dream office REIT

DREAM OFFICE REIT REPORTS Q2 2026 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 6, 2026, 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, 2026.

OPERATIONAL HIGHLIGHTS AND UPDATE

(unaudited)

			As at
	June 30, 2026	March 31, 2026	June 30, 2025
Total properties[1]			
Number of active properties	**23**	23	24
Number of properties under development	**—**	—	2
Gross leasable area (in millions of square feet)	**4.4**	4.4	4.8
Investment properties value – Toronto downtown	**$ 1,713,460**	$ 1,707,714	$ 1,748,493
Investment properties value – Other markets	**323,385**	323,833	351,542
Investment properties value	**2,036,845**	2,031,547	2,152,546
Toronto downtown[2]			
Occupancy rate – including committed – Toronto (period-end)	**90.0%**	89.8%	85.3%
Occupancy rate – in-place – Toronto (period-end)	**83.2%**	80.9%	79.2%
Weighted average in-place and committed net rent per square foot – Toronto	**$ 33.01**	$ 33.19	$ 33.06
Weighted average lease term – Toronto (years)	**6.0**	6.2	6.1
Total portfolio[2]			
Occupancy rate – including committed (period-end)	**83.7%**	83.4%	81.9%
Occupancy rate – in-place (period-end)	**78.8%**	77.3%	77.9%
Average in-place and committed net rent per square foot (period-end)	**$ 28.54**	$ 28.64	$ 27.72
Weighted average lease term (years)	**6.0**	6.1	5.9

See footnotes at end.

		Three months ended
	June 30, 2026	June 30, 2025
Operating results		
Funds from operations ("FFO")[3]	**$ 12,852**	$ 12,223
Comparative properties net operating income ("NOI")[4]	**25,540**	24,049
Net rental income	**26,022**	24,798
Net loss	**(7,583)**	(41,787)
Per unit amounts		
Diluted FFO per unit[5]	**$ 0.65**	$ 0.62
Distribution rate per unit	**0.25**	0.25

See footnotes at end.

"Q2 2026 reflected another strong quarter for our Toronto downtown portfolio, with comparative properties NOI up 9.2%, in-place occupancy increasing 230 basis points to 83.2% and achieving in-place and committed occupancy of 90.0%," said Michael Cooper, Chief Executive Officer of Dream Office REIT. "Six consecutive quarters of rising occupancy in the downtown Toronto office market have meaningfully improved demand for high-quality space in the central business district, and our portfolio is well positioned to further improve its in-place occupancy and cash net operating income through the balance of 2026."

OPERATIONAL UPDATE

In the first half of 2026, the downtown Toronto office market (which represents 84% of the Trust's active properties by fair value) realized 2.2 million square feet of positive absorption and overall market occupancy improved by 180 basis points to 85.9%[6] over that period. This represents six consecutive quarters of improving occupancy since Q4 2024, when market occupancy was 81.0%[6].

In downtown Toronto, sublet space decreased by 0.5 million square feet in the first half, bringing the total amount of sublease space in that market down to 2.0 million square feet[6], consistent with increased need for office space as Canadian companies, led by major financial institutions, proceed with return-to-office initiatives. The new office construction pipeline in downtown Toronto remains low, with just 0.4 million square feet currently under construction[6].

For the three months ended June 30, 2026, comparative properties NOI for the Trust's total comparative properties portfolio increased by 6.2%, or $1.5 million, over the prior year comparative quarter, as higher weighted average occupancy driven by leasing activity in Toronto downtown was slightly offset by lower weighted average occupancy and in-place rents in Other markets. Comparative properties NOI[4] in Toronto downtown increased by 9.2%, or $1.8 million, over the prior year comparative quarter, driven by higher weighted average occupancy from new leasing.

For the three months ended June 30, 2026, the Trust secured 83,000 square feet of leasing. As at June 30, 2026, the Trust had 262,000 square feet of contractual maturities over the balance of 2026 as compared to 287,000 square feet of contractual commencements over the same period, representing net positive in-place absorption totalling 25,000 square feet, or 0.6%, over the balance of the year. In Toronto downtown, the Trust had secured 256,000 square feet of contractual commencements over the remainder of 2026 compared to 182,000 square feet of natural expiries. This 74,000 square feet of in-place absorption represents a contractual growth in in-place occupancy totalling 2.6% for the region over the remainder of 2026.

Since the end of the prior quarter, our Toronto downtown in-place occupancy improved by 2.3% from 80.9% to 83.2%. The increase in Toronto downtown in-place occupancy was primarily driven by net positive in-place absorption as 86,000 square feet of new lease commencements and 43,000 square feet of renewals were partially offset by 61,000 square feet of expiries.

The Trust currently has a spread of 6.8% between in-place and in-place and committed occupancy in the region, which is attributable to extended timelines between the signing of a lease with a new tenant and the date that the tenant takes economic occupancy in the space. Approximately 108,000 square feet of Toronto downtown leases commencing over the balance of 2026, or 3.7% of that region's committed occupancy, were in the fixturing period as at June 30, 2026, which has driven elevated non-cash straight-line rent in the quarter. The Trust anticipates that straight-line rent will reduce and comparative properties NOI will increase as economic commencement of these leases takes effect in the second half of 2026.

Relative to Q1 2026, our Other markets in-place occupancy was flat as 19,000 square feet of expiries were offset by 15,000 square feet of renewals and 4,000 square feet of new lease commencements.

Our Toronto downtown in-place and committed occupancy rate has improved from 89.8% as at March 31, 2026 to 90.0% as at June 30, 2026 and is 4.7% higher than the in-place and committed occupancy rate of 85.3% as at June 30, 2025. Relative to Q1 2026, the 0.2% increase in Toronto downtown was primarily driven by incremental leasing during the quarter, supported by a retention ratio of 70.5% in the region.

Relative to Q1 2026, in-place and committed occupancy in our Other markets region, comprising the Trust's properties located in Calgary, Saskatoon, Regina, Mississauga and Scarborough, increased from 71.5% to 71.9%, primarily driven by net new leasing during the quarter.

During Q2 2026, the Trust executed leases totalling approximately 70,000 square feet in Toronto downtown at a weighted average initial net rent of $34.01 per square foot, or 19.6% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 5.4 years.

In the Other markets region, the Trust executed leases totalling 13,000 square feet over Q2 2026 at a weighted average initial net rent of $19.56 per square foot, or 10.0% higher than the weighted average prior net rent per square foot on the same space, with a weighted average lease term of 7.9 years.

The Trust has made significant capital investments into our downtown Toronto portfolio over the past seven years so that our best assets are well positioned to attract tenants. We remain committed to continuing to invest in our portfolio to improve occupancy, income and value. In the Other markets region, the Trust continues to manage its assets to improve net cash flow and liquidity, and will continue to seek opportunities to sell assets at a fair price to the Trust.

DISPOSITION OF 212 KING STREET WEST, TORONTO, ON

On June 15, 2026, the Trust completed the previously announced sale of 212 King Street West in Toronto, Ontario, for gross proceeds before adjustments of $39.5 million, or approximately $541 per square foot.

The property carried an $18.0 million mortgage at a 7.5% interest rate and the Trust used the net proceeds from the sale to repay the outstanding mortgage and pay down the Trust's revolving credit facilities.

UPDATE ON PROGRESS OF 606-4th STREET REDEVELOPMENT PROJECT

The Trust owns a 50% joint venture interest in a partnership for the development project at 606-4th Street in Calgary, Alberta, that will convert the existing 126,000 square foot office building into a brand new 166-unit, purpose-built rental residential apartment building. As at June 30, 2026, all major construction packages have been tendered with over 90% of contracts awarded to date, which enhances the predictability of project costs. Significant new construction activity is also now underway, and the project remains on time and on budget with substantial completion scheduled for the fourth quarter of 2027.

FINANCIAL AND OPERATING OUTLOOK

The Trust is providing the following financial and operational outlook for the year ending December 31, 2026:

	Financial and operational outlook 2026(7)
FFO per unit – diluted for the year(5)	$2.35 to $2.40
Full-year comparative properties NOI growth – Toronto downtown(4)	3% to 5%
Full-year comparative properties NOI growth – Total portfolio(4)	1% to 3%
Occupancy rate – including committed – Toronto downtown at December 31, 2026	88% to 90%
Occupancy rate – in-place – Toronto downtown at December 31, 2026	84% to 86%

See footnotes at end.

The table above outlines the Trust's expectations for full-year FFO per diluted unit, comparative properties NOI growth and occupancy as at and for the year ended December 31, 2026 as of August 6, 2026.

The Trust's original FFO guidance provided on the Trust's February 20, 2026 conference call was $2.25 to $2.30 of FFO per diluted unit, which was increased to $2.30 to $2.35 in May 2026 as a result of the expected accretion from the sale of 212 King Street West in Toronto and the settlement of the associated mortgage. We now expect diluted FFO per unit for the year ended December 31, 2026 to be in the range of $2.35 to $2.40 per diluted unit primarily due to higher than expected annual straight-line rent due to earlier than anticipated tenant possession dates for committed leases.

For the three and six months ended June 30, 2026, diluted FFO per unit was $0.65 and $1.22 per diluted unit, respectively. FFO per unit for the first half of the year was more heavily weighted towards the second quarter largely as a result of lower investment properties operating expenses primarily attributed to lower utility cost billings in the spring. In addition, the second quarter of 2026 included annual revenue recognition from percentage rent arrangements of $0.7 million. This revenue may vary from period to period and is typically calculated and realized primarily in the second quarter of each year.

For the three months ended June 30, 2026, straight-line rent totalled $2.3 million. This straight-line rent income primarily relates to 268,000 square feet of space in contractual fixturing or free rent periods over the quarter. The Trust expects that the second quarter of 2026 will be the peak quarter for straight-line rent, and expects it to be lower over the second half of 2026 as these leases reach contractual economic commencement and begin contributing to comparative properties NOI.

For the six months ended June 30, 2026, comparative properties NOI growth for Toronto downtown and the total portfolio was 7.9% and 5.4%, respectively. The Trust expects to achieve the upper end of the range for comparative properties NOI growth for 2026.

As at June 30, 2026, Toronto downtown in-place and in-place and committed occupancy were 83.2% and 90.0%, respectively. The Trust expects growth in in-place occupancy over the second half of the year as tenants with contractual leases in the fixturing period commence occupying their space. The Trust expects that in-place and committed occupancy will remain stable over the second half of 2026.

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The Trust's practice is to review and, where appropriate, update its financial and operational outlook at each quarterly earnings release. The Trust may also update its outlook between scheduled reporting periods in accordance with applicable securities laws. All forward-looking guidance is subject to the risks, uncertainties and assumptions set out under the heading "Forward-Looking Information" in this press release.

FINANCING AND LIQUIDITY UPDATE

KEY FINANCIAL PERFORMANCE METRICS			As at
(unaudited)		**June 30, 2026**	December 31, 2025
Financing			
Weighted average face rate of interest on debt (period-end)[8]		**4.99%**	5.02%
Interest coverage ratio (times)[9]		**1.7**	1.7
Net total debt-to-normalized trailing 12-month adjusted EBITDAFV ratio (years)[10]		**11.5**	11.6
Level of debt (net total debt-to-net total assets)[11]		**54.2%**	54.2%
Average term to maturity on debt (years)		**3.1**	3.5
Liquidity			
Cash and cash equivalents (in millions)	**$**	**11.5**	$ 15.2
Cash and undrawn revolving credit facilities (in millions)[12]		**104.6**	97.6
Total liquidity (in millions)[13]		**177.8**	172.7
Capital (period-end)			
Total number of REIT A Units and subsidiary redeemable units (in millions)[14]		**19.1**	19.0
Net asset value ("NAV") per unit[15]	**$**	**49.23**	$ 49.92

See footnotes at end.

As at June 30, 2026, the Trust had $2.2 billion of total assets, including $2.0 billion of investment properties, and $1.2 billion of total debt.

As at June 30, 2026, the Trust's remaining 2026 mortgage maturities totalled $8.0 million relating to a single mortgage for a property in Calgary. The Trust anticipates that it will be able to successfully address this mortgage expiry at or before maturity.

As at June 30, 2026, the Trust had approximately $177.8 million of total liquidity[13], comprising cash and undrawn revolving credit facilities[12] of $104.6 million and additional liquidity related to undrawn amounts on our CIB Facility of $73.2 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. Cash and undrawn revolving credit facilities[12] totalling $104.6 million comprises $11.5 million of cash and $93.2 million of undrawn revolving credit facilities.

During Q2 2026, the Trust drew $1.4 million against the CIB Facility. In total, we have drawn $39.7 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 $39.7 million drawn on the CIB Facility, $8.9 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 with average net rents of $44.27 per square foot and $6.3 million was used to fund the development project at 67 Richmond Street West to secure a 32,000 square foot lease for a term of ten years with average net rents of $41.08 per square foot.

SUMMARY OF KEY PERFORMANCE INDICATORS

- **Net income for the quarter:** For the three months ended June 30, 2026, the Trust generated a net loss of $7.6 million. Included in net loss for the three months ended June 30, 2026 are interest expense on debt of $15.6 million, negative fair value adjustments to investment properties totalling $8.3 million across the portfolio and fair value losses on subsidiary redeemable units, deferred trust units and derivative contracts totalling $7.5 million, partially offset by net rental income totalling $26.0 million and net income from our investment in Dream Industrial REIT of $1.3 million.

- **Diluted FFO per unit[5] for the quarter:** For the three months ended June 30, 2026, diluted FFO per unit increased by $0.03 per unit to $0.65 per unit relative to $0.62 per unit in Q2 2025. The primary drivers of the increase were higher straight-line rent (+$0.10), higher comparative properties NOI (+$0.08), partially offset by lower NOI from sold properties (-$0.10), higher provisions for expected credit losses (-$0.02), higher interest expense (-$0.01), lower interest income on lower cash balances (-$0.01) and other items (-$0.01).

- **Net rental income for the quarter:** For the three months ended June 30, 2026, net rental income increased by 4.9%, or $1.2 million, over the prior year comparative quarter due to higher straight-line rent and higher comparative properties NOI, partially offset by lower income attributed to sold properties which includes 212 King Street West in Toronto in the current quarter, 12800 Foster Street, Overland Park, Kansas, U.S. in Q1 2026 and 606-4th Building & Barclay Parkade in Calgary in Q4 2025.

- **Comparative properties NOI[4] for the quarter:** For the three months ended June 30, 2026, comparative properties NOI increased by 6.2%, or $1.5 million, over the prior year comparative quarter, as higher weighted average occupancy driven by leasing activity in Toronto downtown was slightly offset by lower weighted average occupancy and in-place rents in Other markets.

  For the three months ended June 30, 2026, comparative properties NOI in Toronto downtown increased by 9.2%, or $1.8 million, over the prior year comparative quarter, driven by higher weighted average occupancy from new leasing. In the Other markets region, comparative properties NOI decreased by 5.4%, or $0.3 million, over the prior year comparative quarter, primarily driven by lower rents and negative net absorption.

- **In-place occupancy**: Relative to Q1 2026, our Toronto downtown in-place occupancy improved by 2.3% from 80.9% in Q1 2026 to 83.2% in Q2 2026. The increase in Toronto downtown in-place occupancy was primarily driven by net positive in-place absorption as 86,000 square feet of new lease commencements and 43,000 square feet of renewals were partially offset by 61,000 square feet of expiries.

  In the Other markets region, in-place occupancy was flat relative to Q1 2026 as 19,000 square feet of expiries were offset by 15,000 square feet of renewals and 4,000 square feet of new lease commencements.

- **Lease commencements for the quarter:** For the three months ended June 30, 2026, excluding temporary leasing, 129,000 square feet of leases commenced in Toronto downtown at net rents of $34.67 per square foot, or 8.8% higher compared to the previous rent on the same space, with a weighted average lease term of 7.9 years. In the Other markets region, excluding temporary leasing, 19,000 square feet of leases commenced at $17.38 per square foot, or 15.2% lower than the previous rent on the same space, with a weighted average lease term of 5.0 years.

- **NAV per unit[15]:** As at June 30, 2026, our NAV per unit decreased to $49.23 compared to $49.92 at December 31, 2025. The decrease in NAV per unit relative to December 31, 2025 was primarily driven by fair value losses on investment properties primarily due to maintenance capital write-offs in both regions and net losses from equity accounted investments, partially offset by cash flow retention (FFO net of distributions) and fair value gains on interest rate swap contracts. As at June 30, 2026, equity per the condensed consolidated financial statements was $0.9 billion.

- **Fair value adjustments to investment properties for the quarter:** For the three months ended June 30, 2026, the Trust recorded a fair value loss totalling $8.2 million in its active properties, comprising fair value losses of $6.5 million in Toronto downtown and $1.7 million in Other markets. Fair value losses in both regions were primarily driven by write-offs of maintenance capital spend.

OTHER INFORMATION

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

Dream Office REIT is an unincorporated, open-ended real estate investment trust. Dream Office REIT is a premier office landlord in downtown Toronto with over 4 million square feet owned and managed. We have carefully curated an investment portfolio of high-quality assets that are well located in central financial districts with convenient access to public transport and amenities. 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 held for sale, properties under development, 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 (loss). The tables included in the Appendices section of this press release reconcile FFO for the three months ended June 30, 2026 and June 30, 2025 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, 2026 and June 30, 2025 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 and six months ended June 30, 2026 and June 30, 2025, dated August 6, 2026 (the "MD&A for the second quarter of 2026") in the section "Supplementary Financial Measures and Other Disclosures" under the heading "Weighted average number of units".

(6) CBRE Canada Office Figures Q2 2026 and Q4 2024. The Trust has not independently verified this information, and such data is subject to change. Market conditions may differ materially from those described.

(7) The Trust's outlook for the year is subject to a number of risks and assumptions, many of which are outside of management's control. Readers are encouraged to refer to the section "Forward-Looking Information" in this press release and the section "Risks and our Strategy to Manage" in the Trust's MD&A for the second quarter of 2026, as well as the risks outlined in the Trust's Annual Information Form published on SEDAR+ for further details.

(8) Weighted average face rate of interest on debt is a supplementary financial measure calculated as the weighted average contractual face rate of all interest-bearing debt balances, excluding debt in joint ventures that are equity accounted.

(9) 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, 2026 and June 30, 2025 and for the year ended December 31, 2025 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, 2026. 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 Accounting Standards 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.

(10) Net total debt-to-normalized trailing 12-month adjusted EBITDAFV ratio (years) is a non-GAAP ratio. Net total debt-to-normalized trailing 12-month adjusted EBITDAFV comprises net total debt (a non-GAAP financial measure) divided by normalized trailing 12-month adjusted EBITDAFV (a non-GAAP financial measure). Normalized trailing 12-month adjusted EBITDAFV comprises trailing 12-month adjusted EBITDAFV (a non-GAAP financial measure) adjusted for trailing 12-month NOI of disposed properties. Net total debt-to-normalized trailing 12-month adjusted EBITDAFV ratio (years) and net total debt are not standardized financial measures 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 and these non-GAAP financial measures, please refer to the statements under the heading "Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures" in this press release.

(11) 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 non-current debt and total assets, the most directly comparable financial measures to these non-GAAP financial measures, respectively, as at June 30, 2026 and December 31, 2025. Level of debt (net total debt-to-net total assets), net total debt and net total assets are not standardized financial measures 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 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.

(12) Cash and undrawn revolving credit facilities is a non-GAAP financial measure. The most directly comparable financial measure to cash and undrawn revolving 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, 2026 and December 31, 2025. Cash and undrawn revolving credit facilities 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.

(13) 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, 2026 and December 31, 2025. Total liquidity 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.

(14) Total number of REIT A Units and subsidiary redeemable units includes 2.6 million subsidiary redeemable units that are classified as a liability under IFRS Accounting Standards.

(15) 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 Units and subsidiary redeemable 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, 2026 and December 31, 2025. NAV 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 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 IFRS 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 trailing 12-month adjusted EBITDAFV 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 trailing 12-month adjusted EBITDAFV ratio (years) 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 2026 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 trailing 12-month adjusted EBITDAFV ratio (years)", "Interest coverage ratio (times)", "Cash and undrawn revolving credit facilities and total 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 2026 is available on SEDAR+ at www.sedarplus.ca under the Trust's profile and on the Trust's website at www.dreamofficereit.ca under the Investors section. Non-GAAP 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, cash and undrawn revolving credit facilities, total liquidity, adjusted EBITDAFV, 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 our expectations for 2026 full-year results for FFO, comparative properties NOI growth and portfolio occupancy at the end of 2026; 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 expectation that the portfolio is well positioned to improve in-place occupancy and cash net operating income through the balance of 2026; the Trust's growing confidence in the office market and leasing demand, including in downtown Toronto and the impact on the Trust's portfolio over the next year; the Trust's expectations regarding the office sector and the impact on the Trust including occupancy, operational performance and financial results thereto; the focus on its buildings and tenants and its ability to improve occupancy and increase the value of the business; the impact of return-to-office mandates; the Trust's leasing performance and its focus on leasing vacancies and pursuing renewals; future growth in committed occupancy, net operating income, and value; the Trust's expectations regarding market conditions and their impact on the spread between in-place and committed occupancy, and the impacts and timing thereof; the commitment to continue to invest in the Trust's portfolio to improve occupancy, income and value; the Trust's ability to sell assets in the Other markets region, including pricing thereof; the Trust's ability to complete the sale of investment properties; the effect of portfolio positioning on long-term performance and our ability to attract tenants; the *effect of building improvements on tenant experience and performance; our expectations regarding straight-line rent and our belief that straight-line rent will remain elevated until economic commencement of leases in the fixturing period; our expectations regarding lease commencements, leasing activity, contractual commitments, occupancy timing and net rents; our development, redevelopment and renovation plans, including timelines, square footage, our ability to lease properties under development and other project characteristics; the profitability and value of contemplated development projects; our expectations regarding 606-4th Street, including timing, construction and budget; the effect of redevelopment projects on leasing risk, portfolio quality, portfolio risk and portfolio value; the expectation that straight-line rent will be lower in the second half of 2026, and the reasons thereof; the effect of contemplated development projects on building operational and financial risk; 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 that the Trust will achieve specified greenhouse gas emission reduction targets 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; 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, 2026	2025
Net loss for the period	**$ (7,583)**	$ (41,787)
Add (deduct):		
Net loss (income) from investment in Dream Industrial REIT	**(1,276)**	23,636
Share of FFO from investment in Dream Industrial REIT	**2,121**	2,177
Depreciation and amortization	**2,970**	3,364
Costs (recoveries) attributable to sale of investment properties	**(500)**	16
Interest expense on subsidiary redeemable units	**654**	654
Fair value adjustments to investment properties	**8,298**	32,449
Fair value adjustments to investment properties held in joint ventures	**116**	22
Fair value adjustments to financial instruments and DUIP included in G&A expenses	**7,458**	(8,932)
Internal leasing costs	**605**	518
Principal repayments on finance lease liabilities	**(15)**	(15)
Enterprise resource planning software upgrade costs included in G&A expenses	**—**	16
Deferred income taxes expense	**—**	105
Debt settlement costs due to disposals of investment properties, net	**4**	—
FFO for the period	**$ 12,852**	$ 12,223
Diluted weighted average number of units	**19,823**	19,644
Diluted FFO per unit	**$ 0.65**	$ 0.62

Comparative properties NOI

	Three months ended June 30, 2026	June 30, 2025	Change Amount	Change %	Change in weighted average occupancy %	Change in in-place net rents %
Toronto downtown	**$ 20,906**	$ 19,153	$ 1,753	9.2	3.1	(0.2)
Other markets	**4,634**	4,896	(262)	(5.4)	(1.5)	(3.6)
Comparative properties NOI	**25,540**	24,049	1,491	6.2	1.3	(0.1)
67 Richmond Street West, Toronto	**198**	302	(104)			
Property management and other service fees	**611**	549	62			
Lease termination fees and other	**21**	103	(82)			
Change in provisions	**(113)**	238	(351)			
Straight-line rent	**2,347**	398	1,949			
Amortization of lease incentives	**(2,970)**	(3,266)	296			
Sold properties(1)	**388**	2,425	(2,037)			
Net rental income	**$ 26,022**	$ 24,798	$ 1,224	4.9		

(1) Included in sold properties for the three months ended June 30, 2025 is NOI from 606-4th Building & Barclay Parkade, 12800 Foster Street, Overland Park, Kansas, U.S. and 212 King Street West.

dream office REIT

Adjusted EBITDAFV

	Three months ended		Six months ended		Year ended
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025	December 31, 2025
Net income (loss) for the period	**$ (7,583)**	$ (41,787)	**$ 2,502**	$ (74,970)	$ (160,109)
Add (deduct):					
Interest – debt	**15,637**	15,511	**31,241**	31,862	62,484
Interest – subsidiary redeemable units	**654**	654	**1,308**	1,308	2,617
Interest on debt related to investment properties held in joint ventures	**36**	33	**77**	67	167
Current and deferred income taxes expense	**—**	135	**—**	259	476
Depreciation on property and equipment	**—**	1	**—**	2	2
Fair value adjustments to investment properties	**8,298**	32,449	**13,667**	51,232	147,303
Fair value adjustments to investment	**116**	22	**9,060**	20	51
Fair value adjustments to financial instruments	**7,499**	(8,811)	**(3,965)**	(2,697)	1,117
Net loss (income) from investment in Dream Industrial REIT	**(1,276)**	23,636	**(3,449)**	31,856	29,926
Distributions earned from Dream Industrial REIT	**1,338**	1,338	**2,676**	3,596	6,272
Amortization of lease incentives	**2,970**	3,266	**5,924**	6,582	12,732
Release of cumulative foreign currency translation adjustments	**—**	—	**(6,441)**	—	—
Prior period tax refunds	**—**	—	**—**	—	(3,076)
Impairment of VTB mortgage receivable	**—**	—	**—**	2,278	2,278
Internal leasing costs and net losses on transactions	**109**	534	**1,370**	4,196	5,458
Adjusted EBITDAFV for the period	**$ 27,798**	$ 26,981	**$ 53,970**	$ 55,591	$ 107,698

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

	Trailing 12-month period ended June 30, 2026
Adjusted EBITDAFV for the six months ended June 30, 2026	$ 53,970
Add: Adjusted EBITDAFV for the year ended December 31, 2025	107,698
Less: Adjusted EBITDAFV for the six months ended June 30, 2025	(55,591)
Trailing 12-month adjusted EBITDAFV	**$ 106,077**

	Trailing 12-month period ended June 30, 2026
Interest expense on debt for the six months ended June 30, 2026	$ 31,241
Add: Interest expense on debt for the year ended December 31, 2025	62,484
Less: Interest expense on debt for the six months ended June 30, 2025	(31,862)
Trailing 12-month interest expense on debt	**$ 61,863**

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Interest coverage ratio (times)

		For the trailing 12-month period ended		
		June 30, 2026		December 31, 2025
Trailing 12-month adjusted EBITDAFV	**$**	**106,077**	$	107,698
Trailing 12-month interest expense on debt	**$**	**61,863**	$	62,484
Interest coverage ratio (times)		**1.7**		1.7

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

		Amounts included in condensed consolidated financial statements		
		June 30, 2026		December 31, 2025
Non-current debt	**$**	**1,123,781**	$	1,124,534
Current debt		**80,877**		111,156
Total debt		**1,204,658**		1,235,690
Less: Cash on hand(1)		**(11,139)**		(14,982)
Net total debt	**$**	**1,193,519**	$	1,220,708
Total assets		**2,214,454**		2,266,611
Less: Cash on hand(1)		**(11,139)**		(14,982)
Net total assets	**$**	**2,203,315**	$	2,251,629
Net total debt-to-net total assets		**54.2%**		54.2%

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

Cash and undrawn revolving credit facilities and total liquidity

		As at		
		June 30, 2026		December 31, 2025
Cash and cash equivalents	**$**	**11,452**	$	15,169
Undrawn revolving credit facilities		**93,175**		82,459
Cash and undrawn revolving credit facilities		**104,627**		97,628
Undrawn CIB Facility		**73,152**		75,078
Total liquidity	**$**	**177,779**	$	172,706

Trailing 12-month NOI of disposed properties

		Trailing 12-month period ended June 30, 2026
NOI of disposed properties for the six months ended June 30, 2026	$	668
Add: NOI of disposed properties for the year ended December 31, 2025		2,831
Less: NOI of disposed properties for the six months ended June 30, 2025		(1,017)
Trailing 12-month NOI of disposed properties	**$**	**2,482**

Net total debt-to-normalized trailing 12-month adjusted EBITDAFV ratio (years)

		June 30, 2026		December 31, 2025
Non-current debt	$	1,123,781	$	1,124,534
Current debt		80,877		111,156
Total debt		1,204,658		1,235,690
Less: Cash on hand[1]		(11,139)		(14,982)
Net total debt	$	1,193,519	$	1,220,708
Trailing 12-month adjusted EBITDAFV		106,077		107,698
Less: Trailing 12-month NOI of disposed properties		(2,482)		(2,831)
Normalized trailing 12-month adjusted EBITDAFV	$	103,595	$	104,867
Net total debt-to-normalized trailing 12-month adjusted EBITDAFV ratio (years)		11.5		11.6

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

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

				Unitholders' equity		
		June 30, 2026			December 31, 2025	
	Number of units		Amount	Number of units		Amount
Unitholders' equity	16,437,392	$	1,847,367	16,368,880	$	1,846,187
Deficit	—		(955,137)	—		(949,439)
Accumulated other comprehensive income (loss)	—		(1,076)	—		3,265
Equity per condensed consolidated financial	16,437,392		891,154	16,368,880		900,013
Add: Subsidiary redeemable units	2,616,911		46,843	2,616,911		47,680
Total equity (including subsidiary redeemable units)	19,054,303	$	937,997	18,985,791	$	947,693
NAV per unit		$	49.23		$	49.92