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DREAM OFFICE REIT REPORTS Q2 2024 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 9, 2024, 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, 2024. Management will host a conference call to discuss the financial results on Monday, August 12, 2024, at 9:00 a.m. (ET).

OPERATIONAL HIGHLIGHTS AND UPDATE

(unaudited)

						As at
		June 30, 2024		March 31, 2024		June 30, 2023
Total properties[1]						
Number of active properties		**25**		26		26
Number of properties under development		**2**		2		2
Gross leasable area (in millions of square feet)		**5.1**		5.1		5.1
Investment properties value	**$**	**2,318,974**	$	2,336,685	$	2,363,523
Total portfolio[2]						
Occupancy rate – including committed (period-end)		**84.3%**		83.5%		83.9%
Occupancy rate – in-place (period-end)		**79.2%**		79.3%		80.9%
Average in-place and committed net rent per square foot (period-end)	**$**	**26.33**	$	26.78	$	25.33
Weighted average lease term (years)		**5.2**		5.2		5.0
Occupancy rate – including committed – Toronto (period-end)		**87.7%**		88.5%		88.1%
Occupancy rate – in-place – Toronto (period-end)		**83.0%**		83.7%		83.6%

See footnotes at end.

				Three months ended
		June 30, 2024		June 30, 2023
Operating results				
Funds from operations ("FFO")[3]	**$**	**14,858**	**$**	17,507
Comparative properties net operating income ("NOI")[4]		**27,946**		27,602
Net rental income		**27,301**		25,296
Net loss		**(21,941)**		(49,706)
Per unit amounts				
Diluted FFO per unit[5][6]	**$**	**0.76**	$	0.70
Distribution rate per Unit[6]		**0.25**		0.50

See footnotes at end.

"While the office sector has continued to undergo tremendous change and challenges over the past four years, Dream Office REIT has delivered another stable operational and financial quarter,"" said Michael Cooper, Chief Executive Officer of Dream Office REIT. *"Our team continues to be focused on strategies to make the REIT safer and more valuable long term in a challenging environment for office."*

Office utilization rates in Toronto downtown have continued to improve gradually each quarter. Despite continuing challenges in the office real estate sector, we continue to believe our portfolio is well-located, difficult to replace and uniquely positioned to outperform over the long term. We remain committed to investing in our buildings to distinguish our portfolio and attract high-quality tenants and committed to leasing to reduce risk in our business.

Relative to Q1 2024, our in-place occupancy declined slightly from 79.3% to 79.2% and our in-place and committed occupancy rate increased from 83.5% to 84.3%. The quarter-over-quarter decrease of 0.1% of total portfolio in-place occupancy was attributable to 19,000 square feet of negative absorption in downtown Toronto, partially offset by 15,000 square feet of positive absorption in Other markets.

Year-over-year, downtown Toronto in-place occupancy declined from 83.6% to 83.0% and in-place and committed occupancy declined from 88.1% to 87.7%. Year-over-year, in-place occupancy in the Other markets region declined from 76.3% to 72.7% and in-place and committed occupancy improved from 76.8% to 78.6%. The year-over-year increase in Other markets in-place and committed occupancy was due to strong leasing in the Calgary and Greater Toronto Area markets.

Vacancy committed for future occupancy increased by 44,000 square feet over the quarter to 257,000 square feet. In Toronto downtown, 97,000 square feet, or 3.1% of the region's total gross leasable area, is scheduled to commence over the course of 2024 at net rents 4.9% above prior net rents on the same space with a weighted average lease term of 9.8 years. In the Other markets region, 74,000 square feet, or 4.0% of the region's total gross leasable area, is scheduled to commence over the remainder of 2024 at net rents 52.4% above prior net rents on the same space with a weighted average lease term of 4.7 years. The remaining 86,000 square feet of commitments on vacant space are scheduled to commence in 2025 through 2027.

During Q2 2024, the Trust executed leases totalling approximately 194,000 square feet across our portfolio. In Toronto downtown, the Trust executed 107,000 square feet of leases at a weighted average initial net rent of $37.41 per square foot, or 25.8% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 5.3 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 87,000 square feet at a weighted average net rent of $14.73 per square foot, or 29.2% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 4.3 years. Subsequent to June 30, 2024, the Trust executed a further 21,000 square feet of leases in Toronto downtown at a weighted average initial net rent of $31.56 per square foot, flat when compared to the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 1.9 years.

In addition, the Trust has a further 149,000 square feet of leases in advanced stages of negotiation in Toronto downtown, which includes advanced negotiations for a renewal of a portion of the maturing space at 74 Victoria Street and is in discussions with various prospective tenants for the balance of the October 31, 2024 expiry at the property. The 206,000 square foot upcoming expiry at 74 Victoria Street represents 51% of the Trust's maturities in Toronto downtown for the remainder of 2024. The Trust also has 122,000 square feet of leases that are in advanced stages of negotiation in the Other markets region.

Since the beginning of the year to today's date, the Trust has executed leases totalling approximately 356,000 square feet across our portfolio. In Toronto downtown, the Trust has executed 194,000 square feet of leases at a weighted average initial net rent of $35.52 per square foot, or 16.7% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 5.0 years. In the Other markets region, the Trust has executed leases totalling 162,000 square feet at a weighted average initial net rent per square foot of $15.86, or 7.6% higher than the weighted average prior net rents on the same space, with a weighted average lease term of 6.4 years.

REDEVELOPMENT PROJECTS UPDATE

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 $11.8 million over the course of the project, $8.3 million of which has been funded by our Canada Infrastructure Bank credit facility (the "CIB Facility"). At 67 Richmond Street West, we have spent $8.1 million on the project, $6.5 million of which has been funded by the CIB Facility. The project at 67 Richmond Street West is expected to be completed in Q4 2024. The Trust is currently in active discussions with prospective tenants for the building.

In 2023, we secured a commitment at 366 Bay Street for a lease for the entire building with a global financial institution that was 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 for 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. Subsequent to the quarter, the full building fixturing and fitout for the redevelopment project was completed ahead of schedule and the property is expected to be reclassified to active properties in Q3 2024. As part of the lease agreement, the Trust secured a non-revolving term loan facility of $8.2 million with the tenant to finance the tenant's construction allowance under the terms of the lease. The accumulated drawings will bear interest at an annual fixed rate of 6.75% for a period of five years. Subsequent to the initial availability period during the tenant fitout period, the loan will convert to an amortizing term facility.

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During the quarter, the lease at 366 Bay Street was recognized as the first Platinum Team Transaction in Canada by the Institute for Market Transformation and Better Buildings and was awarded 'Office Lease of the Year' at the 22nd Annual REX Awards, hosted by NAIOP.

FINANCING AND LIQUIDITY UPDATE

KEY FINANCIAL PERFORMANCE METRICS		As at	
(unaudited)		**June 30, 2024**	December 31, 2023
Financing			
Weighted average face rate of interest on debt (period-end)(7)		**4.69%**	4.53%
Interest coverage ratio (times)(8)		**1.8**	2.0
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(9)		**11.8**	11.5
Level of debt (net total debt-to-net total assets)(10)		**50.9%**	50.0%
Average term to maturity on debt (years)		**2.9**	3.3
Undrawn credit facilities, available liquidity and unencumbered assets			
Undrawn credit facilities (in millions)	**$**	**152.0** $	174.0
Available liquidity (in millions)(11)		**166.3**	187.2
Unencumbered assets (in millions)(12)		**2.4**	17.1
Capital (period-end)			
Total number of REIT A and LP B units (in millions)(6)(13)		**18.9**	18.9
Net asset value ("NAV") per unit(6)(14)	**$**	**64.82** $	66.31

See footnotes at end.

As at June 30, 2024, the Trust had $2.7 billion of total assets, including $2.3 billion of investment properties, $1.4 billion of total debt and $1.2 billion of equity.

During the quarter, The Trust refinanced a $26.1 million mortgage secured by a property in Calgary. The refinanced mortgage totals $26.3 million with a new maturity date of May 31, 2027, bearing fixed interest at 6.65%. The Trust is in advanced renewal discussions with its lenders on the remaining $17.2 million of mortgage maturities coming due in 2024. We are also in various stages of discussion for the $375 million revolving credit facility maturity, with drawings of $299.8 million and $366.1 million of mortgage maturities coming due in 2025, including advanced discussions with various lenders for the refinancing of the $225 million mortgage maturity for Adelaide Place.

During the quarter, the Trust amended and extended its $10 million revolving credit facility to a new maturity date of March 31, 2027. The amended facility bears interest at unadjusted one-month term CORRA plus 2.895% or at the bank's prime rate plus 0.950%.

As at June 30, 2024, the Trust had approximately $166.3 million of available liquidity,(11) comprising $14.3 million of cash, undrawn revolving credit facilities totalling $57.4 million, undrawn amounts on our non-revolving term loan facility pertaining to the aforementioned 366 Bay Street lease totalling $8.2 million and undrawn amounts on our CIB Facility of $86.5 million, which provides low-cost fixed-rate financing solely for the purpose of commercial property retrofits to achieve certain energy efficiency savings and greenhouse gas ("GHG") emission reductions.

During Q2 2024, the Trust drew $2.3 million against the CIB Facility. In total, we have drawn $26.4 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.

On July 2, 2024, subsequent to period end, the Trust completed the sale of 234 – 1st Avenue South in Saskatoon for total gross proceeds before adjustments and transaction costs of $8.6 million. The Trust continues to consider opportunistic asset sales at prices in line with fair values to enhance long-term financial flexibility.

SUMMARY OF KEY PERFORMANCE INDICATORS

- **Net income for the quarter:** For the three months ended June 30, 2024, the Trust generated a net loss of $21.9 million. Included in net loss for the three months ended June 30, 2024 are negative fair value adjustments to investment properties totalling $24.6 million across the portfolio, interest on debt of $16.1 million, fair value adjustments to financial instruments totalling $7.1 million primarily due to remeasurement of the carrying value of subsidiary redeemable units as a result of an increase in the Trust's unit price over the quarter and fair value losses on rate swap contracts due to declining market yield curves, partially offset by net rental income totalling $27.3 million.

- **Diluted FFO per unit(5)(6) for the quarter:** For the three months ended June 30, 2024, diluted FFO per unit increased by $0.06 per unit to $0.76 per unit relative to $0.70 per unit in Q2 2023, driven by the accretive effect of repurchases under the normal course issuer bid ("NCIB") and substantial issuer bid ("SIB"), net of reduced FFO from Dream Industrial REIT as a result of selling units to facilitate the buyback of REIT A Units under the SIB in Q2 2023 and interest from drawing on credit facilities (+$0.10), higher straight-line rent due to short-term free-rent periods given to larger tenants in downtown Toronto ending in July to September 2024 (+$0.04), higher lease termination fees and other income (+$0.04), higher comparative properties NOI (+$0.02), lower G&A (+$0.01) and lower bad debt expense (+$0.01), partially offset by higher interest expense (-$0.10) and reduced interest and fee income (-$0.06).

- **Net rental income for the quarter:** For the three months ended June 30, 2024, net rental income increased by 7.9%, or $2.0 million, over the prior year comparative quarter, primarily due to higher comparative properties NOI along with higher straight-line rent from the aforementioned short-term rent-free periods and higher lease termination fees in the Other markets region in the current quarter and a reduction in provisions over the prior year comparative quarter.

- **Comparative properties NOI(4) for the quarter:** For the three months ended June 30, 2024, comparative properties NOI increased by 1.2%, or $0.3 million, over the prior year comparative quarter, primarily driven by higher in-place rents in Toronto downtown from rent step-ups and higher rates on new leases and renewals, partially offset by lower recoveries and higher non-recoverable expenses in the Other markets region.

  For the three months ended June 30, 2024, comparative properties NOI in Toronto downtown increased by 2.6%, or $0.5 million, over the prior year comparative quarter, primarily due to higher in-place rents from rent step-ups, higher rates on renewals and new leases, higher recoveries and slightly higher weighted average occupancy in the region.

- **In-place occupancy**: Total portfolio in-place occupancy on a quarter-over-quarter basis decreased by 0.1% relative to Q1 2024. In Toronto downtown, in-place occupancy decreased by 0.7% relative to Q1 2024 as 86,000 square feet of expiries and 14,000 square feet of terminations were partially offset by 33,000 square feet of renewals and 48,000 square feet of new lease commencements.

  In the Other markets region, in-place occupancy increased by 0.9% relative to Q1 2024 as 8,000 square feet of renewals and 15,000 square feet of new lease commencements were partially offset by 8,000 square feet of expiries. In addition, the reclassification of 234-1st Avenue South in Saskatoon to assets held for sale in Q2 2024 had a 0.1% positive impact on occupancy relative to Q1 2024.

  Total portfolio in-place occupancy on a year-over-year basis decreased from 80.9% at Q2 2023 to 79.2% this quarter, primarily due to negative absorption of 3.6% in Other markets and negative absorption of 0.6% in Toronto downtown.

- **Lease commencements for the quarter:** For the three months ended June 30, 2024, excluding temporary leasing, 73,000 square feet of leases commenced in Toronto downtown at net rents of $34.79 per square foot, or 10.0% higher than the previous rent on the same space with a weighted average lease term of 3.1 years. In the Other markets region, 23,000 square feet of leases commenced at $17.55 per square foot, or 3.7% higher than the previous rent on the same space with a weighted average lease term of 6.8 years.

  The renewal and relocation rate to expiring rate spread for the quarter was 3.5% above expiring rates on 41,000 square feet of renewals.

- **NAV per unit(6)(14):** As at June 30, 2024, our NAV per unit decreased to $64.82 compared to $66.31 at December 31, 2023. The decrease in NAV per unit relative to December 31, 2023 is driven by fair value losses on investment properties due to adjustments in market parameters at certain properties in Toronto downtown and fair value losses in Other markets primarily due to a property valued by a qualified external valuation professional during the quarter, along with write-offs of maintenance capital spend and leasing costs in both regions, partially offset by cash flow retention (FFO net of distributions) and fair value gains on the remeasurements of deferred trust units ("DTUs") and interest rate swap contracts.

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- **Fair value adjustments to investment properties for the quarter:** For the three months ended June 30, 2024, the Trust recorded a fair value loss totalling $24.6 million, comprising fair value losses of $15.5 million in Toronto downtown, $5.1 million in Other markets and $4.0 million in our properties under development. Fair value losses in Toronto downtown were primarily driven by write-offs of maintenance capital spend and leasing costs, as well as expansions in cap rates and changes in market rental rates in the region. Fair value losses in Other markets were primarily driven by a fair value loss on a property valued by a qualified external valuation professional during the quarter and write-offs of maintenance capital spend.
- **Fair value adjustments to financial instruments**: For the three months ended June 30, 2024, the Trust recorded fair value losses totalling $7.1 million. Fair value losses in the current quarter consisted primarily of $4.8 million of losses on the carrying value of subsidiary redeemable units and $0.8 million of fair value losses on the remeasurements of DTUs as a result of an increase in the Trust's unit price relative to March 31, 2024, as well as remeasurements of rate swap contracts resulting in a fair value loss of $1.5 million

UNIT CONSOLIDATION

Effective February 22, 2024 (the "Effective Date"), the Trust completed a unit consolidation of all the issued and outstanding REIT A Units, REIT B Units and Special Trust Units (collectively, the "Units") on the basis of one (1) post-consolidation Unit for every two (2) pre-consolidation Units (the "Unit Consolidation"). Upon completion of the Unit Consolidation, the number of REIT A Units as of February 22, 2024 was consolidated from 32,626,435 to 16,313,022. There were no REIT B Units outstanding.

The general partner of Dream Office LP also took steps to effect a consolidation of the LP Class A Units and LP Class B Units of Dream Office LP on a proportionate basis effective as of the Effective Date. As a result, the subsidiary redeemable units were also consolidated on the basis of one (1) post-consolidation subsidiary redeemable unit for every two (2) pre-consolidation subsidiary redeemable units on the Effective Date. Upon completion of the Unit Consolidation, the number of subsidiary redeemable units as of February 22, 2024 was consolidated from 5,233,823 to 2,616,911.

All unit, per unit and unit-related amounts disclosed herein reflect the post-Unit Consolidation units for all periods presented, unless otherwise noted.

CONFERENCE CALL

Management will host a conference call to discuss the financial results on Monday, August 12, 2024, at 9:00 a.m. (ET). To access the conference call, please dial 1-844-763-8274 in Canada or 647-484-8814 elsewhere. To access the conference call via webcast, please go to Dream Office REIT's website at www.dreamofficereit.ca and click on the link for News, then click on Events. A taped replay of the conference call and the webcast will be archived for 90 days.

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.com.

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.

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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 investments in joint ventures that are equity accounted at the end of each period.

(3) 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, 2024 and June 30, 2023 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.

(4) 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, 2024 and June 30, 2023 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.

(5) 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, 2024, dated August 9, 2024 (the "MD&A for the second quarter of 2024") in the section "Supplementary Financial Measures and Other Disclosures" under the heading "Weighted average number of units".

(6) On February 22, 2024, the Trust implemented the Unit Consolidation of all the issued and outstanding REIT Units, Series A, REIT Units, Series B and Special Trust Units of the REIT on the basis of one (1) post-consolidation Unit for every two (2) pre-consolidation Units. All unit and per-unit amounts disclosed reflect the post-Unit Consolidation units for all periods presented.

(7) 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.

(8) 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, 2024 and June 30, 2023 and for the year ended December 31, 2023 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, 2024. 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.

(9) 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.

(10) 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, 2024 and December 31, 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, Ratios and Supplementary Financial Measures" in this press release.

(11) 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, 2024 and December 31, 2023. 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.

(12) 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.

(13) Total number of REIT A and LP B units includes 2.6 million LP B Units which are classified as a liability under IFRS Accounting Standards.

(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, 2024 and December 31, 2023. 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 Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). In this press release, as a complement to results provided in accordance with IFRS Accounting Standards, 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 Accounting Standards 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 2024 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 2024 and can be found under the section "Supplementary financial measures and ratios and other disclosures". The MD&A for the second quarter of 2024 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 Accounting Standards 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 Accounting Standards 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; statements regarding the value and quality of our portfolio, the effect of the Trust's leasing strategy on the return on invested capital, occupancy at our buildings, property value, cash flows, liquidity and refinancing value; the effect of building improvements on tenant experience and building quality and performance; our development, redevelopment and intensification plans, including timelines, square footage, our ability to lease properties under development and other project characteristics, including in respect of 67 Richmond Street West; 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 address future debt maturities; negotiations for renewals of mortgage and refinancing debt maturities; capital allocation, investments and expected benefits; our ability to complete prospective asset dispositions and our ability to achieve pricing in line with fair value for such dispositions; prospective leasing activity; the safety of our business; and our overall financial performance, profitability, value, safety 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", "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 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 availability, timing and amount of future equity and debt financings; development risks including construction costs, 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; the ability of the Trust and its tenants to access government programs; the financial condition of tenants and borrowers; employment levels; the uncertainties around the timing and amount of future financings; leasing risks, including those associated with the ability to lease vacant space and properties under development; rental rates on future leasing; and interest and currency rate fluctuations.

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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 public health crises on the ability of us and our tenants to operate their businesses at our properties will not be 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, 2024	2023
Net loss for the period	**$ (21,941)**	$ (49,706)
Add (deduct):		
Net loss (income) from investment in Dream Industrial REIT	**(2,391)**	33,725
Share of FFO from investment in Dream Industrial REIT	**3,335**	4,839
Depreciation and amortization	**3,227**	2,972
Costs (recoveries) attributable to sale of investment properties	**535**	(3)
Interest expense on subsidiary redeemable units	**654**	1,309
Fair value adjustments to investment properties	**24,594**	38,866
Fair value adjustments to investment properties held in joint ventures	**23**	27
Fair value adjustments to financial instruments and DUIP included in G&A expenses	**6,941**	(14,885)
Internal leasing costs	**426**	492
Principal repayments on finance lease liabilities	**(14)**	(14)
Deferred income taxes recovery	**(531)**	(115)
FFO for the period	**$ 14,858**	$ 17,507
Diluted weighted average number of units	**19,479**	24,941
Diluted FFO per unit[1]	**$ 0.76**	$ 0.70

(1) On February 22, 2024, the Trust implemented the Unit Consolidation of all the issued and outstanding REIT Units, Series A, REIT Units, Series B and Special Trust Units of the REIT on the basis of one (1) post-consolidation Unit for every two (2) pre-consolidation Units. All unit and per unit amounts disclosed reflect the post-Unit Consolidation units for all periods presented.

Comparative properties NOI

	Three months ended				Change in weighted average occupancy %	Change in in-place net rents %
	June 30, 2024	June 30, 2023	Change Amount	Change %		
Toronto downtown	**$ 21,279**	$ 20,747	$ 532	2.6	0.6	2.7
Other markets	**6,667**	6,855	(188)	(2.7)	(4.2)	4.2
Comparative properties NOI	**27,946**	27,602	344	1.2	(1.1)	3.7
Properties under development	**173**	97	76			
Property management and other service fees	**567**	444	123			
Change in provisions	**(53)**	(336)	283			
Straight-line rent	**1,003**	229	774			
Amortization of lease incentives	**(2,936)**	(2,942)	6			
Lease termination fees and other	**480**	6	474			
Sold properties	**—**	48	(48)			
Net rental income	**$ 27,301**	$ 25,296	$ 2,005	7.9		

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Adjusted EBITDAFV

	Three months ended		Six months ended		Year ended
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023	December 31, 2023
Net loss for the period	**$ (21,941)**	$ (49,706)	**$ (10,075)**	$ (48,328)	$ (77,196)
Add (deduct):					
Interest – debt	**16,096**	13,798	**31,518**	28,124	58,978
Interest – subsidiary redeemable units	**654**	1,309	**1,526**	2,617	5,234
Current and deferred income taxes expense (recovery), net	**(511)**	(115)	**(354)**	(323)	47
Depreciation on property and equipment	**98**	40	**120**	85	162
Fair value adjustments to investment properties	**24,594**	38,866	**41,887**	50,934	96,406
Fair value adjustments to financial instruments	**7,071**	(14,707)	**(12,603)**	(17,542)	(22,509)
Net loss (income) from investment in Dream Industrial REIT	**(2,391)**	33,725	**(5,445)**	31,292	30,674
Distributions earned from Dream Industrial REIT	**2,369**	3,098	**4,738**	7,721	12,459
Share of net losses (income) from investment in joint ventures	**(51)**	(5)	**120**	48	812
Non-cash items included in investment properties revenue(1)	**1,933**	2,713	**4,757**	5,335	10,397
Change in provisions	**53**	336	**103**	(6)	858
Lease termination fees and other	**(480)**	(6)	**(483)**	(179)	(592)
Net losses on transactions and other items	**961**	506	**1,565**	950	1,920
Adjusted EBITDAFV for the period	**$ 28,455**	$ 29,852	**$ 57,374**	$ 60,728	$ 117,650

(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, 2024
Adjusted EBITDAFV for the six months ended June 30, 2024	$ 57,374
Add: Adjusted EBITDAFV for the year ended December 31, 2023	117,650
Less: Adjusted EBITDAFV for the six months ended June 30, 2023	(60,728)
Trailing 12-month adjusted EBITDAFV	$ 114,296

	Trailing 12-month period ended June 30, 2024
Interest expense on debt for the six months ended June 30, 2024	$ 31,518
Add: Interest expense on debt for the year ended December 31, 2023	58,978
Less: Interest expense on debt for the six months ended June 30, 2023	(28,124)
Trailing 12-month interest expense on debt	$ 62,372

Interest coverage ratio (times)

	For the trailing 12-month period ended	
	June 30, 2024	December 31, 2023
Trailing 12-month adjusted EBITDAFV	**$ 114,296**	$ 117,650
Trailing 12-month interest expense on debt	**$ 62,372**	$ 58,978
Interest coverage ratio (times)	**1.8**	2.0

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

	Amounts included in condensed consolidated financial statements	
	June 30, 2024	December 31, 2023
Non-current debt	**$ 1,031,636**	$ 1,254,090
Current debt	**326,214**	85,371
Total debt	**1,357,850**	1,339,461
Less: Cash on hand[(1)]	**(13,180)**	(11,908)
Net total debt	**$ 1,344,670**	$ 1,327,553
Total assets	**2,656,576**	2,668,330
Less: Cash on hand[(1)]	**(13,180)**	(11,908)
Net total assets	**$ 2,643,396**	$ 2,656,422
Net total debt-to-net total assets	**50.9%**	50.0%

(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, 2024	December 31, 2023
Cash and cash equivalents	**$ 14,260**	$ 13,273
Undrawn revolving credit facilities	**57,364**	73,394
Undrawn CIB Facility	**86,450**	92,361
Undrawn non-revolving term loan facility	**8,200**	8,200
Available liquidity	**$ 166,274**	$ 187,228

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

	June 30, 2024	December 31, 2023
Non-current debt	**$ 1,031,636**	$ 1,254,090
Current debt	**326,214**	85,371
Total debt	**1,357,850**	1,339,461
Less: Cash on hand[(1)]	**(13,180)**	(11,908)
Net total debt	**$ 1,344,670**	$ 1,327,553
Adjusted EBITDAFV – quarterly	**28,455**	28,747
Less: NOI of disposed properties for the quarter	**—**	2
Normalized adjusted EBITDAFV – quarterly	**$ 28,455**	$ 28,749
Normalized adjusted EBITDAFV – annualized	**$ 113,820**	$ 114,996
Net total debt-to-normalized adjusted EBITDAFV ratio (years)	**11.8**	11.5

(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.

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Total equity (including subsidiary redeemable units) and NAV per unit

						Unitholders' equity
	June 30, 2024			December 31, 2023		
	Number of units		**Amount**	Number of units		Amount
Unitholders' equity	**16,332,563**	**$**	**1,837,445**	16,313,022	$	1,837,138
Deficit	**—**		**(661,259)**	—		(642,162)
Accumulated other comprehensive income	**—**		**5,334**	—		5,335
Equity per condensed consolidated financial statements	**16,332,563**		**1,181,520**	16,313,022		1,200,311
Add: Subsidiary redeemable units	**2,616,911**		**47,339**	2,616,911		54,850
Total equity (including subsidiary redeemable units)	**18,949,474**	**$**	**1,228,859**	18,929,933	$	1,255,161
NAV per unit(1)		**$**	**64.82**		$	66.31

(1) On February 22, 2024, the Trust implemented the Unit Consolidation of all the issued and outstanding REIT Units, Series A, REIT Units, Series B and Special Trust Units of the REIT on the basis of one (1) post-consolidation Unit for every two (2) pre-consolidation Units. All unit and per unit amounts disclosed reflect the post-Unit Consolidation units for all periods presented.