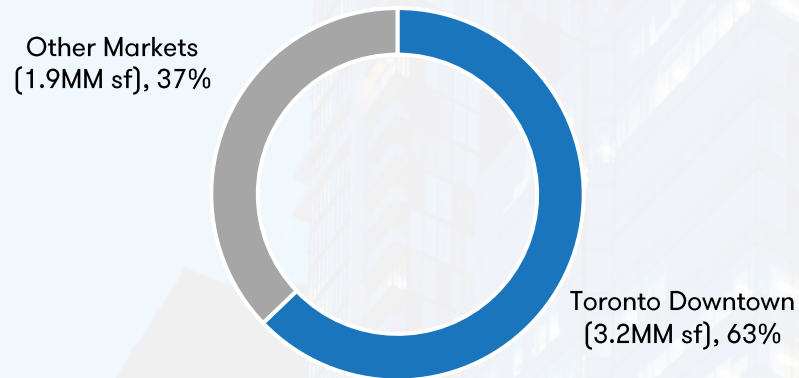
~20%

of Canada's GDP

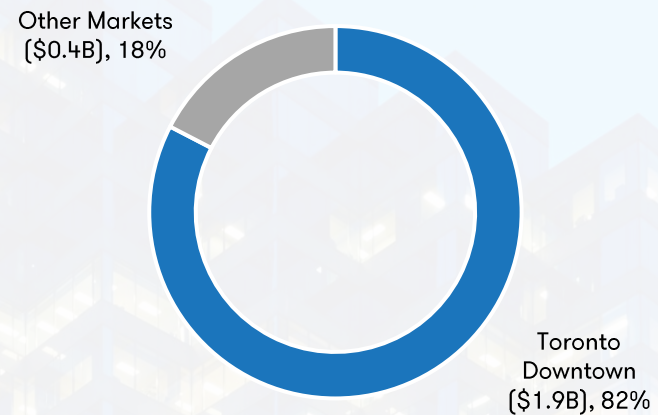




GLA by Region



Fair Value by Region



Note 1 – Excluding properties under development and joint ventures that are equity accounted as at September 30, 2023.



High concentration of well connected assets in Downtown Toronto

4.7 years

weighted average lease term in Toronto Downtown⁽¹⁾

\$1.9 B

assets in Toronto Downtown⁽¹⁾

88.6%

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

82%

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

Note 1 – Excluding properties under development and joint ventures that are equity accounted as at September 30, 2023.



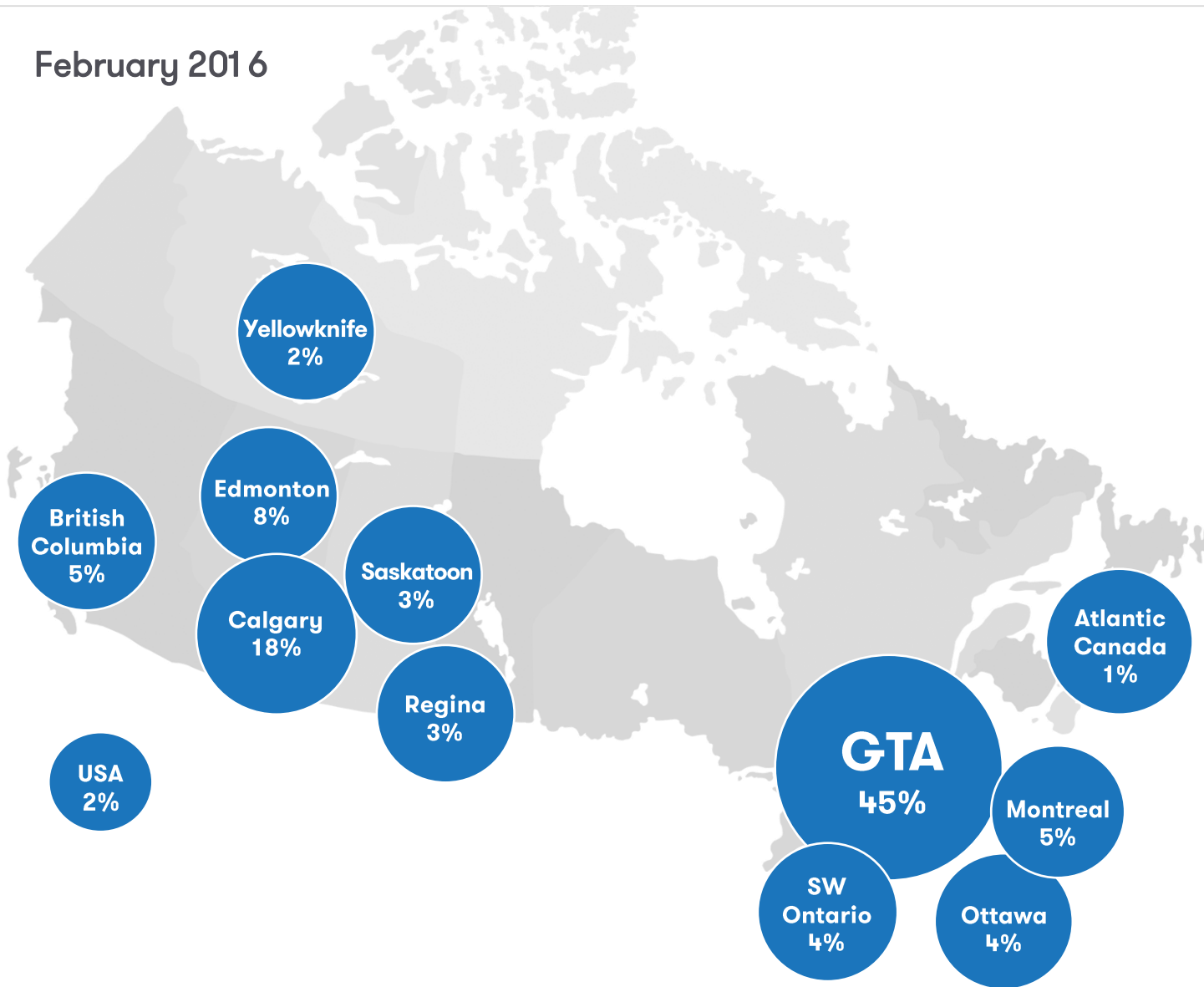
February 2016

166

active properties

23.0M

owned SF





September 2023

26

income producing properties

5.0M

owned SF

**Other
Markets
18%**

**Downtown
Toronto
82%**



\$4 Billion +

Assets sold

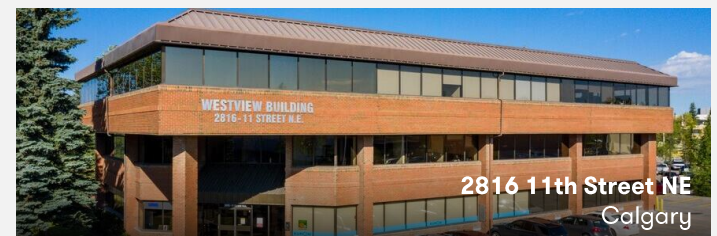
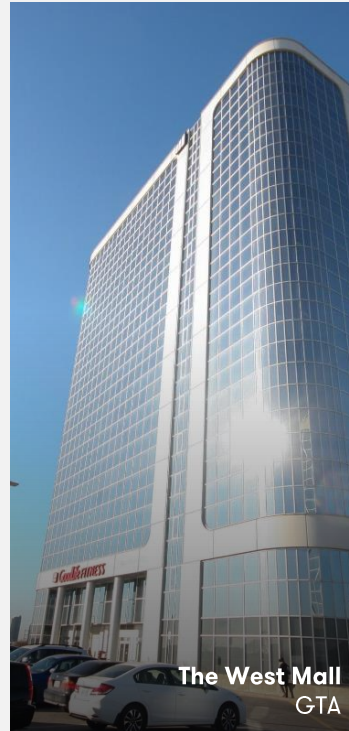
~\$2 Billion

Debt Repaid and Transferred

~\$2 Billion

Returned to Unitholders through
Share Buybacks and Distributions

Select Assets Sold:





~32.7%* 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.





48.8%

Level of Debt*

\$204M

Available Liquidity*

\$17M

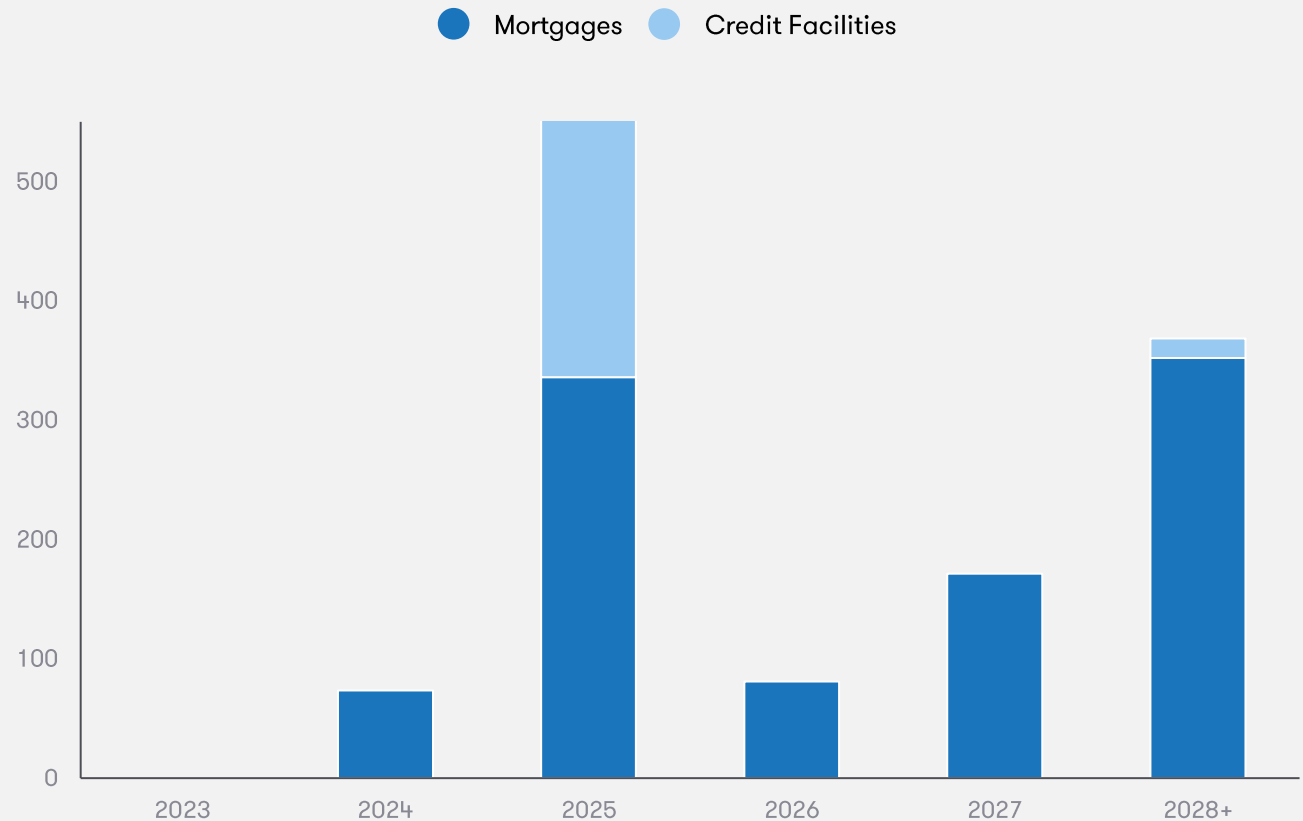
Unencumbered Assets*

13.8%

Variable Debt Exposure

4.59%

W.A. Face Rate of Interest



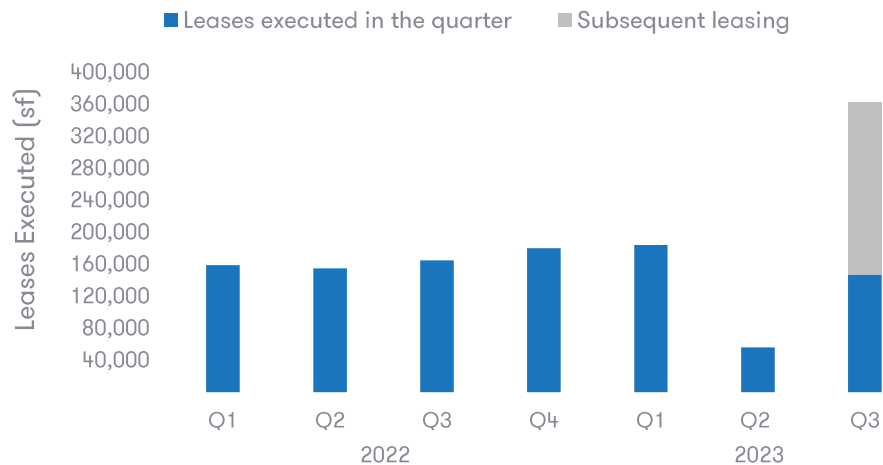
As at Q3 2023. *Level of Debt (also known as net total debt-to-net total assets) is a non-GAAP ratio that comprises net total debt (a non-GAAP financial measure) divided by net total assets (a non-GAAP financial measure). The most directly comparable financial measure to net total debt is total debt, 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 Q3 2023, we executed leases totaling approximately 147,000 sf across our portfolio. 126,000 square feet of leases in DT Toronto were executed at rents 36% higher than the weighted average prior net rent on the same space. Subsequent to quarter-end, the Trust executed another 215,000 square feet of leases in Toronto downtown at rents 6% higher than the weighted average prior net rent on the same space.
- In addition, the Trust has a further 91,000 square feet of deals which are conditional or in advanced stages of negotiations, at rents 9% higher than the weighted average prior net rent on the same space.
- To date, the Trust has secured commitments for approximately 781,000 square feet, or 112%, 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.



362,000 sf

Leases executed in
Q3 and subsequent
to quarter-end

~36%

Spread on DT Toronto
Leases in Q3 2023



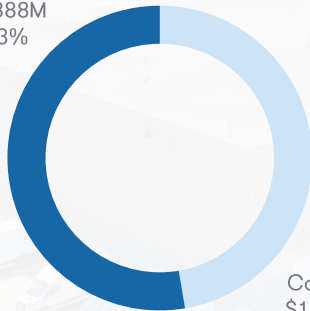


Dream Office REIT has a 4.7% interest in Dream Industrial REIT (\$174M* investment)

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 54% of IP Value

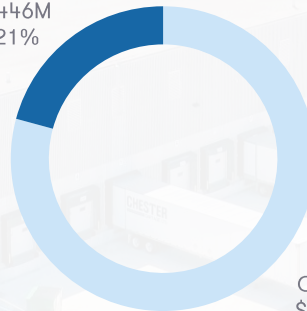
Europe
\$1,888M
53%



Canada
\$1,698M
47%

Urban Logistics 32% of IP Value

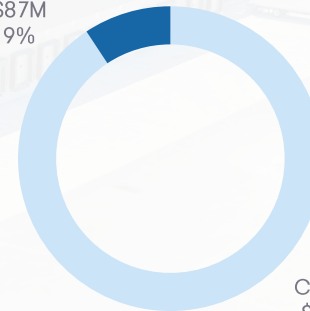
Europe
\$446M
21%



Canada
\$1,700M
79%

Light Industrial 14% IP Value

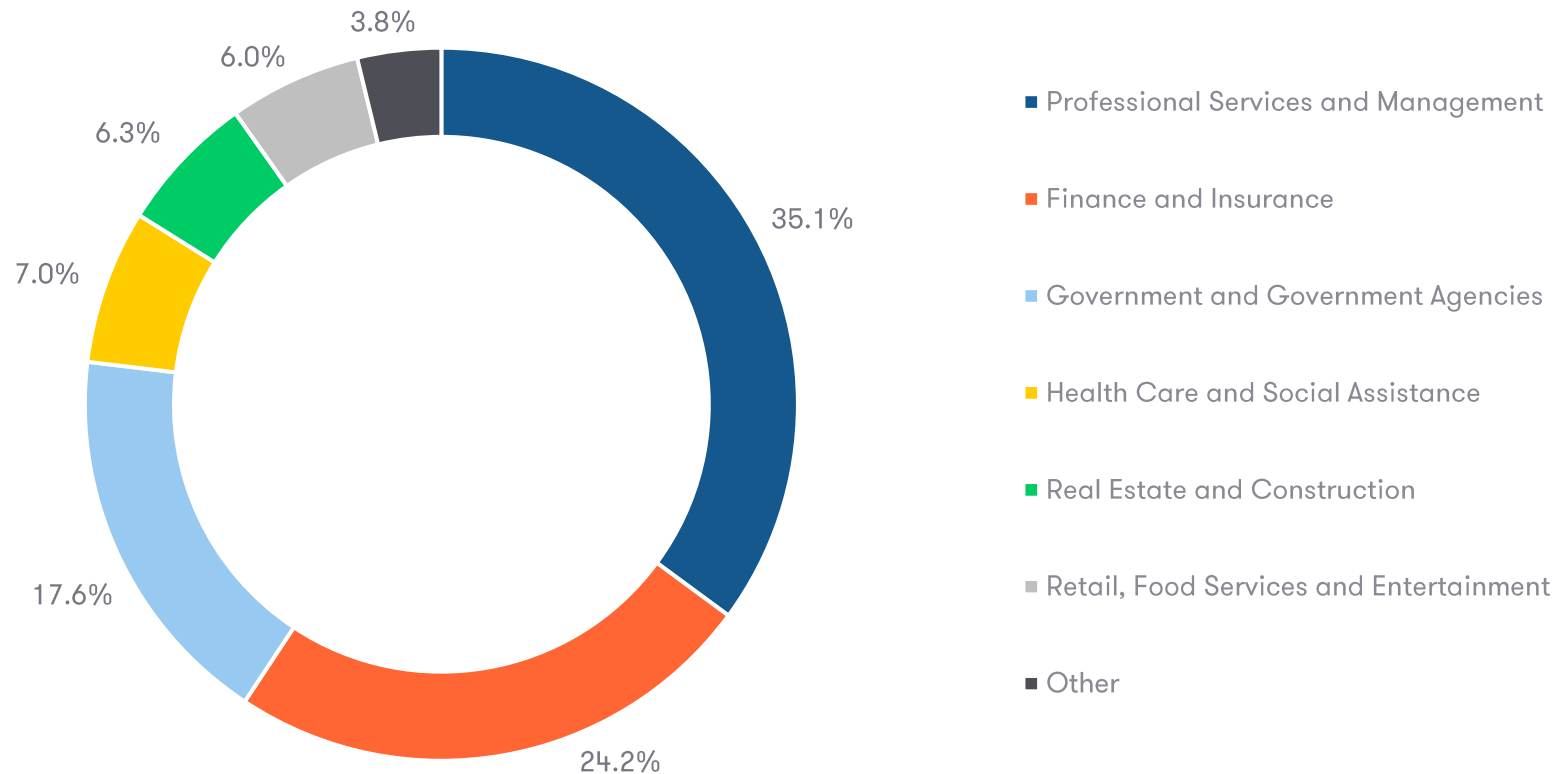
Europe
\$87M
9%



Canada
\$850M
91%

As at Q3 2023

* DIR.UN unit price as at September 30, 2023.



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



Dream Office REIT Top 10 Tenants

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Rank	Tenant	% of Rent*	Investment Grade
1	 Government of Canada	9.3%	✓
2	 Ontario	6.5%	✓
3	 INTERNATIONAL FINANCIAL DATA SERVICES	3.5%	-
4	 ILaC	2.8%	-
5	 co-operators	2.8%	✓
6	 usbank	2.7%	✓
7	 STATE STREET	2.6%	✓
8	 MEDCAN	2.3%	-
9	 wework	2.3%	-
10	 FIELD LAW	1.3%	-

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



Rezoned

Current: 95,000 sf office buildings
Future: 1.1 million sf¹ mixed-use building,
including 0.8 million sf of residential use
(Dream Office has a 50% interest)

2200 Eglinton Ave. East



Rezoned

Current: 442,000 sf office building
Future: Targeting over 2.7 million sf¹
residential, retail and office uses



50/50 partnership to pursue the development of Block 2, the first phase of the 2.7MM sf Masterplan Community, with construction targeted to start in late 2024, subject to the satisfaction of certain conditions.

Currently contemplating two residential condo buildings (32 & 48 storeys) totaling ~650,000 sf of GFA and 1,000+ residential units.

Executes upon our vision to maximize asset value while transforming it to support an inclusive community of residents.



366 BAY

(~40K sq. ft.)

100 %

Full Building Lease

Mid \$40s psf

Average Net Rents

15 Years

Lease Term

- In 2021, we launched the redevelopment of 366 Bay, a unique mid-rise office tower in the middle of our Bay Street collection. Prior to the launch, the property was physically obsolete with 34% occupancy and a remaining lease term of ~1 year.
- Over the past two years, we invested ~\$12 million in the project (partly funded by CIB funding) to fully decarbonize and modernize the asset.
- In 2023 we completed a 15-year deal with an international financial services firm who will occupy the entire building at mid-40s net rents.





366 BAY
(~51K sq. ft.)

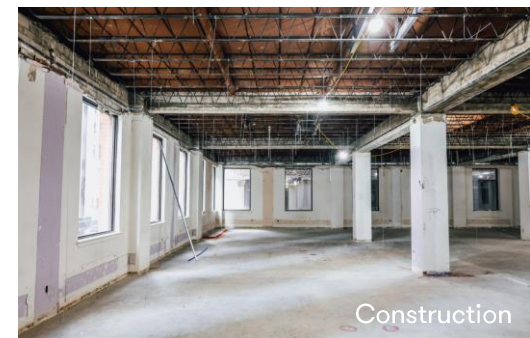
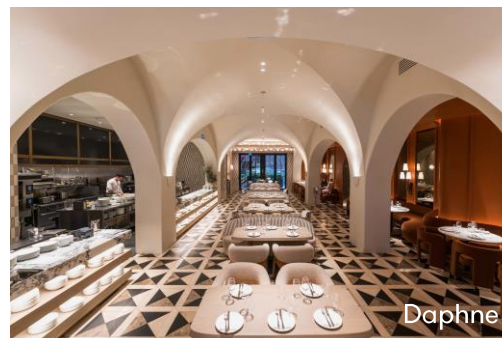
40K sf

Newly Renovated Office GLA

11K sf

Retail GLA

- In 2022, we launched redevelopment of 67 Richmond. As at Q3, interior demotion, abatement, and roof work has been largely completed.
- The ground floor is currently leased out to **Daphne**, a mid-century-inspired modern American restaurant occupying 6K sf of space (incl. 2K sf patio).
- The team has begun work on constructing a model suite on the top floor that would accelerate leasing. The building has also received interest for potential full-building leases.

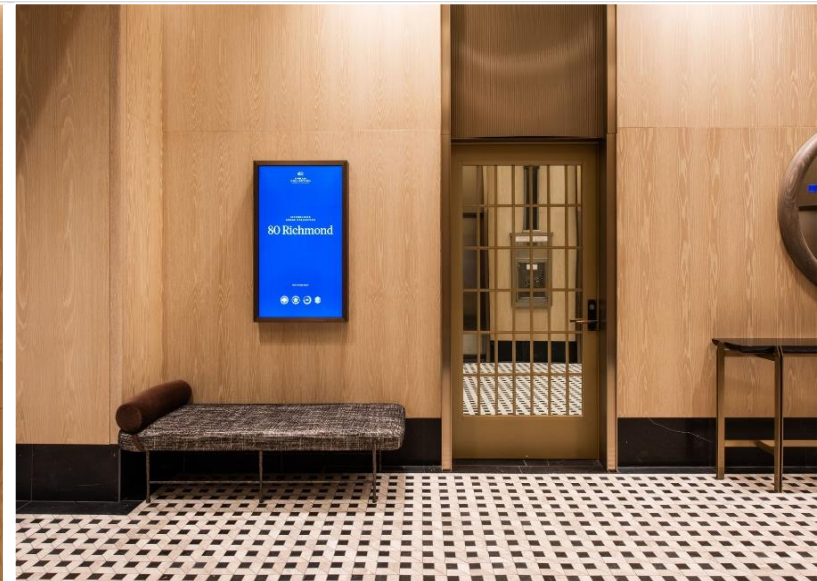




Dream Office REIT

Bay Street Collection: Revitalizing our Core Downtown Assets

20

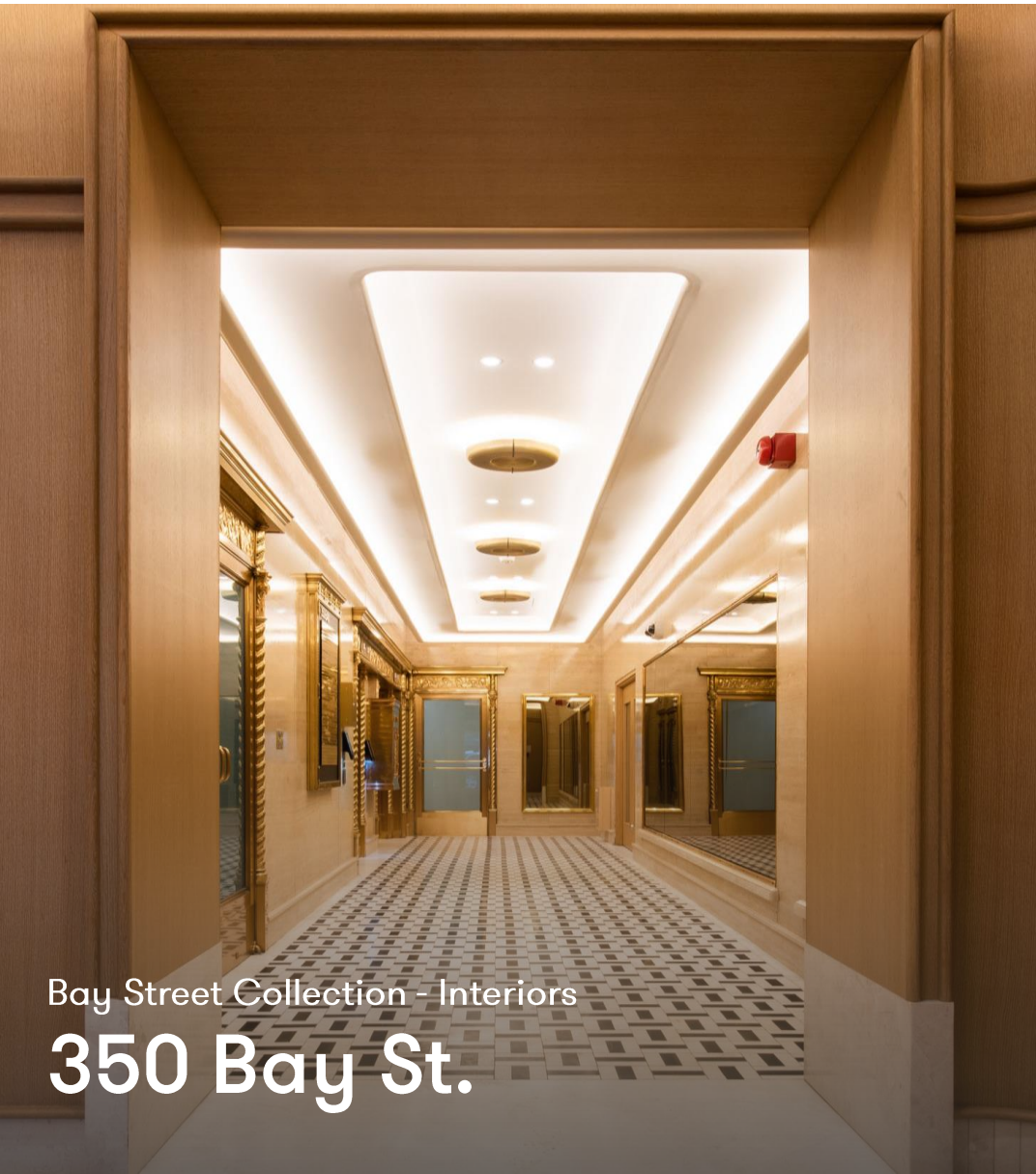




Dream Office REIT

Bay Street Collection: Revitalizing our Core Downtown Assets

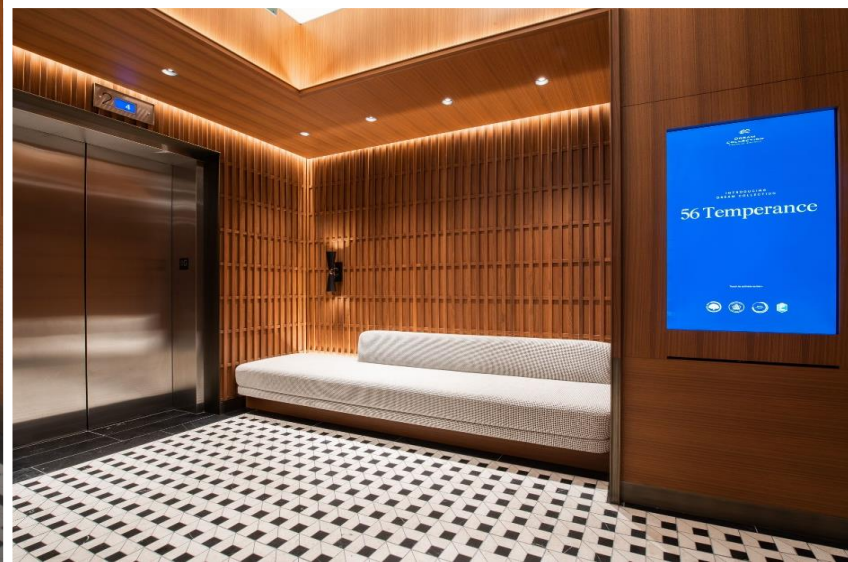
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Bay Street Collection - Interiors

350 Bay St.







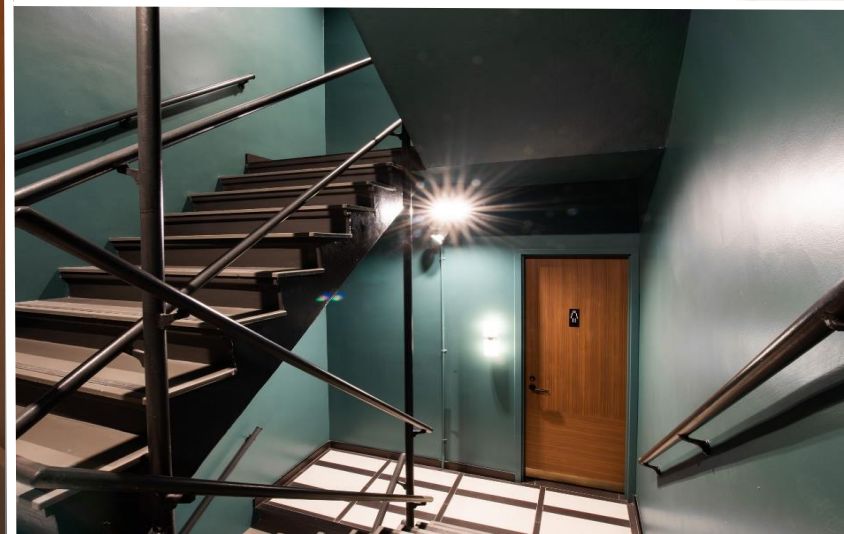
Dream Office REIT

Bay Street Collection: Revitalizing our Core Downtown Assets

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Bay Street Collection - Interiors
360 Bay St.



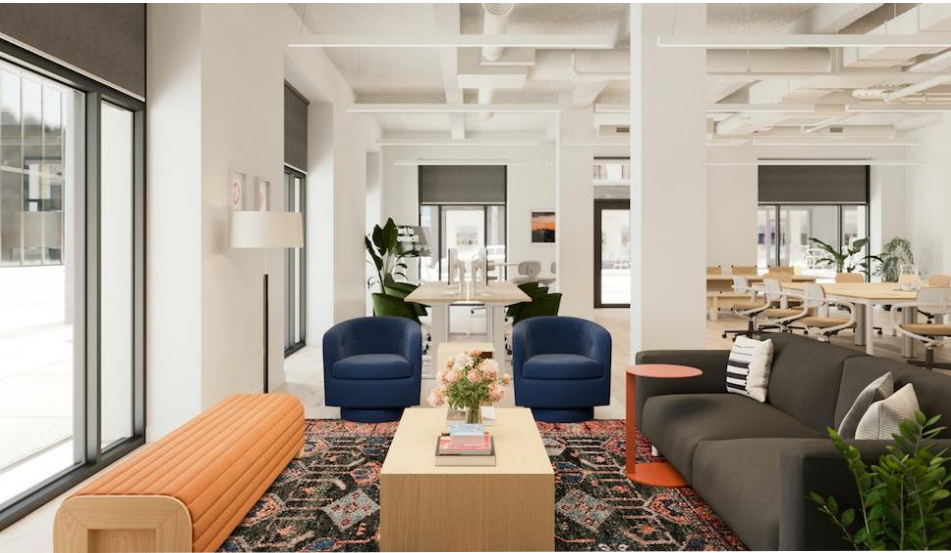




Dream Office REIT

Bay Street Collection: Revitalizing our Core Downtown Assets

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Fully Retrofitted Interior Space

357 Bay



150 York | Opened May 2023
Alo Bar Downtown



67 Richmond | Opened June 2023
INK Restaurant - Daphne



Coming mid-2024
Milos Restaurant



G R E S B

87/100



SUSTAINALYTICS

5.9

(Top 1% of 1,000+
RE Companies)



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



Principles for
Responsible
Investment

**NET ZERO ASSET
MANAGERS
INITIATIVE**






CANADA INFRASTRUCTURE BANK

Supporting Dream Office REIT's target to achieve Scope 1 and Scope 2 net zero greenhouse gas (GHG) emissions* by 2035 or sooner, 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 [\(link\)](#) 

*Dream Office has set out to achieve net zero Scope 1, Scope 2, and select Scope 3 (operational and development) greenhouse gas emissions by 2035.



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.
- **57%** of D.UN Trustees are women.
- **45%** of managers are women.
- D.UN is committed to ensuring a diverse workforce at executive and board levels

Employee development

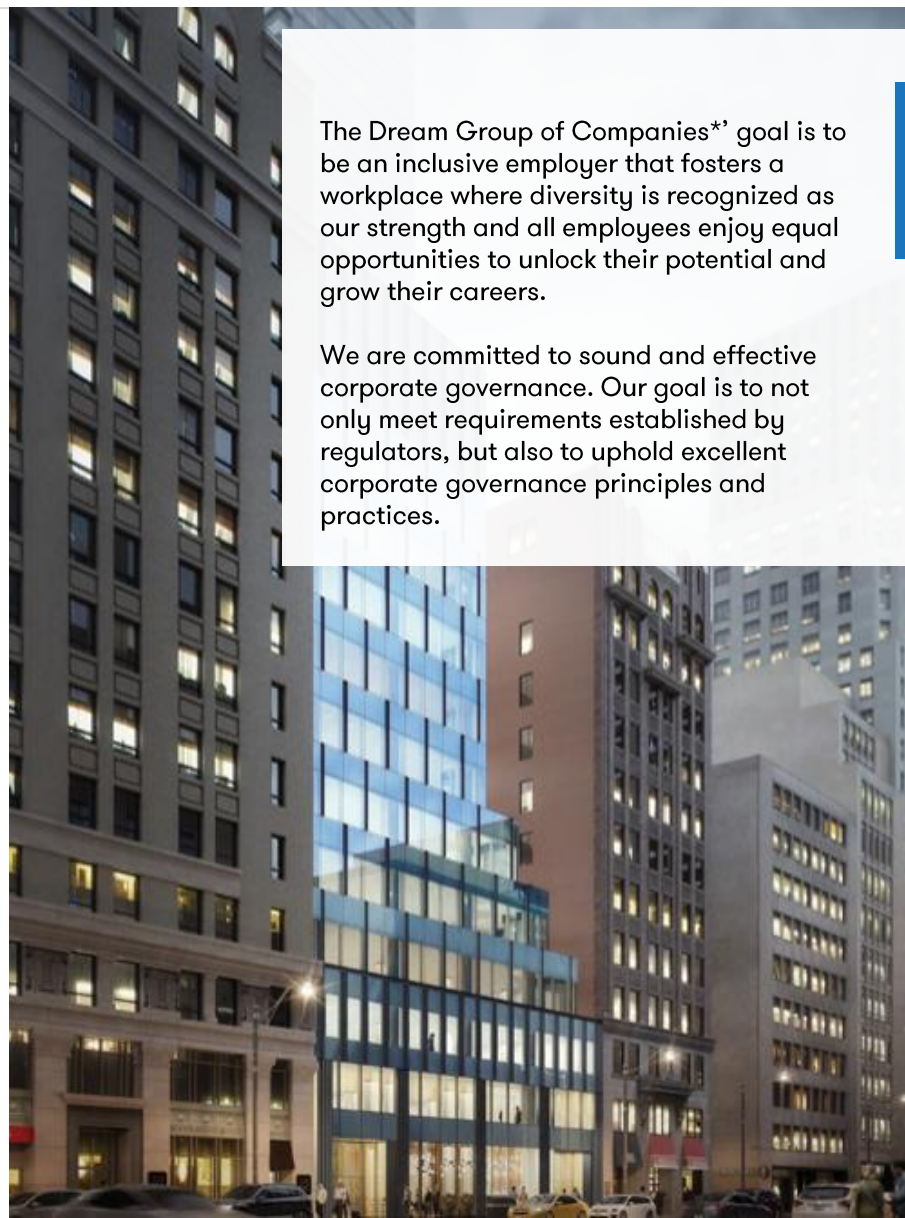
- D.UN's strength as an organization comes from our strong and diverse workforce, and Dream is committed to the development of its employees.

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.

Detailed ESG progress and targets can be found in our 2022 ESG Report ([link](#)).

*The Dream Group of Companies is comprised of Dream Unlimited Corp., Dream Impact Trust, Dream Office Real Estate Investment Trust, Dream Industrial Real Estate Investment Trust, and Dream Residential Real Estate Investment Trust.



The 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.



Michael J. Cooper

Chairman & CEO

Service: 27 Years

Industry Experience: 36 Years



Jay Jiang

CFO

Service: 9 Years

Industry Experience: 15 Years



Gordon Wadley

COO

Service: 12 Years

Industry Experience: 18 Years



Amar Bhalla

Independent



Donald Charter

Independent



Michael J. Cooper



Jane Gavan



The Hon. Dr. Kellie Leitch

Independent



Karine MacIndoe

Independent



Qi Tang

Independent



Feel free to contact us should you have any questions

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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 advantages of our assets; expected occupancy and lease commitments; the strength of our lender relationships; the expected growth of logistics markets in Canada and Europe; opportunities for intensification, redevelopment and value creation; the capitalization and quality of our balance sheet; the ability of Dream Industrial REIT's management team to create long-term value; our estimates of annualized gross rental revenue by tenant industry; our development plans, including in respect of target square footage, use, completion timelines, and costs; our plans in respect of our partnership on 2200 Eglinton with CentreCourt, including in respect of project development goals and targets; our vision of maximizing asset value while supporting inclusive communities; expectations regarding the revitalization of our Bay Street collection of assets; our sustainability targets, including in respect of achieving Scope 1 and Scope 2 net zero greenhouse gas emissions by 2035 and select Scope 3 greenhouse gas emissions by 2050, and our ability to prioritize building efficiency; 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 and the Dream Group of Companies' diversity targets and other governance commitments, and our independent trustee targets; our expectations regarding Alate Partners; 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, 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.

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 and nine months ended September 30, 2023, dated November 9, 2023 (the "MD&A for Q3 2023") 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 Q3 2023 and can be found under the section "Supplementary financial measures and ratios and other disclosures". The MD&A for Q3 2023 is available on SEDAR+ at www.sedarplus.ca 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.