DREAM UNLIMITED CORP. REPORTS STRONG FIRST QUARTER RESULTS AND THE LAUNCH OF DREAM RESIDENTIAL REIT

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, 2022, Dream Unlimited Corp. (TSX: DRM) ("Dream", "the Company" or "we") today announced its financial results for the three months ended March 31, 2022 ("first quarter").

"In the first four months of 2022 we were chosen to develop LeBreton Flats Library Parcel, Quayside, launched Dream Residential REIT, and created the $1.5 billion GTA industrial development fund as well as growing Dream Industrial REIT, Dream Impact Fund and Trust, adding significant value to our Company and growing our pipeline of irreplaceable real estate and funds," said Michael Cooper, Chief Responsible Officer. "We now are building over 2,600 affordable housing units and $6 billion of net zero communities as a result of our commitment to impact investing which will generate market returns and measurable and meaningful social impact. Our track record of working closely with governments and our lenders to deliver best in class assets, at competitive returns while working with the government to assist them in achieving some of their highest priorities is unmatched. Our asset management and development teams have started the year with a number of incredible achievements in a challenging market and we hope to carry this momentum through the rest of the year."

On May 6, 2022 we closed on the initial public offering of 9,620,000 Dream Residential REIT (TSX: DRR) ("DRR") units at US$13.00 per unit, the first IPO in Canada this year and only the seventh in North America over $100 million. DRR's initial portfolio is comprised of 16 garden-style multi-residential properties, consisting of 3,432 units primarily located in three markets across the Sunbelt and Midwest regions of the United States. Dream contributed its 50% interest in a 672-unit portfolio and its GP interest in another 2,760-unit portfolio as part of this transaction. In connection with the offering, Dream acquired 784,614 REIT units and 1,548,921 Class B units, representing a 12% effective ownership interest in DRR, or an 11% interest if the over-allotment option is exercised in full. Subsidiaries of Dream and Pauls Capital LLC are the co-asset managers of DRR, earning market fees.

On April 28, 2022 we announced the formation of a $1.5 billion develop-to-hold joint venture with a global sovereign wealth fund to acquire land and build best-in-class logistics assets in the Greater Toronto Area ("GTA") and Greater Golden Horseshoe Area. The partner will hold a 75% in the joint venture, with Dream Industrial REIT holding the remaining interest. A subsidiary of Dream will be the asset manager for the joint venture, earning market management fees. Dream Industrial REIT contributed two development sites to the joint venture, and the joint venture acquired a third site directly during the second quarter. Together, the joint venture currently owns 68 acres which would support the development of 1.3 million sf by the first half of 2025. The joint venture will continue to source attractive development opportunities that meet its investment criteria.

A summary of our consolidated results for the three months ended March 31, 2022 is included in the table below.

	For the three months ended March 31,			
(in thousands of Canadian dollars, except per share amounts)		**2022**		2021
Revenue	**$**	**53,214**	$	50,074
Net margin	**$**	**10,875**	$	11,208
Net margin (%)(1)		**20.4%**		22.4%
Earnings (loss) before income taxes	**$**	**57,164**	$	(4,852)
Earnings (loss) for the period(3)	**$**	**42,173**	$	(3,761)
Basic earnings (loss) per share(3)	**$**	**0.99**	$	(0.10)
Diluted earnings (loss) per share	**$**	**0.96**	$	(0.10)

		March 31, 2022		December 31, 2021
Total assets	**$**	**3,664,855**	$	3,488,674
Total liabilities	**$**	**2,221,711**	$	2,066,461
Total equity	**$**	**1,443,144**	$	1,422,213
Total issued and outstanding shares		**42,587,702**		42,836,031

Earnings before income taxes after adjusting for fair value adjustments taken on Dream Impact Trust units held by other unitholders(1) for the three months ended March 31, 2022 was $64.1 million, an increase of $51.3 million relative to the prior year. The increase in current year pre-tax earnings was primarily driven by higher earnings from the Company's equity accounted investments, including Dream Office REIT and Canary Commons, as well as fair value gains on our investment properties.

Earnings before income taxes for the three months ended March 31, 2022 was $57.2 million due to the aforementioned operational results offset by fair value changes in Dream Impact Trust units held by other unitholders.

As at March 31, 2022 our debt to total assets ratio(1) was 39.5% and we have ample available liquidity(2) of $214.3 million.

Highlights: Recurring Income

- First quarter revenue and net operating income(1) derived from recurring income sources increased to $43.6 million and $17.5 million, respectively, from $30.9 million and $14.2 million in the comparative period. The increase is primarily due to our portfolio of multi-family rental properties in Toronto acquired in the second half of 2021. We acquired an additional 57-unit building in the first quarter for a gross purchase price of $22.5 million, bringing our total GTA multi-family rental portfolio to nearly 1,200 units across 11 properties.
- Included in revenue for the three months ended March 31, 2022 was $5.3 million in fees earned from Dream Industrial REIT, up from $3.6 million in the prior year, largely driven by growth in the asset base from acquisitions. As of May 9, 2022, Dream Industrial REIT has an additional $730 million in acquisitions closed, under contract or in exclusive negotiations in 2022. Dream Industrial REIT continues to execute on its 4 million sf development pipeline, completing Phase 1 of a 228,000 sf expansion at a Montreal property in the first quarter. The REIT has commenced construction or is in the final planning stages on over 1 million sf of development projects in the near term.
- In the three months ended March 31, 2022, Arapahoe Basin generated adjusted EBITDA(1) of $9.1 million, in line with the prior year, as higher revenues from full operations were offset by increased operating costs, including labour. Similarly, in the three months ended March 31, 2022, Arapahoe Basin generated net earnings of $8.2 million, an increase of $0.4 million over 2021.
- Results for first quarter include $23.8 million in equity earnings on our 34% interest in Dream Office REIT, up from $6.1 million over the comparative period. Improved results were driven by fair value gains on Dream Office REIT's downtown Toronto portfolio and through the REIT's 9.8% interest in Dream Industrial REIT. As at May 9, 2022, the Company had a 29% interest in Dream Impact Trust and a 36% interest in Dream Office REIT, inclusive of interests held by Dream's Chief Responsible Officer.
- As of March 31, 2022, assets under management(1) total $16 billion, up $1.3 billion over year-end, and included a combined 62% in the industrial and residential rental asset classes and 29% located outside of Canada. Fee earning assets under management(1) total $10 billion as of quarter end, up $0.9 billion from year-end.
- As of May 9, 2022, we have approximately $1.6 billion in committed and uncalled capital across our asset management business. Our team remains focused on raising additional funds for our private equity funds throughout 2022.
- Across the Dream group platform, which includes assets held through the Company, Dream Impact Trust, Dream Impact Fund and Dream Office REIT, we have nearly 8,300 units and 14.1 million sf of gross leasable area ("GLA") in stabilized rental, retail and commercial properties, in addition to our recreational properties. Over the next four years, we expect to add an additional 2,350 units and 2.2 million sf of rental, retail and commercial GLA to our recurring income portfolio, including West Don Lands Blocks 8 and 3/4/7, Canary Block 10, and three buildings at Zibi.

Highlights: Development

- In the three months ended March 31, 2022, we generated revenue and incurred negative net margin of $9.6 million and $4.8 million, respectively, down from the comparative period. The results were in line with management expectations as outside of our equity accounted investments, there were minimal occupancies and lot sales this quarter.
- As of May 9, 2022, we have secured commitments for an additional 815 lots, 31 acres and 83 houses across our communities in Saskatchewan and Alberta that we expect to contribute to earnings in 2022.
- We achieved 325 condominium unit occupancies at Canary Commons (163 units at Dream's share), which generated equity accounted earnings of $32.1 million in the first quarter. Canary Commons is part of our development hub in downtown Toronto's east end, comprising the 35-acre Canary District, the adjacent West Don Lands, the Distillery District, and our future developments at Lakeshore East and Quayside.
- Across the Dream group platform, we have approximately 4.0 million sf of GLA in retail or commercial properties and over 21,400 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.

Highlights: Impact Investing

- On April 28, 2022, the Dream group of companies released our Net Zero by 2035 Action Plan, available here. The Action Plan details Dream's commitment, targets and milestones, investment and emissions boundaries, actionable delivery strategy, and oversight and transparency plans. With over $6 billion in net zero communities within our development pipeline, we believe our bold approach to mitigating climate change will create further investment opportunities and create shareholder value.

- In the three months ended March 31, 2022, the National Capital Commissions ("NCC") announced in partnership with Canada Housing Mortgage Corporation ("CMHC") that Dream was selected to develop the first phase of the Building LeBreton project in Ottawa, Ontario. Dream LeBreton will be Canada's largest residential zero-carbon project with 601 residential rental units, 40% of which will be affordable and 31% will be accessible. The site is adjacent to a light-rail station, various pedestrian pathways and our 34-acre Zibi development. Subsequent to quarter end, we closed on the land purchase and expect to commence construction within the next two years.

- On March 31, 2022, Dream, Dream Impact Trust and Dream Office REIT closed on a $137 million facility with Canada Infrastructure Bank under its Commercial Building Retrofit Initiative to retrofit 17 office buildings and 1 multi-family rental property. This facility allows Dream to work towards our net zero commitment, create approximately 1,500 jobs, and achieve in excess of a 32% reduction in greenhouse gas emissions.

- CMHC introduced the MLI Select program in 2021, which is designed to preserve and create affordable, climate-compatible multi-unit residential housing. Subsequent to quarter end, Dream, TD Bank and CMHC announced $153 million in insured financing under the MLI Select program for our 472-unit Residence at Weston multi-family rental property at Weston Common. The loan will be used to add an additional 137 affordable units, resulting in 40% of the property's units meeting the affordable criteria, and decrease energy consumption by a minimum of 15% and greenhouse gas emissions by a minimum of 25%

- The Dream Community Foundation has also unveiled new programming at Weston Common, including free community fitness classes, weekly breakfast and coffee socials and subsidies for Toronto's Bike Share memberships. The foundation has initially been funded by the Cooper family and aims to provide programming and donations to build community amongst tenants and local neighbourhoods while allowing our public vehicles to earn market returns on their impact investments.

Share Capital & Return to Shareholders

- In the three months ended March 31, 2022, 0.4 million Subordinate Voting Shares were purchased for cancellation by the Company at an average price of $39.53 under a normal course issuer bid ("NCIB") for total proceeds of $14.9 million (year ended December 31, 2021 – 2.4 million Subordinate Voting Shares at an average price of $25.29).

- Dividends of $4.3 million were declared and paid on the Company's Subordinate Voting Shares and Class B Shares in the three months ended March 31, 2022 (three months ended March 31, 2021 - $3.1 million).

Select financial operating metrics for Dream's segments for the three months ended March 31, 2022 are summarized in the table below.

(in thousands of dollars except outstanding share and per share amounts)		**Recurring income**		**Development**		**Corporate and other**		**Total**
								Three months ended March 31, 2022
Revenue	**$**	**43,574**	**$**	**9,640**	**$**	**—**	**$**	**53,214**
% of total revenue		**81.9%**		**18.1%**		**—%**		**100.0%**
Net margin	**$**	**15,724**	**$**	**(4,849)**	**$**	**—**	**$**	**10,875**
Net margin (%)(1)		**36.1%**		**n/a%**		**n/a**		**20.4%**
								As at March 31, 2022
Segment assets	**$**	**2,072,389**	**$**	**1,566,651**	**$**	**25,815**	**$**	**3,664,855**
Segment liabilities	**$**	**855,709**	**$**	**566,232**	**$**	**799,770**	**$**	**2,221,711**
Segment shareholders' equity	**$**	**1,216,680**	**$**	**1,000,419**	**$**	**(773,955)**	**$**	**1,443,144**
Shareholders' equity per share(4)	**$**	**28.57**	**$**	**23.49**	**$**	**(18.17)**	**$**	**33.89**

(in thousands of dollars except outstanding share and per share amounts)		Recurring income		Development		Corporate and other		Total
								Three months ended March 31, 2021
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 (%)(1)		40.5%		n/a		n/a		22.4%
								As at December 31, 2021
Segment assets	$	1,885,019	$	1,575,453	$	28,202	$	3,488,674
Segment liabilities	$	739,363	$	558,870	$	768,228	$	2,066,461
Segment shareholders' equity	$	1,145,656	$	1,016,583	$	(740,026)	$	1,422,213
Shareholders' equity per share(4)	$	26.75	$	23.73	$	(17.28)	$	33.20

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 and on www.sedar.com.

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 $16 billion of assets under management across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business 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-GAAP Measures and Other Disclosures

In addition to using financial measures determined in accordance with IFRS, we believe that important measures of operating performance include certain financial measures that are not defined under IFRS. Throughout this press release, there are references to certain non-GAAP financial measures and other specified financial measures, including those described below, which management believes are relevant in assessing the economics of the business of Dream. These performance and other measures are not standardized financial measures under IFRS, and may not be comparable to similar measures disclosed by other issuers. However, we believe that they are informative and provide further insight as supplementary measures of financial performance, financial position or cash flow, or our objectives and policies, as applicable.

Non-GAAP Financial Measures

"***Adjusted EBITDA***" represents net income for the period adjusted for interest expense on debt; amortization and depreciation; share of earnings from equity accounted investments; and net current and deferred income tax expense (recovery). This non-IFRS measure is an important measure used by the Company in evaluating the performance of divisions within our recurring income segment.

					For the three months ended March 31, 2022
	Asset management	Stabilized properties	Arapahoe Basin	Dream Impact Trust & consolidation and fair value adjustments[1]	Total recurring income
Net earnings	$ 26,794	$ 13,715	$ 8,177	$ (1,203)	$ 47,483
Less: Interest expense	(115)	(4,135)	-	(872)	(5,122)
Less: Taxes	-	-	-	-	-
Less: Depreciation and amortization	-	(566)	(956)	-	(1,522)
Less: Share of earnings from equity accounted investments	24,279	(824)	(16)	(419)	23,020
Adjusted EBITDA	**$ 2,630**	**$ 19,240**	**$ 9,149**	**$ 88**	**$ 31,107**

					For the three months ended March 31, 2021
	Asset management	Stabilized properties	Arapahoe Basin	Dream Impact Trust & consolidation and fair value adjustments[1]	Total recurring income
Net earnings	$ 14,063	$ (177)	$ 7,790	$ (2,357)	$ 19,319
Less: Interest expense	-	(1,405)	(36)	(806)	(2,247)
Less: Taxes	-	-	-	-	-
Less: Depreciation and amortization	-	(260)	(1,023)	-	(1,283)
Less: Share of earnings from equity accounted investments	10,948	(300)	(20)	(18)	10,610
Adjusted EBITDA	$ 3,115	$ 1,788	$ 8,869	$ (1,533)	$ 12,239

"***Consolidation and fair value adjustments***" represents certain IFRS adjustments required to reconcile Dream standalone and Dream Impact Trust results to the consolidated results as at and for the three months ended March 31, 2022 and 2021. Consolidation and fair value adjustments relate to business combination adjustments on acquisition of Dream Impact Trust on January 1, 2018 and related amortization, elimination of intercompany balances including the investment in Dream Impact Trust units, adjustments for co-owned projects, fair value adjustments to the Dream Impact Trust units held by other unitholders, and deferred income taxes.

"***Earnings before income taxes after adjusting for fair value on Dream Impact Trust units held by other unitholders***" represents the Company's pre-tax earnings excluding the impact from the volatility of Dream Impact Trust's share price.

	For the three months ended March 31,	
	2022	2021
Earnings before income taxes	**$ 57,164**	$ (4,852)
Less: Adjustments related to Dream Impact Trust units	**(6,984)**	(17,678)
Earnings before income taxes after adjusting for fair value on Dream Impact Trust units held by other unitholders	**$ 64,148**	$ 12,826

“***Net operating income***" represents revenue less direct operating costs and is equal to gross margin as per Note 26 of the consolidated financial statements. Net operating income excludes general, administrative and overhead expenses, and amortization, which are included in net margin per Note 26 of the consolidated financial statements. This non-GAAP measure is an important measure used to assess the profitability of the Company’s recurring income segment. Net operating income for the recurring income segment for the three months ended March 31, 2022 and 2021 is calculated as follows:

	For the three months ended March 31,			
		2022		2021
Revenue	**$**	**43,574**	$	30,889
Less: Direct operating costs		**(26,120)**		(16,709)
Less: Selling, marketing, depreciation and other indirect costs		**(1,730)**		(1,664)
Net margin	**$**	**15,724**	$	12,506
Add: Depreciation		**1,522**		1,283
Add: General and administrative expenses		**208**		381
Net operating income	**$**	**17,454**	$	14,180

Supplementary and Other Financial Measures

"***Assets under management (“AUM”)***" is the respective carrying value of gross assets managed by the Company on behalf of its clients, investors or partners under asset management agreements, development management agreements and/or management services agreements at 100% of the client's total assets. All other investments are reflected at the Company's proportionate share of the investment's total assets without duplication. Assets under management is a measure of success against the competition and consists of growth or decline due to asset appreciation, changes in fair market value, acquisitions and dispositions, operations gains and losses, and inflows and outflows of capital.

"***Available liquidity***" represents Dream's standalone corporate cash and debt facilities to cover the Company’s capital requirements including acquisitions. This financial measure is used by the Company to forecast and plan to hold adequate amounts of available liquidity allow for the Company to settle obligations as they come due.

		March 31, 2022		December 31, 2021
Dream standalone corporate level cash	**$**	**7,052**	$	2,135
Operating line availability		**97,219**		163,498
Margin loan availability		**110,000**		110,000
Available liquidity	**$**	**214,271**	$	275,633

"***Debt to total assets ratio***" represents the Company's financial leverage and is calculated as debt as a percentage of total assets per the consolidated financial statements.

“***Fee earning assets under management***” represents assets under management that are managed under contractual arrangements that entitle the Company to earn asset management revenue calculated as the total of: (i) 100% of the purchase price of client properties, assets and/or indirect investments subject to asset management agreements; (ii) 100% of the carrying value of gross assets of the underlying development project subject to development management agreements; and (iii) 100% of the carrying value of specific Dream Office REIT redevelopment properties subject to a development management addendum under the shared services agreement with Dream Office REIT, without duplication.

“***Net margin %***” is an important measure of operating earnings in each business segment of Dream and represents net margin as a percentage of revenue.

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 our development plans and proposals for current and future projects, including projected sizes, density, GLA, timelines, units at completion and uses, including the projects that we expect to be completed and added to our recurring income segment over the next four years; the Dream group platform’s and Dream group of companies’ development pipeline, including the future developments at Lakeshore East and Quayside; the expectation that Dream’s commitment to impact investing will generate returns and social impact; expectations regarding the $1.5 billion develop-to-hold joint venture, including regarding the expected development at such sites by 2025 and the capacity of the joint venture to make investments that meet its investment criteria; expectations regarding raising private equity funds in 2022; the contribution to earnings resulting from secured commitments in Dream’s projects in Saskatchewan and Alberta; expectations regarding Dream Industrial REIT's project planning and development pipeline; expectations regarding our sustainability targets, including Dream LeBreton becoming Canada's largest residential zero-carbon project, reaching its affordability and accessibility targets and commencing construction within the next two years, the Dream group of companies’ commitment and objectives in respect of the Net Zero by 2035 Action Plan; our belief that our approach to mitigating climate change will create further investment opportunities and create shareholder value; the achievement of certain goals, including impact goals, in connection with the retrofit of properties financed by the Canada Infrastructure Bank’s Commercial Building Retrofit Initiative; the expected use of proceeds from the MLI Select program insured financing and the expected sustainability results of such investments; the Dream Community Foundation’s activities and objectives; 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, risks associated with unexpected or ongoing geopolitical events, including disputes between nations, terrorism or other acts of violence, international sanctions and the disruption of movement of goods and services across jurisdictions, 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, 2022. 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).

Endnotes:

(1) For the definition of the following specified financial measures: assets under management, fee earning assets under management, net margin (%), net operating income, debt to total assets ratio, earnings before income taxes after adjusting for fair value losses taken on Dream Impact Trust units held by other unitholders, adjusted EBITDA, consolidation and fair value adjustments, refer to the “Non-GAAP Measures and Other Disclosures” section of this press release.

(2) For the definition of the following capital management measure: available liquidity, refer to the “Non-GAAP Measures and Other Disclosures” section of this press release.

(3) Earnings (loss) for the three months ended March 31, 2022 includes a loss of $7.0 million, on Dream Impact Trust units held by other unitholders (three months ended March 31, 2021 – loss of $17.7 million). Refer to the “Additional Information – Consolidated Dream” section of our MD&A for results on a Dream standalone basis.

(4) Shareholders’ equity per share represents shareholders’ equity divided by total number of shares outstanding at period end.