dream residential REIT

DREAM RESIDENTIAL REIT REPORTS STRONG Q1 2023 RESULTS AND ANNOUNCES CEO TRANSITION

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 are in U.S. dollars.

TORONTO, May 3, 2023, DREAM RESIDENTIAL REAL ESTATE INVESTMENT TRUST (TSX: DRR.U) ("Dream Residential REIT" or the "REIT" or "we" or "us") today announced its financial results for the quarter ended March 31, 2023 ("Q1 2023"). The results for Q1 2023 are compared to the financial forecast (the "Forecast") contained in the REIT's final prospectus dated April 29, 2022. Management will host a conference call to discuss the financial results on May 4, 2023 at 10:00 a.m. (ET).

HIGHLIGHTS

- Q1 2023 net loss was $(10.9) million, which comprises net rental income of $7.1 million, fair value gains to investment properties of $2.1 million and fair value losses to financial instruments of $(16.5) million, primarily from the revaluation of Class B units of DRR Holdings LLC, a subsidiary of the REIT ("Class B Units" and together with the Trust Units, "Units"). Partially offsetting these items were cumulative other income and expenses of $(3.6) million.
- Diluted funds from operations ("FFO") per Unit[1] was $0.18 for Q1 2023, ahead of the Forecast due largely to higher than forecasted NOI.
- Net operating income ("NOI")[2] was $6.0 million in Q1 2023 compared to $5.9 million in the Forecast. Net rental income was $7.1 million in Q1 2023 compared to $5.8 million in the Forecast primarily due to a lower than forecasted property tax expense adjustment under the IFRS Interpretation Committee – 21 Levies ("IFRIC 21")[3], offsetting from the prior quarter.
- Average monthly rent as at March 31, 2023 was $1,095 per unit compared to $1,079 per unit at December 31, 2022, an increase of 1.5%.
- Portfolio occupancy was 94.0% as of March 31, 2023, with Greater Oklahoma City at 94.1%, Greater Dallas-Fort Worth at 91.7% and Greater Cincinnati at 96.3%.
- Total equity (per condensed consolidated financial statements) was $226.8 million as at March 31, 2023, compared to $239.3 million as at December 31, 2022.
- Net asset value ("NAV")[4] per Unit was $14.73 as at March 31, 2023 compared to $14.50 as at December 31, 2022.
- Net total debt-to-net total assets[5] was 30.0% as at March 31, 2023, total mortgages payable were $140.3 million and total assets were $437.5 million. Total assets were comprised primarily of $422.6 million of investment properties and $12.9 million of cash and cash equivalents.
- The REIT declared distributions totalling $0.105 per Unit during Q1 2023.
- During Q1 2023, the REIT refinanced its mortgage on Oak Place. The new, 10-year interest-only mortgage for $14.4 million bears interest at a fixed face rate of 4.88% and matures on March 1, 2033.
- The REIT purchased 73,518 Trust Units under its current normal course issuer bid that commenced on January 6, 2023, for a total of $0.6 million through May 1, 2023.

---

[1] Diluted FFO per Unit is a non-GAAP ratio. Diluted FFO per Unit is comprised of FFO (a non-GAAP financial measure) divided by the weighted average number of Units. For further information on this non-GAAP ratio, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

[2] Net operating income ("NOI") is a non-GAAP financial measure. The tables included in the Appendices section of this press release reconcile NOI for the three months ended March 31, 2023 and December 31, 2022 to net rental income. For further information on this non-GAAP financial measure, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

3 IFRIC 21 requires recognition of property taxes when the obligation is imposed rather than accruing on a straight-line basis. The effect of this adjustment is removed for purposes of reporting NOI (a non-GAAP financial measure).

[4] NAV per Unit is a non-GAAP ratio. NAV per Unit is comprised of total equity (including Class B Units) (a non-GAAP financial measure) divided by the number of Units. For further information on this non-GAAP ratio, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

[5] Net total debt-to-net total assets is a non-GAAP ratio. 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.

CEO Transition

- Dream Residential REIT is pleased to announce the appointment of Mr. Brian Pauls as the REIT's Chief Executive Officer, effective June 6, 2023. Mr. Pauls will succeed Ms. Jane Gavan, who will remain on the REIT's Board of Trustees.

"We are excited to welcome Brian to the REIT's executive management team," commented Jane Gavan, Chief Executive Officer of Dream Residential REIT. "Having overseen the successful launch and inaugural fiscal year of the REIT, I believe that it is now an opportune time for Brian to lead the REIT through the next phase of growth and value creation for our Unitholders. He has substantial experience with the U.S. multi-family market, our initial portfolio and has served as a Trustee since the REIT's inception, which will make for a smooth transition. Brian has an established track record of leadership, having overseen the growth, transformation, and success of Dream Industrial REIT. We are confident that his experience and expertise will help Dream Residential REIT achieve our strategic goals going forward."

"I am pleased to be joining the REIT's management team," said Brian Pauls, Trustee of Dream Residential REIT. "Jane has done a tremendous job of taking the REIT public and will be focused on running and further expanding Dream Unlimited Corp.'s asset management business. I am grateful that she will remain on the REIT's Board and look forward to working with her to capitalize on opportunities to position the REIT for continued success."

FINANCIAL HIGHLIGHTS

(unaudited) (in thousands unless otherwise stated)		*Actual* Three months ended March 31, 2023		*Forecasted* Three months ended March 31, 2023		*Variance*		*Actual* Three months ended December 31, 2022
Operating results								
Net income (loss)	$	**(10,868)**	$	2,191	$	(13,059)	$	4,556
Funds from operations ("FFO")[1]		**3,523**		3,317		206		3,163
Net rental income		**7,110**		5,788		1,322		1,805
Net operating income ("NOI")[10]		**6,045**		5,864		181		5,695
NOI Margin[11]		**51.9%**		50.9%		100 bps		50.1%
Per Unit amounts								
Distribution rate per Trust Unit	$	**0.105**	$	0.105	$	-	$	0.105
Diluted FFO per Unit[2][3]		**0.18**		0.17		0.01		0.16

See footnotes at end

Net loss for Q1 2023 was $(10.9) million or $(13.1) million lower than the Forecast, primarily due to fair value adjustments to financial instruments totalling $(16.5) million. This was partially offset by $2.1 million in fair value adjustments to investment properties and higher than forecasted net rental income. Debt settlement costs of $(0.3) million were recorded in net loss for the three months ended March 31, 2023, which have been excluded from the calculation of FFO. FFO for Q1 2023 was $3.5 million and $0.2 million higher than the Forecast, due largely to higher than forecasted NOI. Higher Q1 2023 NOI was partially offset by higher than forecasted general and administrative expenses. Q1 2023 diluted FFO per unit was $0.18 or $0.01 higher than the Forecast.

Net rental income for Q1 2023 was $7.1 million. Q1 2023 net rental income was $1.3 million higher than the Forecast primarily due to a lower than forecasted property tax expense adjustment under IFRIC 21, offsetting from the prior quarter. NOI for Q1 2023 was $6.0 million. Q1 2023 NOI was approximately 3.1% higher than the Forecast, primarily due to increased investment property revenue and lower operating expenses experienced during the quarter. This resulted in a NOI Margin of 51.9%, which was 100 basis points above the Forecast. Q1 2023 NOI includes investment property revenue of $11.6 million, which exceeded Forecast by $0.1 million as a result of rental rate increases across the REIT's portfolio.

PORTFOLIO INFORMATION		**As at**		
(unaudited)		**March 31, 2023**		**December 31, 2022**
Total portfolio				
Number of assets		**16**		16
Investment properties fair value (in thousands)	**$**	**422,560**	$	418,230
Units		**3,432**		3,432
Occupancy rate – in place (period-end)		**94.0%**		95.5%
Average in-place base rent per month per unit	**$**	**1,095**	$	1,079
Estimated market rent to in-place base rent spread (%) (period-end)		**5.8%**		6.8%
Tenant retention ratio (quarter-end)[12]		**59.9%**		46.8 %

See footnotes at end

ORGANIC GROWTH

Dream Residential REIT continued to achieve solid organic growth across the portfolio, capturing rental rate growth in its primary markets and executing on implementing its value-add initiatives.

Weighted average monthly rent as at March 31, 2023 was $1,095 per unit, representing a 1.5% increase from December 31, 2022. Rental rate increases were experienced across all of the REIT's primary markets including Greater Oklahoma City at 1.7%, Greater Dallas-Fort Worth at 1.7% and Greater Cincinnati at 0.9% from December 31, 2022.

During Q1 2023, blended lease trade-outs averaged 7.9%, compared to 8.7% in the fourth quarter of 2022, comprised of an average increase on new leases of approximately 6.6% and an average increase on renewals of approximately 8.8%. At March 31, 2023, estimated market rents were $1,158 per unit, or an average gain-to-lease for the portfolio of 5.8%. The retention rate for the quarter ended March 31, 2023 was 59.9% compared to 46.8% for the three months ended December 31, 2022, reflecting seasonal leasing efforts.

Value-Add Initiatives

During Q1 2023, renovations were completed on 94 suites across Greater Dallas-Fort Worth and Greater Oklahoma City, with an additional 37 suites under renovation as at March 31, 2023. The average new lease trade-out on renovated suites was $216,000 higher than expiring leases, or a premium of 19.9% and compares to a 0.9% increase on non-renovated suites.

"We had a strong quarter of operations to begin 2023," said Scott Schoeman, Chief Operating Officer of Dream Residential REIT. "We believe that our value-add initiatives continue to drive robust rent growth, in addition to upgrading the overall quality of the portfolio. The value proposition of the renovation program is clear, particularly as rent growth normalizes in a more challenging operating environment."

FINANCING AND CAPITAL INFORMATION

(unaudited)		As at March 31, 2023	As at December 31, 2022
Financing			
Net total debt-to-net total assets[4]		**30.0%**	29.7%
Average term to maturity on debt (years)		**6.0**	5.6
Interest coverage ratio (times)[5]		**2.9**	2.7
Undrawn credit facility (in thousands)	$	**70,000**	70,000
Available liquidity[6] (in thousands)	$	**82,902**	81,645
Capital			
Total equity (in thousands)	$	**226,822**	239,291
Total equity (including Class B Units) (in thousands)[7]	$	**290,975**	286,968
Total number of Trust Units and Class B Units (in thousands)[8]		**19,756**	19,788
Net asset value (NAV) per Unit[9]	$	**14.73**	14.50
Trust Unit price	$	**9.15**	6.80

See footnotes at end

As of March 31, 2023, net total debt-to-net total assets was 30.0%, total mortgages payable were $140.3 million and total assets were $437.5 million. The REIT ended Q1 2023 with total available liquidity of approximately $82.9 million[6], comprised of $12.9 million of cash and cash equivalents and $70 million available on its undrawn revolving credit facility.

Total equity of $226.8 million decreased from December 31, 2022 by $12.5 million. At March 31, 2023, there were approximately 12.7 million Trust Units and 7.0 million Class B Units.

NAV per Unit as at March 31, 2023 increased slightly to $14.73 from $14.50 as at December 31, 2022, due to fair value adjustments to investment properties and an increase in working capital.

The REIT was active on its NCIB program. The REIT has purchased 73,518 REIT Units under its NCIB at a total of $0.6 million through May 1, 2023.

CONFERENCE CALL

Senior management will host a conference call to discuss the financial results on Thursday, May 4, 2023, at 10:00 a.m. (ET). To access the conference call, click on the following link to register for the audio conference: https://register.vevent.com/register/BIf4ad2e2fbe6e4787928bfc0362be8fbf. Once registered, participants will receive an email with dial-in details, including a unique PIN. To access the conference call via webcast, please go to Dream Residential REIT's website at www.dreamresidentialreit.ca and click on the link for News, then click on Events. A taped replay of the conference call and the webcast will be available for ninety (90) days following the call.

OTHER INFORMATION

Information appearing in this press release is a select summary of financial results. The condensed consolidated financial statements and management's discussion and analysis for the REIT will be available at www.dreamresidentialreit.ca and under the REIT's profile on www.sedar.com.

Dream Residential REIT is an unincorporated, open-ended real estate investment trust established and governed by the laws of the Province of Ontario. The REIT owns an initial portfolio 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. For more information, please visit www.dreamresidentialreit.ca.

Non-GAAP financial measures, ratios and supplementary financial measures

The REIT's consolidated financial statements are prepared in accordance with IFRS. In this press release, as a complement to results provided in accordance with IFRS, the REIT discloses and discusses certain non-GAAP financial measures and ratios, including FFO, diluted FFO per Unit, NOI, NOI margin, total debt, net total debt-to-net total assets ratio, net total debt, net total assets, adjusted EBITDAFV, interest coverage ratio (times), available liquidity, total equity (including Class B Units) and NAV per Unit as well as other measures discussed elsewhere in this press release. These non-GAAP financial measures and ratios are not defined by or recognized under IFRS and do not have a standardized meaning under IFRS. The REIT's method of calculating these non-GAAP financial measures and ratios may differ from other issuers and may not be comparable with similar measures presented by other issuers. The REIT has presented such non-GAAP financial measures and ratios as management believes they are relevant measures of the REIT'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 management's discussion and analysis of the financial condition and results from operations of the REIT as at and for the period ended March 31, 2023, dated May 3, 2023 (the "MD&A Q1 2023") and can be found under the section "Non-GAAP Financial Measures and Ratios" and respective sub-headings labelled "Funds from operations ("FFO") and diluted FFO per Unit", "NAV per Unit", "Net operating income ("NOI") and NOI Margin", "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments (Adjusted EBITDAFV)", "Available liquidity", "Total equity (including Class B Units)", "Interest coverage ratio (times)" and "Net total debt-to-net total assets". In this press release, the REIT also discloses and discusses certain supplementary financial measures including tenant retention ratio and weighted average number of units. The composition of supplementary financial measures included in this press release are expressly incorporated by reference from the MD&A Q1 2023 and can be found under the section "Supplementary Financial Measures and Other Disclosures". The MD&A Q1 2023 is available on SEDAR at www.sedar.com under the REIT's profile and on the REIT's website at www.dreamresidentialreit.ca under the Investors section. Non-GAAP financial measures and ratios 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 as indicators of the REIT's performance, liquidity, cash flow, and profitability.

Forward-Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation. Such information includes statements regarding our intentions to implement our value-enhancing renovation initiatives across our portfolio and our expectations regarding rental rate growth and upgrading the quality of the REIT's portfolio; our expectations with respect to internal growth and generating long-term value for our unitholders; the value proposition of our renovation program; and the expectation that rent growth will normalize. Forward-looking information generally can be identified by the use of forward-looking terminology such as "will", "expect", "believe", "plan", or "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 Residential REIT's control that 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, risks inherent in the real estate industry; financing risks; inflation, interest and currency rate fluctuations; global and local economic and business conditions; risks associated with unexpected or ongoing geopolitical events; changes in law; tax risks; competition; environmental and climate change risks; insurance risks; cybersecurity; and uncertainties surrounding the COVID-19 pandemic and other public health crises and epidemics. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable; there are no unforeseen changes in the legislative and operating framework for our business; we will have access to adequate capital to fund our future projects and plans and that we will receive financing on acceptable terms; inflation and interest rates will not materially increase beyond current market expectations; and geopolitical events will not disrupt global economies. All forward-looking information in this press release speaks as of the date of this press release. Dream Residential 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 Residential REIT's filings with securities regulators, including its annual information form dated March 31, 2023, including under the heading "Risk Factors" therein and its latest MD&A.

For further information, please contact:

Dream Residential REIT

P. Jane Gavan
Chief Executive Officer
(416) 365-6572
jgavan@dream.ca

Derrick Lau
Chief Financial Officer
(416) 365-2364
dlau@dream.ca

Scott Schoeman
Chief Operating Officer
(303) 519-3020
sschoeman@dream.ca

FOOTNOTES

(1) FFO is a non-GAAP financial measure. The most directly comparable financial measure to FFO is net income (loss). For further information on this non-GAAP measure, please refer to the statements under the heading “Non-GAAP financial measures, ratios and supplementary financial measures” in this press release. The table included in the Appendices section of this press release reconciles FFO for the three months ended March 31, 2023 to net loss.

(2) Diluted FFO per Unit is a non-GAAP ratio. Diluted FFO per Unit is comprised of FFO (a non-GAAP financial measure) divided by the weighted average number of Units. For further information on this non-GAAP ratio, please refer to the statements under the heading “Non-GAAP financial measures, ratios and supplementary financial measures” in this press release.

(3) A description of the determination of diluted amounts per Unit can be found in the REIT’s MD&A for the three months ended March 31, 2023, in the section “Supplementary Financial Measures and Other Disclosures”, under the heading “Weighted average number of Units”.

(4) Net total debt-to-net total assets ratio is a non-GAAP ratio. Net total debt-to-net total assets ratio comprises net total debt (a non-GAAP financial measure) divided by net total assets (a non-GAAP financial measure). The most directly comparable financial measure to net total debt is mortgages payable, and the most directly comparable financial measure to net total assets is total assets. 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.

(5) Interest coverage ratio (times) is a non-GAAP ratio. Interest coverage ratio is comprised of adjusted EBITDAFV (a non-GAAP financial measure) divided by interest expense on debt. The table included in the Appendices section of this press release reconciles adjusted EBITDAFV to net loss. The most directly comparable financial measure to adjusted EBITDAFV is net loss. For further information on this non-GAAP ratio and 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.

(6) Available liquidity is a non-GAAP financial measure. The most directly comparable financial measure to available liquidity is undrawn credit facility. The table included in the Appendices section of this press release reconciles available liquidity to undrawn credit facility as at March 31, 2023 and December 31, 2022. For further information on this non-GAAP measure, please refer to the statements under the heading “Non-GAAP financial measures, ratios and supplementary financial measures” in this press release.

(7) Total equity (including Class B Units) is a non-GAAP financial measure. The most directly comparable financial measure to total equity (including Class B Units) is total equity. For further information on this non-GAAP measure, please refer to the statements under the heading “Non-GAAP financial measures, ratios and supplementary financial measures” in this press release. The table included in the Appendices section of this press release reconciles total equity (including Class B Units) to total equity as at March 31, 2023 and December 31, 2022.

(8) Total number of Units includes 12,744,996 Trust Units and 7,011,203 Class B Units that are classified as a liability under IFRS.

(9) NAV per Unit is a non-GAAP ratio. NAV per Unit comprises total equity (including Class B Units) (a non-GAAP financial measure) divided by the number of Units. For further information on this non-GAAP ratio, please refer to the statements under the heading “Non-GAAP financial measures, ratios and supplementary financial measures” in this press release.

(10) NOI is a non-GAAP financial measure. The most directly comparable financial measure to NOI is net rental income. The table included in the Appendices section of this press release reconciles NOI for the three months ended March 31, 2023 and December 31, 2022 to net rental income. For further information on this non-GAAP financial measure, please refer to the statements under the heading “Non-GAAP financial measures, ratios and supplementary financial measures” in this press release.

(11) NOI Margin is a non-GAAP ratio. NOI margin is defined as NOI (a non-GAAP financial measure) divided by investment properties revenue, as a percentage. 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.

(12) Tenant retention ratio is defined as the number of renewed leases divided by the total number of leases signed during the period. Tenant retention ratio is a supplementary financial measure.

Appendices

Reconciliation of FFO to net income (loss)

The table below reconciles FFO to net income (loss) for the three months ended March 31, 2023 and December 31, 2022:

(in thousands of dollars, unless otherwise stated)		**Three months ended March 31, 2023**		**Three months ended December 31, 2022**
Net income (loss) for the period	$	**(10,868)**	$	4,556
Add (deduct):				
Fair value adjustments to investment properties		**(2,067)**		(1,832)
Fair value adjustments to financial instruments		**16,528**		(4,394)
Property tax liability adjustment (IFRIC 21)		**(1,065)**		3,890
Interest expense on Class B Units		**736**		943
Debt settlement costs		**259**		-
Funds from operations (FFO) for the period	$	**3,523**	$	3,163
Diluted weighted average number of Units (in thousands)		**19,813**		19,808
Diluted FFO per Unit	$	**0.18**	$	0.16

Reconciliation of NOI to net rental income

The table below reconciles NOI to net rental income for the three months ended March 31, 2023 and December 31, 2022:

(in thousands of dollars, unless otherwise stated)		**Three months ended March 31, 2023**		**Three months ended December 31, 2022**
Investment properties revenue	$	**11,639**	$	11,364
Property operating expenses		**(4,529)**		(9,559)
Net rental income		**7,110**		1,805
Property tax liability adjustment (IFRIC 21)		**(1,065)**		3,890
Net operating income (NOI)		**6,045**		5,695
NOI Margin		**51.9%**		50.1%

Reconciliation of adjusted EBITDAFV to net income (loss)

The table below reconciles adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments to net income (loss) for the three months ended March 31, 2023 and December 31, 2022:

(in thousands, unless otherwise stated)		**Three months ended March 31, 2023**		**Three months ended December 31, 2022**
Net income (loss) for the period	$	**(10,868)**	$	4,556
Add (deduct):				
Interest expense - debt		**1,807**		1,825
Interest expense - Class B Units		**736**		943
Fair value adjustments to investment properties		**(2,067)**		(1,832)
Fair value adjustments to financial instruments		**16,528**		(4,394)
Debt settlement costs		**259**		-
Property tax liability adjustment (IFRIC 21)		**(1,065)**		3,890
Adjusted EBITDAFV for the period	**$**	**5,330**	**$**	4,988
Interest expense on debt		**1,807**		1,825
Interest coverage ratio (times)		**2.9**		2.7

Reconciliation of available liquidity to undrawn credit facility

The table below reconciles available liquidity to cash and cash equivalents as at March 31, 2023 and December 31, 2022:

(in thousands of dollars)		**As at March 31, 2023**		**As at December 31, 2022**
Undrawn credit facility	$	**70,000**		70,000
Cash and cash equivalents		**12,902**	$	11,645
Available liquidity	**$**	**82,902**	**$**	81,645

Reconciliation of total equity (including Class B Units) and NAV per Unit to total equity

The table below reconciles total equity (including Class B Units) and NAV per Unit to total equity as at March 31, 2023 and December 31, 2022:

	As at March 31, 2023			**As at December 31, 2022**		
(in thousands of dollars, except number of Units)	**Units**		**Amount**	**Units**		**Amount**
Unitholders' equity	**12,744,996**	**$**	**129,003**	12,776,418	$	129,265
Retained earnings	**—**		**97,819**	—		110,026
Total equity per condensed consolidated financial statements	**12,744,996**		**226,822**	12,776,418		239,291
Add: Class B Units	**7,011,203**		**64,153**	7,011,203		47,677
Total equity (including Class B Units)	**19,756,199**		**290,975**	19,787,621		286,968
NAV per Unit		**$**	**14.73**		$	14.50

Reconciliation of net total debt-to-net total assets to net total debt and net total assets

The following table reconciles net total debt-to-net total assets to net total debt and net total assets as at March 31, 2023 and December 31, 2022:

		As at March 31, 2023		As at December 31, 2022
(in thousands of dollars, unless otherwise stated)		**Amount**		**Amount**
Mortgages payable	$	**140,267**	$	136,621
Less: Cash and cash equivalents	$	**(12,902)**	$	(11,645)
Net total debt	**$**	**127,365**	**$**	124,976
Total assets	$	**437,488**	$	432,504
Less: Cash and cash equivalents	$	**(12,902)**	$	(11,645)
Net total assets	**$**	**424,586**	**$**	420,859
Net total debt-to-net total assets		**30.0%**		29.7%