



## DREAM OFFICE REIT REPORTS Q2 2025 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 7, 2025, 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, 2025. Management will host a conference call to discuss the financial results on Friday, August 8, 2025, at 10:00 a.m. (ET).

### OPERATIONAL HIGHLIGHTS AND UPDATE

(unaudited)

	June 30, 2025	March 31, 2025	As at June 30, 2024
<b>Total properties<sup>(1)</sup></b>			
Number of active properties	24	24	25
Number of properties under development	2	2	2
Gross leasable area (in millions of square feet)	4.8	4.8	5.1
Investment properties value	\$ 2,152,546	\$ 2,171,584	\$ 2,318,974
<b>Total portfolio<sup>(2)</sup></b>			
Occupancy rate – including committed (period-end)	81.9%	81.2%	84.3%
Occupancy rate – in-place (period-end)	77.9%	78.4%	79.2%
Average in-place and committed net rent per square foot (period-end)	\$ 27.72	\$ 27.39	\$ 26.33
Weighted average lease term (years)	5.9	5.8	5.2
Occupancy rate – including committed – Toronto (period-end)	85.3%	84.2%	87.7%
Occupancy rate – in-place – Toronto (period-end)	79.2%	80.0%	83.0%

*See footnotes at end.*

	Three months ended	
	June 30, 2025	June 30, 2024
<b>Operating results</b>		
Funds from operations (“FFO”) <sup>(3)</sup>	\$ 12,223	\$ 14,858
Comparative properties net operating income (“NOI”) <sup>(4)</sup>	25,528	25,381
Net rental income	24,798	27,301
Net loss	(41,787)	(21,941)
<b>Per unit amounts</b>		
Diluted FFO per unit <sup>(5)(6)</sup>	\$ 0.62	\$ 0.76
Distribution rate per Unit <sup>(6)</sup>	0.25	0.25

*See footnotes at end.*

*“In the second quarter of 2025, Dream Office REIT continued its leasing momentum by securing an additional 189,000 of leases and improving the Trust’s committed occupancy by approximately 70 bps relative to the first quarter,” said Michael Cooper, Chief Executive Officer of Dream Office REIT. “We are seeing a growing confidence in the office market, with improved leasing activity and businesses re-investing in their workspace and increasing their office utilization. Our team is committed to providing exceptional service across our renovated portfolio to support their return to the office.”*

In the midst of significant macro-economic and geopolitical uncertainties and ongoing challenges in the Canadian office real estate sector, the Trust remains committed to reducing risk and delivering stable operational and financial performance until the market reaches a higher equilibrium.

In recent months, we have observed encouraging signs of potential stabilization in the downtown Toronto office market, where the Trust owns 83% of its Active properties, by fair value.



The market vacancy rate has remained relatively steady at 18.5%<sup>(7)</sup>, showing consistent stability over the past six quarters. Additionally, the new office construction pipeline in downtown Toronto has reached a 20-year low, with just 1.9 million square feet currently under construction<sup>(7)</sup>. Notably, Q2 2025 marked the first full year with no new office construction starts<sup>(7)</sup>.

Another positive indicator of market health is the continued decline in sublease space, which has fallen sharply to 16.3%<sup>(7)</sup> of total vacant space downtown, down from pandemic peaks exceeding 40%<sup>(7)</sup>. This significant reduction reflects growing tenant confidence and a decrease in corporate space optimization efforts. The drop in sublease availability also aligns with the coordinated return-to-office mandates announced by several major Canadian financial institutions starting in fall 2025, aimed at fostering increased in-person collaboration and strengthening company culture.

We believe our portfolio is strategically located, difficult to replace and uniquely positioned for long-term outperformance. Over the past seven years, we have invested capital in our best buildings in downtown Toronto, and the renovations are now substantially complete. This has resulted in a uniquely competitive portfolio that is well-positioned to attract high-quality tenants. From the beginning of the year to today's date, the Trust has already secured 507,000 square feet of leasing across 26 properties, compared to 356,000 square feet of leasing across 28 properties at the same point in 2024 and 294,000 square feet of leasing across 28 properties at the same point in 2023.

Relative to Q1 2025, our in-place and committed occupancy rate increased from 81.2% to 81.9% while our in-place occupancy decreased from 78.4% to 77.9%. The quarter-over-quarter increase of 0.7% in total portfolio in-place and committed occupancy was driven by a 1.1% increase in Toronto downtown and a 0.3% increase in Other markets due to incremental leasing during the quarter in excess of negative in-place absorption in both regions. The quarter-over-quarter decrease of 0.5% in total portfolio in-place occupancy was attributable to 22,000 square feet of negative absorption in Toronto downtown and 4,000 square feet of negative absorption in Other markets. The main driver of the net decrease in in-place occupancy in Toronto downtown was the downsizing and moving of certain tenants at 30 Adelaide Street East and Adelaide Place in order to facilitate five large new long-term lease deals.

The Trust has 188,000 square feet of vacancy committed for future occupancy. In Toronto downtown, 70,000 square feet, or 2.4% of the region's total gross leasable area, is scheduled to commence in 2025 at net rents 1.7% higher than prior net rents on the same space with a weighted average lease term of 7.6 years. In 2026, 85,000 square feet in Toronto downtown, or 2.9% of the region's total gross leasable area, is scheduled to commence at net rents 4.9% higher than previous net rents on the same space with a weighted average lease term of 13.7 years while in 2027, 19,000 square feet in Toronto downtown is scheduled to commence at net rents 32.1% higher than previous net rents on the same space with a weighted average lease term of 10.0 years.

In the Other markets region, 11,000 square feet, or 0.6% of the region's total gross leasable area, is scheduled to commence in 2025 at 8.0% lower than prior net rents on the same space with a weighted average lease term of 4.2 years while in 2027, 3,000 square feet in Other markets is scheduled to commence at net rents 15.4% lower than previous net rents on the same space with a weighted average lease term of 11.3 years.

The Trust currently has a spread of 4% between in-place and in-place and committed occupancy. The main driver of this spread is the current environment's extended timelines between the signing of a lease with a new tenant and the date that tenant takes possession of the space, which leads to a delay in the commencement of rent and lower current period net operating income. The Trust aims to minimize this downtime now and into the future by aggressively pursuing renewals with existing tenants and signing long-term leases with tenants with strong covenants. The Trust anticipates that, over time, this spread will narrow, leading to higher future net operating income.

During Q2 2025, the Trust executed leases totalling approximately 189,000 square feet across its portfolio. In Toronto downtown, the Trust executed 133,000 square feet of leases at a weighted average initial net rent of \$33.60 per square foot, or 6.3% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 7.6 years. In the Other markets region, comprising the Trust's properties located in Calgary, Saskatoon, Regina, Mississauga, Scarborough and the United States ("U.S."), the Trust executed leases totalling 56,000 square feet at a weighted average initial net rent of \$18.24 per square foot, or 17.2% lower than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 9.6 years. Subsequent to June 30, 2025, the Trust executed a further 39,000 square feet of leases in Toronto downtown at a weighted average initial net rent of \$38.74 per square foot, with a weighted average lease term of 4.6 years and 27,000 square feet of leases in Other markets with a weighted average initial net rent of \$18.75 per square foot, with a weighted average lease term of 6.3 years.



Since the beginning of the year to today's date, the Trust has executed leases totalling approximately 507,000 square feet across our portfolio. In Toronto downtown, the Trust has executed 417,000 square feet of leases at a weighted average initial net rent of \$32.06 per square foot, or 3.3% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 7.8 years. In the Other markets region, the Trust has executed leases totalling 90,000 square feet at a weighted average initial net rent per square foot of \$18.46, or 10.3% lower than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 8.8 years.

## REDEVELOPMENT PROJECTS UPDATE

As at June 30, 2025, the Trust has two properties under development: 606-4th Building & Barclay Parkade in Calgary and 67 Richmond Street West in Toronto downtown.

The development project at 606-4th Building & Barclay Parkade will convert the existing 126,000 square foot office building into a brand new 166-unit, purpose-built rental residential apartment building. Concurrently, the Trust is working to relocate the office tenants within 606-4th Building to the adjacent 444-7th Building. With apartment market vacancy at 4.6%<sup>(8)</sup> and office vacancy at 30.7%<sup>(7)</sup> in Calgary, this pivot in strategy will derisk the asset, increase net operating income and improve value. In addition, this strategy will allow the Trust to improve the occupancy at 444-7th while creating a new residential rental building in downtown Calgary, thereby reducing the operational and financial risk of both buildings.

As a result of moving tenants from 606-4th Building to 444-7th, the in-place and committed occupancy in the latter building has increased to 88.6% with a weighted average lease term of 5.9 years.

In relation to the project, the Trust has entered into an agreement for a grant of up to \$11 million from the City of Calgary for the residential conversion as part of their Calgary Downtown Development Strategy Incentive Program. On March 7, 2025, the Trust secured a non-revolving development facility of up to \$64.3 million at an interest rate to be set at the time of the first drawdown but not to exceed the 10-year Government of Canada bond rate plus 0.40%. The Trust is currently in advanced discussions with a joint venture partner to sell 50% of the Trust's interest in the project so that the Trust can further reduce its construction and balance sheet risk.

The development project at 67 Richmond Street West comprises full modernizations of the property, including technical systems, interior lighting and elevators, along with enhanced common areas and larger floorplates.

To date, we have spent \$14.8 million on the project at 67 Richmond Street West, \$6.3 million of which has been funded by the CIB Facility. 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. In Q4 2024, the scope of the project at 67 Richmond Street West was expanded to include building out model suites for the remainder of the vacant space at the property to meet the current market demand for move-in ready space and reduce lease-up time.

In 2024, the Trust implemented a model suite program to invest capital in nine identified suites, representing 56,000 square feet across four buildings within its portfolio to create move-in ready spaces, which has led to increased lease-up velocity in the completed suites. In increasing the scope at 67 Richmond Street West, the Trust plans to replicate this same strategy and anticipates that it will attract high-quality tenants to this building. With the expansion in project scope, 67 Richmond Street West is expected to be completed at the end of Q3 2025 and the Trust has already commenced discussions with prospective tenants.



## FINANCING AND LIQUIDITY UPDATE

KEY FINANCIAL PERFORMANCE METRICS (unaudited)	As at	
	June 30, 2025	December 31, 2024
<b>Financing</b>		
Weighted average face rate of interest on debt (period-end) <sup>(9)</sup>	4.95%	4.75%
Interest coverage ratio (times) <sup>(10)</sup>	1.7	1.8
Net total debt-to-normalized adjusted EBITDAFV ratio (years) <sup>(11)</sup>	11.5	12.1
Level of debt (net total debt-to-net total assets) <sup>(12)</sup>	51.8%	52.9%
Average term to maturity on debt (years)	3.7	3.4
<b>Liquidity</b>		
Cash and cash equivalents (in millions)	\$ 18.9	\$ 18.3
Cash and undrawn revolving credit facilities (in millions) <sup>(13)</sup>	93.2	56.5
Total liquidity (in millions) <sup>(14)</sup>	170.7	138.0
<b>Capital (period-end)</b>		
Total number of REIT A and LP B units (in millions) <sup>(6)(15)</sup>	19.0	19.0
Net asset value ("NAV") per unit <sup>(6)(16)</sup>	\$ 54.56	\$ 59.47

See footnotes at end.

As at June 30, 2025, the Trust had \$2.3 billion of total assets, including \$2.2 billion of investment properties and \$1.2 billion of total debt.

During the quarter, the Trust refinanced its last remaining 2025 debt maturity, a \$30 million mortgage secured by a property in Toronto, Ontario. The refinanced mortgage totals \$28 million and matures on April 1, 2028 bearing a floating interest rate based on daily CORRA. On April 21, 2025, the Trust entered into a fixed-for-variable interest rate swap to fix the interest rate on the mortgage at 5.26%.

The Trust's remaining 2026 debt maturities total \$165.5 million across six mortgages. The Trust anticipates that it will be able to successfully address all of its 2026 debt expiries at or before maturity.

On June 5, 2025, the Trust completed the last draw on the non-revolving term loan facility originally entered in connection with a lease negotiated with a commercial banking tenant and restricted for use towards meeting the tenant's construction allowance requirements. On execution of the last draw, the loan converted to an amortizing term facility under the terms of the agreement and will mature on July 31, 2029.

As at June 30, 2025, the Trust had approximately \$170.7 million of total liquidity<sup>(14)</sup>, comprising cash and undrawn revolving credit facilities<sup>(13)</sup> of \$93.2 million and additional liquidity related to undrawn amounts on our CIB Facility of \$77.4 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. Cash and undrawn revolving credit facilities<sup>(13)</sup> of \$93.2 million comprises \$18.9 million of cash and undrawn revolving credit facilities totalling \$74.3 million.

During Q2 2025, the Trust drew \$1.0 million against the CIB Facility. In total, we have drawn \$35.4 million against the CIB Facility since 2022. These draws represent 80% of the costs to date for capital retrofits at certain properties in Toronto downtown for projects to reduce the operational carbon emissions in these buildings. Of the \$35.4 million drawn on the CIB Facility, \$8.8 million was used to fund the full building retrofit of 366 Bay Street to secure a full building lease for a term of 15 years and \$6.3 million was used to fund the development project at 67 Richmond Street West.

During the quarter, the Trust sold 3,993,083 Dream Industrial REIT units, for net proceeds of \$40.4 million, or \$10.13 per unit, after transaction costs and fees. The proceeds from the sale were used to pay down the Trust's corporate credit facility with the intent to improve liquidity and reduce the Trust's leverage.

On April 3, 2025, the Trust sold a vendor take-back ("VTB") mortgage receivable originating from a property sale in 2018 to a purchaser for \$15 million before transaction costs. The proceeds of the sale were used to repay the corporate credit facility.



## SUMMARY OF KEY PERFORMANCE INDICATORS

- **Net loss for the quarter:** For the three months ended June 30, 2025, the Trust generated a net loss of \$41.8 million. Included in net loss for the three months ended June 30, 2025 are negative fair value adjustments to investment properties totalling \$32.4 million across the portfolio, interest expense on debt of \$15.5 million and a net loss from our investment in Dream Industrial REIT of \$23.6 million due to the effect of unit sales over the quarter, partially offset by positive fair value adjustments to financial instruments totalling \$8.8 million primarily due to fair value gains on rate swap contracts and net rental income totalling \$24.8 million.
- **Diluted FFO per unit<sup>(5)(6)</sup> for the quarter:** For the three months ended June 30, 2025, diluted FFO per unit decreased by \$0.14 per unit to \$0.62 per unit relative to \$0.76 per unit in Q2 2024, driven by lower net rental income due to the sale of 438 University Avenue in Q1 2025 (-\$0.11), reduced FFO from Dream Industrial REIT due to the sale of units in Q1 and Q2 (-\$0.06), lower straight-line rent due to free rent periods rolling off (-\$0.03) and reduced lease termination fees and other income (-\$0.02), partially offset by lower interest expense (+\$0.03), higher income from the completed development at 366 Bay Street in Toronto (+\$0.02), higher income from properties under development (+\$0.01), higher comparative properties NOI (+\$0.01) and a bad debt recovery in the current quarter (+\$0.01).
- **Net rental income for the quarter:** For the three months ended June 30, 2025, net rental income decreased by 9.2%, or \$2.5 million, over the prior year comparative quarter, primarily due to lower income from sold properties relating to the sale of 438 University Avenue in Q1 2025.
- **Comparative properties NOI<sup>(4)</sup> for the quarter:** For the three months ended June 30, 2025, comparative properties NOI increased slightly by 0.6%, or \$0.1 million, over the prior year comparative quarter as higher in-place rents in Toronto downtown from rent step-ups, as well as higher weighted average occupancy and lower non-recoverable expenses in Other markets were offset by reduced occupancy from the lease expiry at 74 Victoria Street in Toronto downtown.

For the three months ended June 30, 2025, comparative properties NOI in Toronto downtown increased slightly by 0.5%, or \$0.1 million, over the prior year comparative quarter, as higher in-place rents from rent step-ups, higher rates on lease expansions and higher parking income were offset by lower weighted average occupancy in the region driven by the 206,000 square foot lease expiry at 74 Victoria Street in Q4 2024.

- **In-place occupancy:** Total portfolio in-place occupancy on a quarter-over-quarter basis decreased by 0.5% relative to Q1 2025. In Toronto downtown, in-place occupancy decreased by 0.8% relative to Q1 2025 as 74,000 square feet of expiries were partially offset by 30,000 square feet of renewals and 22,000 square feet of new lease commencements. In the Other markets region, in-place occupancy decreased by 0.2% relative to Q1 2025 as 26,000 square feet of expiries were partially offset by 16,000 square feet of renewals and 6,000 square feet of new lease commencements. The main driver of the net decrease in in-place occupancy in Toronto downtown was the downsizing and moving of certain tenants at 30 Adelaide Street East and Adelaide Place in order to facilitate five large new long-term lease deals.

Total portfolio in-place occupancy on a year-over-year basis decreased from 79.2% in Q2 2024 to 77.9% this quarter, as a decline in in-place occupancy in Toronto downtown of 3.8% year-over-year was partially offset by an increase in in-place occupancy in Other markets of 2.9% year-over-year. The decrease in in-place occupancy in Toronto downtown was primarily driven by the lease expiry at 74 Victoria Street in Q4 2024 (-4.6%) and the sale of 438 University Avenue in Q1 2025 (-1.1%), partially offset by positive absorption in the remainder of the region totalling 68,000 square feet (+1.7%) and the effect of the reclassification of the fully occupied 366 Bay Street to active properties in Q3 2024 (+0.2%). The increase in in-place occupancy in Other markets was primarily driven by positive in-place absorption in the region of 141,000 square feet (+3.3%) net of the negative impact of the reclassification of 606-4th Building & Barclay Parkade to properties under development in Q4 2024 (-0.4%).

- **Lease commencements for the quarter:** For the three months ended June 30, 2025, excluding temporary leasing, 52,000 square feet of leases commenced in Toronto downtown at net rents of \$36.59 per square foot, or 4.2% higher compared to the previous rent on the same space with a weighted average lease term of 6.2 years. In the Other markets region, excluding temporary leasing, 22,000 square feet of leases commenced at \$21.12 per square foot, or 6.2% higher than the previous rent on the same space with a weighted average lease term of 11.3 years.



- **NAV per unit<sup>(6)(16)</sup>:** As at June 30, 2025, our NAV per unit decreased to \$54.56 compared to \$59.47 at December 31, 2024. The decrease in NAV per unit relative to December 31, 2024 was driven by fair value losses on investment properties primarily due to changes in assumptions and maintenance capital and leasing cost write-offs in both regions, impairment recognized on a VTB mortgage receivable during Q1, the sale of 5,893,083 Dream Industrial REIT units below carrying value during Q1 and Q2, as well as fair value losses on interest rate swap contracts, partially offset by cash flow retention (FFO net of distributions). As at June 30, 2025, equity per the condensed consolidated financial statements was \$1.0 billion.
- **Fair value adjustments to investment properties for the quarter:** For the three months ended June 30, 2025, the Trust recorded a fair value loss totalling \$32.4 million, comprising fair value losses of \$12.0 million in Toronto downtown, \$16.9 million in Other markets and \$3.6 million in our properties under development. Fair value losses in Toronto downtown were primarily driven by a write-down at one property valued by a qualified external valuation professional, expansions in cap rates and write-offs of maintenance capital spend, partially offset by increases in in-place market rents at certain properties. Fair value losses in the Other markets region were primarily driven by a write-down at one property resulting from a change in valuation assumptions. Fair value losses in our properties under development were primarily driven by revised leasing timelines.
- **Fair value adjustments to financial instruments:** For the three months ended June 30, 2025, the Trust recorded fair value gains of \$8.8 million. Fair value gains in the current quarter consisted of \$4.2 million of gains from remeasurements on rate swap contracts, as well as \$4.0 million and \$0.7 million in gains from the remeasurement of the carrying value of subsidiary redeemable units and DTUs, respectively, as a result of a decrease in the Trust's unit price relative to March 31, 2025.

## CONFERENCE CALL

Management will host a conference call to discuss the financial results on Friday, August 8, 2025, at 10:00 a.m. (ET). To access the conference call, please dial 1-833-752-4470 in Canada or 647-849-3272 elsewhere. To access the conference call via webcast, please go to Dream Office REIT's website at [www.dreamofficereit.ca](http://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](http://www.dreamofficereit.ca) and on [www.sedarplus.com](http://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 4.0 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](http://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 June 30, 2025 and June 30, 2024 to net income. FFO is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar financial measures disclosed by other issuers. 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, 2025 and June 30, 2024 to net rental income. Comparative properties NOI is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar financial measures disclosed by other issuers. 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. Diluted FFO per unit is not a standardized financial measure under IFRS Accounting Standards and might not be comparable to similar financial measures disclosed by other issuers. 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 months ended June 30, 2025 and June 30, 2024, dated August 7, 2025 (the "MD&A for the second quarter of 2025") 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, Special Trust Units and subsidiary redeemable units 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 Office Figures Q2 2025 and Q4 2020-Q1 2021.
- (8) CMHC Rental Market Survey.
- (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 six months ended June 30, 2025 and June 30, 2024 and for the year ended December 31, 2024 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, 2025. Interest coverage ratio (times), adjusted EBITDAFV, trailing 12-month adjusted EBITDAFV and trailing 12-month interest expense on debt are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. 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. Net total debt-to-normalized adjusted EBITDAFV ratio (years) and net total debt are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. 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 June 30, 2025 and December 31, 2024. Level of debt (net total debt-to-net total assets), net total debt and net total assets are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. 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) Cash and undrawn revolving credit facilities is a non-GAAP financial measure. The most directly comparable financial measure to cash and undrawn credit facilities is cash and cash equivalents. The tables included in the Appendices section of this press release reconcile cash and undrawn revolving credit facilities to cash and cash equivalents as at June 30, 2025 and December 31, 2024. Cash and undrawn revolving credit facilities is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. 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) Total liquidity is a non-GAAP financial measure. The most directly comparable financial measure to total liquidity is cash and cash equivalents. The tables included in the Appendices section of this press release reconcile total liquidity to cash and cash equivalents as at June 30, 2025 and December 31, 2024. Total liquidity is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. 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.
- (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 subsidiary redeemable units) (a non-GAAP financial measure) divided by the total number of REIT A and LP B units outstanding at the end of the period. Total equity (including subsidiary redeemable units) is a non-GAAP measure. The most directly comparable financial measure to total equity (including subsidiary redeemable units) is total equity. The tables included in the Appendices section of this press release reconcile total equity (including subsidiary redeemable units) to total equity as at June 30, 2025 and December 31, 2024. NAV per unit is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. 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, cash and undrawn revolving credit facilities, total 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 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 2025 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 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”. The MD&A for the second quarter of 2025 is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) under the Trust's profile and on the Trust's website at [www.dreamofficereit.ca](http://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 subsidiary redeemable 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; our strategies to reduce risk and improve the value of individual assets within the portfolio; the Trust's growing confidence in the office market and potential stabilization in the downtown Toronto office market; the Trust's focus on delivering stable operational and financial performance by reducing risk, improving liquidity and increasing occupancy; future increases in committed occupancy and net operating income; the effect of portfolio positioning on long-term performance; the effect of portfolio renovations on portfolio competitiveness, tenant demand and tenant quality; the effect of building improvements on tenant experience and building quality and performance and higher rents; our ability to complete leases that are conditional or in an advanced stage of negotiation; the Trust's ability to pursue renewals with existing tenants and sign long-term leases with tenants with strong covenants; our expectation that occupancy spreads will narrow leading to higher future net operating income; our development, redevelopment, renovation 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 and 606-4th building; the profitability and value of contemplated development projects; the effect of redevelopment projects on leasing risk, income diversity, portfolio quality, portfolio risk and portfolio value; the effect of contemplated development projects on building operational and financial risk; market demand for modernized space and the effect of model suites on leasing demand, leasing timelines and tenant quality at 67 Richmond Street West; our future capital requirements and cost to complete development projects; the potential to find





*joint venture partners for contemplated developments and the effect of such joint ventures on construction and balance sheet risk; including consummating discussions with respect to the 606-4th building; our expectations that the Trust's strategy for the 606-4th building will derisk the asset, increase net operating income and improve value; our plans to secure a construction management contract for the development project at 606-4th building; 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; capital allocation, investments and expected benefits; the use of proceeds from dispositions and the effect of those uses on leverage and liquidity; prospective leasing activity, including with respect to our strategy to attract future potential tenants; 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 duties, tariffs and other trade restrictions 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 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](http://www.dreamofficereit.ca).*

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## APPENDICES

*Funds from operations and diluted FFO per unit*

	Three months ended June 30,	
	2025	2024
<b>Net loss for the period</b>	<b>\$ (41,787)</b>	<b>\$ (21,941)</b>
Add (deduct):		
Net loss (income) from investment in Dream Industrial REIT	23,636	(2,391)
Share of FFO from investment in Dream Industrial REIT	2,177	3,335
Depreciation and amortization	3,364	3,227
Costs attributable to sale of investment properties	16	535
Interest expense on subsidiary redeemable units	654	654
Fair value adjustments to investment properties	32,449	24,594
Fair value adjustments to investment properties held in joint ventures	22	23
Fair value adjustments to financial instruments and DUIP included in G&A expenses	(8,932)	6,941
Internal leasing costs	518	426
Principal repayments on finance lease liabilities	(15)	(14)
Enterprise resource planning software upgrade costs included in G&A expenses	16	—
Deferred income taxes expense (recovery)	105	(531)
<b>FFO for the period</b>	<b>\$ 12,223</b>	<b>\$ 14,858</b>
Diluted weighted average number of units <sup>(1)</sup>	19,644	19,479
<b>Diluted FFO per unit<sup>(1)</sup></b>	<b>\$ 0.62</b>	<b>\$ 0.76</b>

(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, Special Trust Units and subsidiary redeemable units 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*

	June 30,		Three months ended		Change in weighted average occupancy %	Change in in-place net rents %
	2025	2024	Amount	Change %		
Toronto downtown	\$ 19,338	\$ 19,243	\$ 95	0.5	(3.3)	3.7
Other markets	6,190	6,138	52	0.8	3.6	(3.0)
<b>Comparative properties NOI</b>	<b>25,528</b>	<b>25,381</b>	<b>147</b>	<b>0.6</b>	<b>(0.7)</b>	<b>1.0</b>
366 Bay Street, Toronto	374	1	373			
Properties under development	813	702	111			
Property management and other service fees	549	567	(18)			
Lease termination fees and other	103	480	(377)			
Change in provisions	238	(53)	291			
Straight-line rent	398	1,003	(605)			
Amortization of lease incentives	(3,266)	(2,936)	(330)			
Sold properties	61	2,156	(2,095)			
<b>Net rental income</b>	<b>\$ 24,798</b>	<b>\$ 27,301</b>	<b>\$ (2,503)</b>	<b>(9.2)</b>		

**Adjusted EBITDAFV**

	Three months ended		Six months ended		Year ended
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	December 31, 2024
<b>Net loss for the period</b>	<b>\$ (41,787)</b>	<b>\$ (21,941)</b>	<b>\$ (74,970)</b>	<b>\$ (10,075)</b>	<b>\$ (104,934)</b>
Add (deduct):					
Interest – debt	15,511	16,096	31,862	31,518	65,051
Interest – subsidiary redeemable units	654	654	1,308	1,526	2,835
Current and deferred income taxes expense (recovery), net	135	(511)	259	(354)	(2,290)
Depreciation on property and equipment	1	98	2	120	121
Fair value adjustments to investment properties	32,449	24,594	51,232	41,887	114,589
Fair value adjustments to financial instruments	(8,811)	7,071	(2,697)	(12,603)	221
Net loss (income) from investment in Dream Industrial REIT	23,636	(2,391)	31,856	(5,445)	(10,425)
Distributions earned from Dream Industrial REIT	1,338	2,369	3,596	4,738	9,477
Share of net loss (income) from investment in joint ventures	(16)	(51)	134	120	(336)
Non-cash items included in investment properties revenue <sup>(1)</sup>	2,868	1,933	5,690	4,757	9,122
Change in provisions	(238)	53	(74)	103	230
Lease termination fees and other	(103)	(480)	(434)	(483)	(1,202)
Impairment of VTB mortgage receivable	—	—	2,278	—	29,199
Internal leasing costs and net losses on transactions	534	961	4,196	1,565	3,122
<b>Adjusted EBITDAFV for the period</b>	<b>\$ 26,171</b>	<b>\$ 28,455</b>	<b>\$ 54,238</b>	<b>\$ 57,374</b>	<b>\$ 114,780</b>

(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, 2025
Adjusted EBITDAFV for the six months ended June 30, 2025	\$ 54,238
Add: Adjusted EBITDAFV for the year ended December 31, 2024	114,780
Less: Adjusted EBITDAFV for the six months ended June 30, 2024	(57,374)
<b>Trailing 12-month adjusted EBITDAFV</b>	<b>\$ 111,644</b>

	Trailing 12-month period ended June 30, 2025
Interest expense on debt for the six months ended June 30, 2025	\$ 31,862
Add: Interest expense on debt for the year ended December 31, 2024	65,051
Less: Interest expense on debt for the six months ended June 30, 2024	(31,518)
<b>Trailing 12-month interest expense on debt</b>	<b>\$ 65,395</b>

**Interest coverage ratio (times)**

	For the trailing 12-month period ended	
	June 30, 2025	December 31, 2024
Trailing 12-month adjusted EBITDAFV	\$ 111,644	\$ 114,780
Trailing 12-month interest expense on debt	\$ 65,395	\$ 65,051
<b>Interest coverage ratio (times)</b>	<b>1.7</b>	<b>1.8</b>



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

	Amounts included in condensed consolidated financial statements	
	June 30, 2025	December 31, 2024
Non-current debt	\$ 1,199,391	\$ 956,076
Current debt	21,161	351,538
Total debt	1,220,552	1,307,614
Add: Debt related to assets held for sale	—	68,887
Less: Cash on hand <sup>(1)</sup>	(17,985)	(17,545)
<b>Net total debt</b>	<b>\$ 1,202,567</b>	<b>\$ 1,358,956</b>
Total assets	2,337,773	2,584,927
Less: Cash on hand <sup>(1)</sup>	(17,985)	(17,545)
<b>Net total assets</b>	<b>\$ 2,319,788</b>	<b>\$ 2,567,382</b>
<b>Net total debt-to-net total assets</b>	<b>51.8%</b>	<b>52.9%</b>

(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.

### Cash and undrawn revolving credit facilities and total liquidity

	As at	
	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 18,937	\$ 18,268
Undrawn revolving credit facilities	74,309	38,243
<b>Cash and undrawn revolving credit facilities</b>	<b>93,246</b>	<b>56,511</b>
Undrawn CIB Facility	77,447	81,029
Undrawn non-revolving term loan facility	—	428
<b>Total liquidity</b>	<b>\$ 170,693</b>	<b>\$ 137,968</b>

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

	June 30, 2025	December 31, 2024
Non-current debt	\$ 1,199,391	\$ 956,076
Current debt	21,161	351,538
Total debt	1,220,552	1,307,614
Add: Debt related to assets held for sale	—	68,887
Less: Cash on hand <sup>(1)</sup>	(17,985)	(17,545)
<b>Net total debt</b>	<b>\$ 1,202,567</b>	<b>\$ 1,358,956</b>
<b>Adjusted EBITDAFV – quarterly</b>	<b>26,171</b>	<b>28,691</b>
Less: NOI of disposed properties for the quarter	(61)	(635)
<b>Normalized adjusted EBITDAFV – quarterly</b>	<b>\$ 26,110</b>	<b>\$ 28,056</b>
<b>Normalized adjusted EBITDAFV – annualized</b>	<b>\$ 104,440</b>	<b>\$ 112,224</b>
<b>Net total debt-to-normalized adjusted EBITDAFV ratio (years)</b>	<b>11.5</b>	<b>12.1</b>

(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.





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

	June 30, 2025		Unitholders' equity December 31, 2024	
	Number of units	Amount	Number of units <sup>(1)</sup>	Amount
Unitholders' equity	16,364,952	\$ 1,837,931	16,337,348	\$ 1,837,446
Deficit	—	(847,933)	—	(764,786)
Accumulated other comprehensive income	—	3,063	—	7,863
<b>Equity per condensed consolidated financial statements</b>	<b>16,364,952</b>	<b>993,061</b>	<b>16,337,348</b>	<b>1,080,523</b>
Add: Subsidiary redeemable units	2,616,911	42,577	2,616,911	46,738
<b>Total equity (including subsidiary redeemable units)</b>	<b>18,981,863</b>	<b>\$ 1,035,638</b>	<b>18,954,259</b>	<b>\$ 1,127,261</b>
NAV per unit <sup>(1)</sup>		<b>\$ 54.56</b>		<b>\$ 59.47</b>

(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, Special Trust Units and subsidiary redeemable units 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.