DREAM OFFICE REIT REPORTS Q3 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, NOVEMBER 7, 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 September 30, 2024.

OPERATIONAL HIGHLIGHTS AND UPDATE

(unaudited)

			As at
	September 30, 2024	June 30, 2024	September 30, 2023
Total properties[1]			
Number of active properties	**26**	25	26
Number of properties under development	**1**	2	2
Gross leasable area (in millions of square feet)	**5.1**	5.1	5.1
Investment properties value	**$ 2,303,308**	$ 2,318,974	$ 2,355,714
Total portfolio[2]			
Occupancy rate – including committed (period-end)	**84.5%**	84.3%	84.3%
Occupancy rate – in-place (period-end)	**80.9%**	79.2%	80.8%
Average in-place and committed net rent per square foot (period-end)	**$ 26.37**	$ 26.33	$ 25.47
Weighted average lease term (years)	**5.2**	5.2	4.9
Occupancy rate – including committed – Toronto (period-end)	**88.0%**	87.7%	88.6%
Occupancy rate – in-place – Toronto (period-end)	**84.5%**	83.0%	83.4%

See footnotes at end.

		Three months ended
	September 30, 2024	September 30, 2023
Operating results		
Funds from operations ("FFO")[3]	**$ 14,990**	**$** 13,566
Comparative properties net operating income ("NOI")[4]	**28,023**	27,378
Net rental income	**26,093**	25,107
Net income (loss)	**(75,758)**	13,556
Per unit amounts		
Diluted FFO per unit[5][6]	**$ 0.77**	$ 0.70
Distribution rate per Unit[6]	**0.25**	0.50

See footnotes at end.

"Dream Office REIT continues to deliver another stable quarter of operational and financial performance," said Michael Cooper, Chief Executive Officer of Dream Office REIT. *"We have already completed the bulk of our planned capital improvements to create the Bay Street Collection and upgrade most of our buildings and tenants are taking occupancy in our boutique buildings including many leading restaurants across our downtown Toronto portfolio. At 74 Victoria Street we have renewed 64,000 square feet of the federal government's space and are working on leases that should achieve our average portfolio occupancy in this building quite soon. We are continuing to work with our tenants in order to minimize leasing risks in our buildings so we can continue to improve occupancy."*

Office utilization rates and touring activity 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 Q2 2024, our in-place occupancy increased from 79.2% to 80.9% and our in-place and committed occupancy rate increased slightly from 84.3% to 84.5%. The quarter-over-quarter increase of 1.7% of total portfolio in-place occupancy was attributable to 43,000 square feet of positive absorption in Toronto downtown and 37,000 square feet of positive absorption in Other markets. In addition, in-place occupancy in Toronto downtown increased by 0.2% relative to Q2 2024 as our development at 366 Bay Street in Toronto was completed and transferred to active properties as the property was occupied by the full building tenant on July 1, 2024.

Year-over-year, Toronto downtown in-place occupancy increased from 83.4% to 84.5% and in-place and committed occupancy declined from 88.6% to 88.0%. Year-over-year, in-place occupancy in the Other markets region declined from 76.6% to 74.7% and in-place and committed occupancy improved from 77.0% to 78.6%. The year-over-year increase in Other markets' in-place and committed occupancy was due to net positive leasing in the Calgary and the Greater Toronto Area markets. Over the past three years (since Q3 2021), our Toronto downtown in-place and committed occupancy rate has declined slightly from 88.6% to 88.0%, while that market's overall vacancy rate has risen from 9.9%[7] to 18.2%[8] over the same time period.

The Trust has 183,000 square feet of vacancy committed for future occupancy. In Toronto downtown, 53,000 square feet, or 1.7% of the region's total gross leasable area, is scheduled to commence over the remainder of 2024 at net rents 28.0% above prior net rents on the same space with a weighted average lease term of 7.8 years. Another 49,000 square feet is scheduled to commence in Toronto downtown at 31.8% higher net rents than previous in 2025 with a weighted average lease term of 8.8 years and 9,000 square feet in 2026 at 29.8% higher net rents than previous with a weighted average lease term of 15.0 years.

In the Other markets region, 15,000 square feet, or 0.8% of the region's total gross leasable area, is scheduled to commence over the remainder of 2024 at 29.1% below prior net rents on the same space with a weighted average lease term of 3.2 years. The remaining 57,000 square feet of commitments on vacant space are scheduled to commence in 2025 at net rents consistent with the previous net rents on the same space and a weighted average lease term of 13.1 years.

During Q3 2024, the Trust executed leases totalling approximately 185,000 square feet across our portfolio. In Toronto downtown, the Trust executed 120,000 square feet of leases at a weighted average initial net rent of $33.66 per square foot, or 6.7% higher compared to 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, comprising our properties located in Calgary, Saskatoon, Regina, Mississauga, Scarborough and the United States ("U.S."), we executed leases totalling 65,000 square feet at a weighted average net rent of $17.34 per square foot, or 5.3% lower than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 8.2 years. Subsequent to September 30, 2024, the Trust executed a further 26,000 square feet of leases in Toronto downtown at a weighted average initial net rent of $34.08 per square foot, or 4.7% higher when compared to the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 3.8 years.

Since the beginning of the year to today's date, the Trust has executed leases totalling approximately 538,000 square feet across our portfolio. In Toronto downtown, the Trust has executed 318,000 square feet of leases at a weighted average initial net rent of $34.96 per square foot, or 13.0% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 5.1 years. In the Other markets region, the Trust has executed leases totalling 220,000 square feet at a weighted average initial net rent per square foot of $16.31, or 3.2% higher than the weighted average prior net rents on the same space, with a weighted average lease term of 7.1 years.

At 74 Victoria, the 266,000 square foot building had a 206,000 square foot expiry on October 31, 2024. To date, the Trust has renewed 64,000 square feet for a period of three years and is in negotiations with prospective tenants for up to an additional 70,000 square feet.

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 $12.5 million over the course of the project, $8.8 million of which has been funded by our Canada Infrastructure Bank credit facility (the "CIB Facility"). In 2023, we leased the entire building to a global financial institution that was attracted by the location of the asset, as well as the successful completion of our redevelopment and engineer-certified 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. This lease 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.

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During the quarter, the 366 Bay fixturing and fit-out for the redevelopment project was completed ahead of schedule and the property was reclassified to active properties on July 1, 2024 on tenant occupancy. The fixturing and fit-out was financed with a non-revolving term loan facility of $8.2 million with the tenant, which bears interest at an annual fixed rate of 6.75%. As a result of the early completion and occupancy, the property contributed $0.4 million of straight-line rent to net rental income for the quarter.

At 67 Richmond Street West, we have spent $9.2 million on the project, $6.3 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. As a result of the redevelopment, the Trust attracted Daphne restaurant, which has been awarded Best Upscale Restaurant by Hospitality Design, for the entire ground floor retail space for a term of ten years. Including a 6,500 square foot office lease signed subsequent to the quarter, the Trust has leased 18,600 square feet of the 51,000 square foot building and is currently in active discussions with prospective tenants for the remainder of the space in the building.

FINANCING AND LIQUIDITY UPDATE

KEY FINANCIAL PERFORMANCE METRICS		As at
(unaudited)	**September 30, 2024**	December 31, 2023
Financing		
Weighted average face rate of interest on debt (period-end)(9)	**4.73%**	4.53%
Interest coverage ratio (times)(10)	**1.8**	2.0
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(11)	**11.7**	11.5
Level of debt (net total debt-to-net total assets)(12)	**51.9%**	50.0%
Average term to maturity on debt (years)	**2.8**	3.3
Undrawn credit facilities, available liquidity and unencumbered assets		
Undrawn credit facilities (in millions)	**$ 135.4**	$ 174.0
Available liquidity (in millions)(13)	**169.2**	187.2
Unencumbered assets (in millions)(14)	**2.8**	17.1
Capital (period-end)		
Total number of REIT A and LP B units (in millions)(6)(15)	**19.0**	18.9
Net asset value (“NAV”) per unit(6)(16)	**$ 61.24**	$ 66.31

See footnotes at end.

As at September 30, 2024, the Trust had $2.6 billion of total assets, including $2.3 billion of investment properties, $1.4 billion of total debt and $1.1 billion of equity.

During the quarter, the Trust refinanced a $17.2 million mortgage secured by a property in downtown Toronto. The refinanced interest-only mortgage totals $18.0 million with a new maturity date of October 1, 2026. The open mortgage on a contemplated development site bears interest at the bank's prime rate plus 2.00% subject to a minimum interest rate of 7.50%.

During the quarter, the Trust extended the maturity of a $44.3 million mortgage secured by a property in downtown Toronto to a new maturity date of May 31, 2027. The mortgage bears variable interest at the daily Canadian Overnight Repo Rate Average ("CORRA") plus 2.245%. The Trust has previously entered into a fixed-for-variable interest rate swap relating to this mortgage fixing the interest rate at approximately 5.32%.

The Trust has successfully refinanced all of its expiring mortgages in 2024, totalling $73.4 million at maturity.

Subsequent to the quarter, the Trust closed on its $225 million maturity mortgage loan at Adelaide Place with a syndicate of global and Canadian financial institutions for a term of five years at a floating interest rate based on CORRA and anticipates entering into a swap to fix the interest rate for a period of five years.

To date, the Trust has already refinanced or received credit approval for $265 million of the $366.1 million of mortgages coming due during 2025. We are also in discussions with lenders to renew the $375 million credit facility, which matures in September 2025.

As at September 30, 2024, the Trust had approximately $169.2 million of available liquidity,[13] comprising $33.9 million of cash, undrawn revolving credit facilities totalling $50.4 million, undrawn amounts on our non-revolving term loan facility pertaining to the aforementioned 366 Bay Street lease totalling $0.4 million and undrawn amounts on our CIB Facility of $84.5 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 emission reductions.

During Q3 2024, the Trust drew $1.9 million against the CIB Facility. In total, we have drawn $28.3 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, or 57.5%, per year on project completion.

On July 2, 2024, 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.

GRESB Real Estate Assessment Benchmark results

The Trust achieved an overall five-star GRESB score of 90/100 in the 2024 GRESB Real Estate Assessment Benchmark, an increase from the Trust's score of 87/100 in 2023.

SUMMARY OF KEY PERFORMANCE INDICATORS

- **Net loss for the quarter:** For the three months ended September 30, 2024, the Trust generated a net loss of $75.8 million. Included in net loss for the three months ended September 30, 2024 are negative fair value adjustments to investment properties totalling $33.8 million across the portfolio, impairment of vendor takeback mortgage ("VTB mortgage") receivables totalling $24.9 million, interest on debt of $16.2 million, fair value adjustments to financial instruments totalling $25.1 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 $26.1 million.

- **Diluted FFO per unit[5][6] for the quarter:** For the three months ended September 30, 2024, diluted FFO per unit increased by $0.07 per unit to $0.77 per unit relative to $0.70 per unit in Q3 2023, driven by higher straight-line rent primarily due to the early occupancy at 366 Bay as the project was completed ahead of schedule as well as some short-term rent-free periods on lease renewals (+$0.05), higher income from joint ventures due to our restaurant operations and income tax refunds received in the current year in Alate (+$0.05), higher comparative properties NOI (+$0.03), and lower tenant provisions and G&A expenses (+$0.02), partially offset by higher interest expense (-$0.06), lost NOI from the sale of 234 – 1st Avenue South in Saskatoon (-$0.01) and other items (-$0.01).

- **Net rental income for the quarter:** For the three months ended September 30, 2024, net rental income increased by 3.9%, or $1.0 million, over the prior year comparative quarter, primarily due to higher comparative properties NOI along with higher straight-line rent from short-term rent-free periods ending in July to November 2024 and a reduction in provisions over the prior year comparative quarter.

- **Comparative properties NOI[4] for the quarter:** For the three months ended September 30, 2024, comparative properties NOI increased by 2.4%, or $0.6 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 expenses at certain properties in the Other markets region.

  For the three months ended September 30, 2024, comparative properties NOI in Toronto downtown increased by 5.3%, or $1.1 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 increased by 1.7% relative to Q2 2024. In Toronto downtown, in-place occupancy increased by 1.5% relative to Q2 2024 as 50,000 square feet of new lease commencements and 26,000 square feet of renewals were partially offset by 33,000 square feet of expiries. In addition, in-place occupancy in Toronto downtown increased by 0.2% relative to Q2 2024 as our development at 366 Bay Street in Toronto was completed and transferred to active properties on early occupancy of the property by the tenant on July 1, 2024.

  In the Other markets region, in-place occupancy increased by 2.0% relative to Q2 2024 as 67,000 square feet of new lease commencements and 12,000 square feet of renewals were partially offset by 18,000 square feet of expiries and 24,000 square feet of early terminations.

  Total portfolio in-place occupancy on a year-over-year basis increased slightly from 80.8% in Q3 2023 to 80.9% this quarter, as positive absorption in Toronto downtown of 0.9% and a 0.2% positive effect from reclassification of 366 Bay Street in Toronto downtown was partially offset by negative absorption in Other markets.

- **Lease commencements for the quarter:** For the three months ended September 30, 2024, excluding temporary leasing, 75,000 square feet of leases commenced in Toronto downtown at net rents of $37.53 per square foot, or relatively flat compared to the previous rent on the same space with a weighted average lease term of 10.3 years. In the Other markets region, 78,000 square feet of leases commenced at $15.00 per square foot, or 66.7% higher than the previous rent on the same space with a weighted average lease term of 4.5 years.

  The renewal and relocation rate to expiring rate spread for the quarter was 16.0% above expiring rates on 38,000 square feet of renewals.

- **NAV per unit[6][16]:** As at September 30, 2024, our NAV per unit decreased to $61.24 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 primarily due to changes in assumptions and the net effect of appraisals in Toronto downtown and maintenance capital and leasing costs in both regions, impairment recognized on VTB mortgage receivables, as well as fair value losses on the remeasurements of DTUs and interest rate swap contracts, partially offset by cash flow retention (FFO net of distributions). As at September 30, 2024, equity per the condensed consolidated financial statements was $1.1 billion.

- **Fair value adjustments to investment properties for the quarter:** For the three months ended September 30, 2024, the Trust recorded a fair value loss totalling $33.8 million, comprising fair value losses of $31.1 million in Toronto downtown, $1.1 million in Other markets and $1.7 million in our properties under development. Fair value losses in Toronto downtown were primarily driven by a write-down at one property due to a change in valuation assumptions, a fair value loss on a property valued by a qualified external valuation professional during the quarter, write-offs of maintenance capital spend and leasing costs and changes in market rental rates and vacancy rates in the region. This was partially offset by a fair value gain on a property valued by a qualified external valuation professional during the quarter. Fair value losses in Other markets were primarily driven by write-offs of maintenance capital spend. Fair value losses in our property under development were primarily driven by revised leasing timelines.

- **Fair value adjustments to financial instruments**: For the three months ended September 30, 2024, the Trust recorded fair value losses totalling $25.1 million. Fair value losses in the current quarter consisted of $12.1 million of losses on the carrying value of subsidiary redeemable units and $2.2 million of fair value losses on the remeasurements of DTUs as a result of an increase in the Trust's unit price relative to June 30, 2024, as well as remeasurements on rate swap contracts resulting in a fair value loss of $10.9 million.

- **Impairment of VTB mortgage receivables**: For the three months ended September 30, 2024, the Trust recorded impairment of VTB mortgage receivables totalling $24.9 million relating to two properties sold in 2018.

  The primary driver of the impairment was a VTB mortgage receivable totalling $34.1 million received as partial consideration as part of the sale of a property in Calgary in 2018. At the time of sale, the Trust also committed to a loan facility (together with the VTB mortgage receivable, the "Loans") of up to $12.5 million.

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On September 12, 2024, due to a borrower default, the Trust exercised its rights to a letter of credit held as collateral and has collected $3.3 million which can be applied to interest and principal repayments. The Trust remains in negotiations with the borrower on renewing the Loans at terms agreeable to the Trust, but there can be no assurance that an agreement will be reached. As a result, the Trust reassessed the probability of default in the expected credit loss model and the value of the collateral. As a result of these reassessments, the Trust has recorded impairment totalling $21.4 million on the Loans. As at September 30, 2024, the carrying value of the Loans was $23.7 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.

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.

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 September 30, 2024 and September 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 September 30, 2024 and September 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 nine months ended September 30, 2024, dated November 7, 2024 (the "MD&A for the third 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) *CBRE Canada Q3 2021 Quarterly Statistics.*

(8) *CBRE Canada Office Figures Q3 2024.*

(9) 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.

(10) 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 nine months ended September 30, 2024 and September 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 September 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.

(11) 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.

(12) 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 September 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.

(13) 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 September 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.

(14) 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

(15) 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.

(16) 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 September 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 third 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 third quarter of 2024 and can be found under the section "Supplementary financial measures and ratios and other disclosures". The MD&A for the third 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; our ability to achieve specified pricing on future interest rate swaps; negotiations for renewals of mortgage and refinancing debt maturities; capital allocation, investments and expected benefits; our ability to renew the VTB Mortgage and loan facility at terms agreeable to the Trust; our ability to complete prospective asset dispositions and our ability to achieve pricing in line with fair value for such dispositions; prospective leasing activity, including with respect to our ability to achieve specific levels of occupancy at 74 Victoria and the timing thereof; 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.*

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 September 30, 2024	2023
Net income (loss) for the period	**$ (75,758)**	$ 13,556
Add (deduct):		
Net income from investment in Dream Industrial REIT	**(1,611)**	(449)
Share of FFO from investment in Dream Industrial REIT	**3,462**	3,327
Depreciation and amortization	**3,459**	2,960
Costs attributable to sale of investment properties	**347**	—
Interest expense on subsidiary redeemable units	**655**	1,308
Fair value adjustments to investment properties	**33,799**	16,649
Fair value adjustments to investment properties held in joint ventures	**128**	84
Fair value adjustments to financial instruments and DUIP included in G&A expenses	**24,981**	(24,452)
Internal leasing costs	**437**	405
Principal repayments on finance lease liabilities	**(15)**	(13)
Deferred income taxes expense	**201**	191
Impairment of VTB mortgage receivables	**24,905**	—
FFO for the period	**$ 14,990**	$ 13,566
Diluted weighted average number of units	**19,492**	19,347
Diluted FFO per unit[1]	**$ 0.77**	$ 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					
	September 30, 2024	September 30, 2023	Change Amount	Change %	Change in weighted average occupancy %	Change in in-place net rents %
Toronto downtown	**$ 21,625**	$ 20,541	$ 1,084	5.3	0.7	3.1
Other markets	**6,398**	6,837	(439)	(6.4)	(3.8)	2.2
Comparative properties NOI	**28,023**	27,378	645	2.4	(1.0)	3.5
366 Bay Street, Toronto	**(192)**	(96)	(96)			
Properties under development	**202**	187	15			
Property management and other service fees	**541**	454	87			
Change in provisions	**(104)**	(243)	139			
Straight-line rent	**1,113**	207	906			
Amortization of lease incentives	**(3,433)**	(2,948)	(485)			
Lease termination fees and other	**(57)**	64	(121)			
Sold properties	**—**	104	(104)			
Net rental income	**$ 26,093**	$ 25,107	$ 986	3.9		

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Adjusted EBITDAFV

	Three months ended		Nine months ended		Year ended
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023	December 31, 2023
Net income (loss) for the period	**$ (75,758)**	$ 13,556	**$ (85,833)**	$ (34,772)	$ (77,196)
Add (deduct):					
Interest – debt	**16,214**	14,989	**47,732**	43,113	58,978
Interest – subsidiary redeemable units	**655**	1,308	**2,181**	3,925	5,234
Current and deferred income taxes expense (recovery), net	**226**	191	**(128)**	(132)	47
Depreciation on property and equipment	**—**	41	**120**	126	162
Fair value adjustments to investment properties	**33,799**	16,649	**75,686**	67,583	96,406
Fair value adjustments to financial instruments	**25,102**	(24,249)	**12,499**	(41,791)	(22,509)
Net loss (income) from investment in Dream Industrial REIT	**(1,611)**	(449)	**(7,056)**	30,843	30,674
Distributions earned from Dream Industrial REIT	**2,370**	2,369	**7,108**	10,090	12,459
Share of net losses (income) from investment in joint ventures	**(452)**	445	**(332)**	493	812
Non-cash items included in investment properties revenue[(1)]	**2,320**	2,741	**7,077**	8,076	10,397
Change in provisions	**104**	243	**207**	237	858
Lease termination fees and other	**57**	(64)	**(426)**	(243)	(592)
Impairment of VTB mortgage receivables	**24,905**	—	**24,905**	—	—
Internal leasing costs and net losses on transactions	**784**	405	**2,349**	1,355	1,920
Adjusted EBITDAFV for the period	**$ 28,715**	$ 28,175	**$ 86,089**	$ 88,903	$ 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 September 30, 2024
Adjusted EBITDAFV for the nine months ended September 30, 2024	$ 86,089
Add: Adjusted EBITDAFV for the year ended December 31, 2023	117,650
Less: Adjusted EBITDAFV for the nine months ended September 30, 2023	(88,903)
Trailing 12-month adjusted EBITDAFV	**$ 114,836**

	Trailing 12-month period ended September 30, 2024
Interest expense on debt for the nine months ended September 30, 2024	$ 47,732
Add: Interest expense on debt for the year ended December 31, 2023	58,978
Less: Interest expense on debt for the nine months ended September 30, 2023	(43,113)
Trailing 12-month interest expense on debt	**$ 63,597**

Interest coverage ratio (times)

	For the trailing 12-month period ended	
	September 30, 2024	December 31, 2023
Trailing 12-month adjusted EBITDAFV	**$ 114,836**	$ 117,650
Trailing 12-month interest expense on debt	**$ 63,597**	$ 58,978
Interest coverage ratio (times)	**1.8**	2.0

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

	Amounts included in condensed consolidated financial statements	
	September 30, 2024	December 31, 2023
Non-current debt	**$ 802,051**	$ 1,254,090
Current debt	**576,232**	85,371
Total debt	**1,378,283**	1,339,461
Less: Cash on hand[(1)]	**(32,434)**	(11,908)
Net total debt	**$ 1,345,849**	$ 1,327,553
Total assets	**2,623,842**	2,668,330
Less: Cash on hand[(1)]	**(32,434)**	(11,908)
Net total assets	**$ 2,591,408**	$ 2,656,422
Net total debt-to-net total assets	**51.9%**	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
	September 30, 2024	December 31, 2023
Cash and cash equivalents	**$ 33,857**	$ 13,273
Undrawn revolving credit facilities	**50,391**	73,394
Undrawn CIB Facility	**84,544**	92,361
Undrawn non-revolving term loan facility	**428**	8,200
Available liquidity	**$ 169,220**	$ 187,228

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

	September 30, 2024	December 31, 2023
Non-current debt	**$ 802,051**	$ 1,254,090
Current debt	**576,232**	85,371
Total debt	**1,378,283**	1,339,461
Less: Cash on hand[(1)]	**(32,434)**	(11,908)
Net total debt	**$ 1,345,849**	$ 1,327,553
Adjusted EBITDAFV – quarterly	**28,715**	28,747
Less: NOI of disposed properties for the quarter	**—**	2
Normalized adjusted EBITDAFV – quarterly	**$ 28,715**	$ 28,749
Normalized adjusted EBITDAFV – annualized	**$ 114,860**	$ 114,996
Net total debt-to-normalized adjusted EBITDAFV ratio (years)	**11.7**	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
		September 30, 2024				December 31, 2023
	Number of units		**Amount**	Number of units		Amount
Unitholders' equity	**16,335,563**	**$**	**1,837,405**	16,313,022	$	1,837,138
Deficit	**—**		**(741,601)**	—		(642,162)
Accumulated other comprehensive income	**—**		**5,426**	—		5,335
Equity per condensed consolidated financial statements	**16,335,563**		**1,101,230**	16,313,022		1,200,311
Add: Subsidiary redeemable units	**2,616,911**		**59,404**	2,616,911		54,850
Total equity (including subsidiary redeemable units)	**18,952,474**	**$**	**1,160,634**	18,929,933	$	1,255,161
NAV per unit(1)		**$**	**61.24**		$	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.