



## DREAM UNLIMITED CORP. REPORTS FIRST QUARTER 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.

**TORONTO, May 11, 2021, Dream Unlimited Corp. (TSX: DRM) (“Dream”, “the Company” or “we”)** today announced its financial results for the three months ended March 31, 2021 (“first quarter”).

On May 3, 2021, Dream released its inaugural impact report and disclosure statement as a signatory to the Operating Principles for Impact Management. The report outlines the Dream Impact Management System, which is a significant milestone as it is the framework for a systematic and transparent approach to defining and measuring impact across our investments for both public and private investment vehicles including Dream Impact Trust (TSX: MPCT.UN) and Dream Impact Fund. Our three impact verticals reflect our established values as a developer: attainable and affordable housing, inclusive communities, and environmental sustainability and resilience, in addition to the United Nations Sustainable Development Goals. Dream's Impact Report can be found [here](#).

“We continue to build on our momentum increasing value from 2020 by reinvesting in our business, our asset management business and our exceptional projects,” said Michael Cooper, Chief Responsible Officer. “Dream is committed to creating a better society for our customers and communities through how we develop and manage our real estate while also generating market returns. Our development pipeline includes over 1,000 affordable housing units in addition to several neighbourhoods focused on inclusivity and effective resource management. Our business has performed well in the first quarter, with strong results at Arapahoe Basin, significant presale activity in Western Canada, a substantial acquisition pipeline at Dream Industrial REIT and the launch of Dream Impact Fund. Dream’s standalone book equity per share at March 31<sup>st</sup> was \$29.10, up over 7% from the same time last year. With available liquidity in excess of \$400 million and low leverage at 27%, we are well positioned for an increasingly optimistic 2021.”

A summary of our consolidated results for the three months ended March 31, 2021 is included in the table below.

<i>(in thousands of Canadian dollars, except per share amounts)</i>	<b>Three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Revenue	\$ <b>50,074</b>	\$ 176,445
Net margin	\$ <b>11,208</b>	\$ 58,627
Net margin (%) <sup>(1)</sup>	<b>22.4%</b>	33.2%
Earnings (loss) before income taxes	\$ <b>(4,852)</b>	\$ 232,779
Earnings (loss) for the period <sup>(2)</sup>	\$ <b>(3,761)</b>	\$ 185,830
Basic earnings (loss) per share <sup>(3)(4)</sup>	\$ <b>(0.10)</b>	\$ 3.78
Diluted earnings (loss) per share <sup>(4)</sup>	\$ <b>(0.10)</b>	\$ 3.71
	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Total assets	\$ <b>2,821,690</b>	\$ 2,844,373
Total liabilities	\$ <b>1,448,980</b>	\$ 1,437,761
Shareholders' equity (excluding non-controlling interest) <sup>(5)</sup>	\$ <b>1,357,113</b>	\$ 1,391,646
Total issued and outstanding shares <sup>(4)</sup>	<b>43,784,071</b>	45,011,928

<sup>(1)</sup> Net margin (%) (see the “Non-IFRS Measures” section of our Management’s Discussion and Analysis (“MD&A”) for three months ended March 31, 2021) represents net margin as a percentage of revenue.

<sup>(2)</sup> Loss for the three months ended March 31, 2021 includes a loss of \$17.7 million on Dream Impact Trust units held by other unitholders (three months ended March 31, 2020 – gain of \$174.2 million). Refer to the “Additional Information – Consolidated Dream” section of our MD&A for results on a Dream standalone basis.

<sup>(3)</sup> Basic earnings (loss) per share is computed by dividing Dream’s earnings attributable to owners of the parent by the weighted average number of Class A subordinate voting shares (“Subordinate Voting Shares”) and Class B common shares (“Class B Shares”) outstanding during the period. Refer to Management’s discussion below on consolidated results for the three months ended March 31, 2021.

<sup>(4)</sup> Shareholders’ equity (excluding non-controlling interest) excludes \$15.6 million of non-controlling interest as at March 31, 2021 (\$15.0 million as at December 31, 2020).

Earnings before income taxes after adjusting for fair value losses taken on Dream Impact Trust units held by other unitholders for the three months ended March 31, 2021 was \$12.8 million, a decrease of \$45.7 million relative to the prior year. The change is primarily due to the sale of a 73% interest in 480 acres in Glacier Ridge in Calgary in the prior period and reduced condominium inventory available for occupancy. Included in results for the three months ended March 31, 2021 are \$2.9 million of net fair value gains across our investment property and financial asset portfolios.

As of March 31, 2021, the Company had \$406.6 million in corporate-level cash and available credit under its various revolving facilities and a conservative leverage position with a debt to total assets ratio of 27.1%.

### Highlights: Recurring Income

- In the first quarter, our recurring income segment generated revenue and net operating income of \$30.9 million and \$14.2 million, respectively, compared to \$36.6 million and \$16.3 million in the prior period. The decrease in revenue and net operating income is primarily due to a \$4.1 million one-time transition service fee from Blackstone in relation to the Dream Global REIT transaction in the prior period and scheduled repayments on Dream Impact Trust's lending portfolio. This was partially offset by improved results at Arapahoe Basin due to a full quarter of operations. Despite operating restrictions and drier than average conditions at the ski hill, strong customer demand, higher margin pass sales and cost containment efforts led to an improvement in net operating income in excess of 50% relative to prior year.
- Included in revenue for the first quarter was \$5.7 million relating to asset management and development contracts with Dream Industrial REIT (TSX: DIR.UN), Dream Office REIT (TSX: D.UN) and our partnerships, which are expected to grow over time as we actively pursue new asset management opportunities. As of May 7, 2021, Dream Industrial REIT has completed or waived conditions on 13 acquisitions valued at approximately \$350 million in Canada, the U.S. and Europe in 2021.

In addition, Dream launched its private Impact Fund in the first quarter, raising \$136 million on first close from a group of Canada's leading institutions and high net worth individuals. Dream has retained a 40% interest in the Impact Fund and contributed our standalone interest in the Indigenous Hub (Canary Block 10), Block 8 in the West Don Lands, the Federal Government building under construction at Zibi and our interest in Zibi Community Utility. Subsequent to quarter end, we closed on a partnership with a global investment manager to create a multi-family platform in the United States seeded with 90% of our combined interest in a 1,200-unit apartment portfolio previously acquired with a partner in 2020 and are under contract to acquire another 792 apartment units in Phoenix, Arizona in the second quarter. Our asset management team remains focused on sourcing, managing and growing our apartment and impact platforms through 2021 and beyond, as well as seeking other opportunities to grow the private equity division.

- With the exception of the Broadview and Gladstone Hotels, our boutique hotels in Toronto, our results for the quarter were minimally impacted by the ongoing COVID-19 pandemic. Inclusive of retail in Western Canada, Dream's average monthly rent collection in the three months ended March 31, 2021 exceeded 95%.
- Across the Dream group platform, which includes assets held through the Company, Dream Impact Trust, Dream Impact Fund and Dream Office REIT, we have approximately 6.8 million sf of gross leasable area in stabilized rental, retail and commercial properties, in addition to our recreational properties. As at May 11, 2021, the Company had a 26% interest in Dream Impact Trust and a 32% interest in Dream Office REIT.

### Highlights: Development

- In the first quarter, our development segment generated revenue of \$19.2 million and incurred negative net margin of \$1.3 million, respectively, compared to revenue and net income of \$139.8 million and \$43.9 million in the prior period. Comparative results include the sale of our interest in 480 acres in Glacier Ridge in Calgary and condominium occupancies at Riverside Square, BT Towns and Kanaal at Zibi, with minimal activity in the current quarter.
- We achieved 78 lot sales and 26 housing occupancies in the first quarter, up from 26 lot sales and 18 housing occupancies in the comparative period. As of May 7, 2021, we have secured commitments for an additional 653 lots, 10 acres and 64 houses across our communities in Saskatchewan and Alberta that we expect to contribute to earnings in 2021.
- On April 7, 2021, Dream obtained zoning settlement approval from the City of Toronto council for its 5.3 acre Lakeshore East development. The site, which was approved for 1.25 million sf of primarily residential density, is located in close proximity to the Canary and Distillery Districts, and immediately adjacent to Waterfront Toronto's Quayside property (former Sidewalk Labs site). Dream and Dream Impact Trust have a combined 50% interest in the development.
- We commenced the market launch of Canary House, our 206-unit condominium development in Block 10 of the Canary District in the first quarter. Of the 150 units released to the market, we are 94% pre-sold as of May 7, 2021 at an average selling price of \$1,246 per sf. Our investments in downtown Toronto's east end include the Distillery District, the two-phased Canary District, West Don Lands neighbourhood and Lakeshore East and will comprise over 7,200 residential units and 1.2 million sf of commercial/retail space developed by Dream and its partners.
- Subsequent to March 31, 2021, we launched our first block of townhomes at Brightwater, our large master-planned 72 acre waterfront community in Mississauga's Port Credit area. In addition to the first two condominium buildings launched in late 2020, these townhomes are the next phase of the development which is expected to comprise 3,000 residential units, 350,000 sf of retail/commercial space and 18

acres of parks and public space on full build out. All units brought to market are fully pre-sold or in rescission as of May 7, 2021, with occupancies expected in 2023.

- Subsequent to March 31, 2021, the Federation of Canadian Municipalities (“FCM”) announced a \$23 million financing initiative through FCM’s Green Municipal Fund for the development of Zibi Community Utility’s District Thermal Energy System. Created in partnership with Hydro Ottawa, this system utilizes post-industrial waste energy for heating and the Ottawa River for cooling to recycle greenhouse gas emissions for the entire Zibi development. Dream’s 40% interest in Zibi Community Utility is held through Dream Impact Fund and Dream Impact Trust.
- Across the Dream group platform, we have approximately 5.1 million sf of GLA in retail or commercial properties and over 19,700 condominium or purpose-built rental units (at the project level) in our development pipeline. For further details on our development pipeline, refer to the “Summary of Dream’s Assets & Holdings” section of our MD&A.

### Share Capital & Return to Shareholders

- In the three months ended March 31, 2021, 1.2 million Subordinate Voting Shares were purchased for cancellation by the Company at an average price of \$21.41 under a normal course issuer bid (“NCIB”) for total proceeds of \$26.6 million (year ended December 31, 2020 – 7.7 million Subordinate Voting Shares at an average price of \$22.07, inclusive of 5.0 million Subordinate Voting Shares purchased for cancellation under a substantial issuer bid).
- Dividends of \$3.1 million were declared and paid on its Subordinate Voting Shares and Class B Shares in the three month period ended March 31, 2021 (three months ended March 31, 2020 - \$2.8 million).

Select financial operating metrics for Dream’s segments for the three months ended March 31, 2021 are summarized in the table below.

	Three months ended March 31, 2021							
<i>(in thousands of dollars except outstanding share and per share amounts)</i>	Recurring income		Development	Corporate and other		Total		
Revenue	\$	30,889	\$	19,185	\$	—	\$	50,074
% of total revenue		61.7%		38.3%		—%		100.0%
Net margin	\$	12,516	\$	(1,308)	\$	—	\$	11,208
Net margin (%) <sup>(1)</sup>		40.5%		n/a		n/a		22.4%

	As at March 31, 2021							
Segment assets	\$	1,160,110	\$	1,521,117	\$	139,463	\$	2,821,690
Segment liabilities	\$	324,119	\$	428,211	\$	696,650	\$	1,448,980
Segment shareholders’ equity	\$	835,991	\$	1,078,309	\$	(557,187)	\$	1,357,113
Shareholders’ equity per share <sup>(2)</sup>	\$	19.09	\$	24.63	\$	(12.72)	\$	31.00

	Three months ended March 31, 2020							
<i>(in thousands of dollars except outstanding share and per share amounts)</i>	Recurring income		Development	Corporate and other		Total		
Revenue	\$	36,633	\$	139,822	\$	—	\$	176,455
% of total revenue		20.8%		79.2%		—%		100.0%
Net margin	\$	14,678	\$	43,949	\$	—	\$	58,627
Net margin (%) <sup>(1)</sup>		40.1%		31.4%		n/a		33.2%

	As at December 31, 2020							
Segment assets	\$	1,118,871	\$	1,560,924	\$	164,578	\$	2,844,373
Segment liabilities	\$	313,274	\$	452,100	\$	672,387	\$	1,437,761
Segment shareholders’ equity	\$	805,597	\$	1,093,858	\$	(507,809)	\$	1,391,646
Shareholders’ equity per share <sup>(2)</sup>	\$	17.90	\$	24.30	\$	(11.28)	\$	30.92

<sup>(1)</sup> Net margin (%) is a non-IFRS measure. Refer to the “Non-IFRS Measures” section of our MD&A for further details.

<sup>(2)</sup> Shareholders’ equity per share represents shareholders’ equity divided by total number of share outstanding at period end.

## Other Information

Information appearing in this press release is a select summary of results. The financial statements and MD&A for the Company are available at [www.dream.ca](http://www.dream.ca) and on [www.sedar.com](http://www.sedar.com).

### Dream Group Virtual Investor Session

Senior management from the Dream group of companies, including, Dream Impact Trust, Dream Office REIT, Dream Industrial REIT and Dream, will host a virtual investor session on May 18, 2021 at 10:30 am (ET) to provide an overview of our impact investing and ESG initiatives, with special guest, Richard Florida, Vice-Chair, Impact, one of the world's leading urbanists.

In addition, Dream will feature a virtual fireside chat with Jay-Ann Gilfoy, CEO of Vancity Community Investment Bank (VCIB), Canada's first values-driven bank, to discuss the power and purpose of using capital for impact.

To register for the event, please click on this [link](#), insert your registration details and a Webex log-in link will be emailed to you. A taped replay of the virtual conference will be available for 90 days on the Dream website under the Calendar of events. Please contact [klefever@dream.ca](mailto:klefever@dream.ca) with any questions.

### About Dream Unlimited Corp.

Dream is a leading developer of exceptional office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established and successful asset management business, inclusive of \$10 billion of assets under management across three Toronto Stock Exchange ("TSX") listed trusts and numerous partnerships. We also develop land and residential assets in Western Canada. Dream expects to generate more recurring income in the future as its urban development properties are completed and held for the long term. Dream has a proven track record for being innovative and for our ability to source, structure and execute on compelling investment opportunities. A comprehensive overview of our holdings is included in the "Summary of Dream's Assets and Holdings" section of our MD&A.

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### Non-IFRS Measures

*Dream's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, Dream discloses and discusses certain non-IFRS financial measures, including: net margin %, assets under management, net operating income and debt to total assets ratio, as well as other measures discussed elsewhere in this release. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Dream has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to comparable metrics determined in accordance with IFRS as indicators of Dream's performance, liquidity, cash flow and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS Measures" section in Dream's MD&A for the three months ended March 31, 2021.*

### 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; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth, expected net proceeds from sales or transactions, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, vacancy and leasing assumptions, litigation and the real estate industry in general; as well as specific statements in respect of: the COVID-19 pandemic and resulting disruptions; anticipated levels of development, asset management and other management fees in future periods; the expansion and growth of our asset management business and private equity division; our development plans and proposals for current and future projects, including projected sizes, density, timelines, uses and tenants; the contribution of our development segment to our earnings in future periods and our expectation that recurring income will increase in the future as urban development properties are completed and held for the long term; expectations of future earnings contributions from Western Canada; our acquisition and development pipeline; and our overall financial performance, profitability and liquidity for future periods and years. 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's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These assumptions include, but are not limited to: the nature of development lands held and the development potential of such lands, our ability to bring new developments to market, anticipated positive general economic and business conditions, including low unemployment and interest rates, positive net migration, oil and gas commodity prices, our business strategy, including geographic focus, anticipated sales volumes, performance of our underlying business segments and conditions in the Western Canada land and housing markets. Risks and uncertainties include, but are not limited to, general and local economic and business conditions, the impact of the COVID-19 pandemic on the Company and uncertainties surrounding the COVID-19 pandemic, including government measures to contain the COVID-19 pandemic employment levels, regulatory risks, mortgage rates and regulations, environmental risks, consumer confidence, seasonality, adverse weather conditions, reliance on key clients and personnel and competition. All forward-looking information in this press release speaks as of May 11, 2021. Dream 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 disclosed in filings with securities regulators filed on SEDAR ([www.sedar.com](http://www.sedar.com)).*