Dream Unlimited Corp.

Q1 Report 2023

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Letter to Shareholders

The beginning of 2023 has not progressed as many expected, with the demise of several banks in the past few weeks. Macroeconomic challenges aside, our recurring income business lines have performed well this quarter. With the acquisition of Summit REIT that closed in mid-February, we now have $24 billion in assets under management, with residential rentals and industrial assets comprising 72%, up from 62% a year ago. With growth across both our public company and private fund management businesses, we have seen strong results in the first quarter.

Our income property portfolio includes nearly 1,800 multi-family rental units in the GTA, the National Capital region and Western Canada, our retail properties including the Distillery District, our two boutique hotels in Toronto, and Arapahoe Basin, our ski hill in Colorado. We have seen strong occupancy rates and rents across our portfolio, which was 96% occupied as of quarter-end. By the end of 2023, we plan to add an additional 1,352 residential rental units to our portfolio based on our current development pipeline. Arapahoe Basin had its strongest quarter ever, with the introduction of our new high-speed chairlift and good snow conditions, which we expect to carry through the rest of this ski season.

With strong population growth expected in Western Canada, we are well positioned with our growing residential rental portfolio along with our land and housing business. As of today, we have commitments for an additional 413 lots and 17 acres that we expect to sell this year and a land bank of nearly 9,000 acres primarily located in our nine master-planned communities.

Our development team continues to execute on our exceptional pipeline in the GTA, National Capital Region and Western Canada, including West Don Lands and the Indigenous Hub in the Canary District (collectively named Canary Landing), Zibi and Brightwater. With our pipeline, available liquidity and extensive experience in development, we are closely monitoring market conditions and can proceed with those projects in the planning phase on a measured basis as required.

As of May 8th, we hold a 40% interest in Dream Office REIT, 33% in Dream Impact Trust and 12% in Dream Residential REIT, inclusive of senior management holdings. The combined value of our units totals $355 million at closing TMX prices, or $782 million based on each entity's last published book equity per unit. We ended the quarter with nearly $260 million in available liquidity.

Thank you for your continued interest in our company.

Sincerely,

"Michael Cooper"

Michael Cooper
President and Chief Responsible Officer
May 9, 2023

Management's Discussion and Analysis

The Management's Discussion and Analysis ("MD&A") is intended to assist readers in understanding Dream Unlimited Corp. (the "Company" or "Dream"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the audited consolidated financial statements ("consolidated financial statements") of Dream, including the notes thereto, as at and for the year ended December 31, 2022 and the condensed consolidated financial statements as at and for the three months ended March 31, 2023, which can be found under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") (www.sedar.com). Such financial statements underlying this MD&A have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Certain disclosures included herein are specified financial measures, including non-GAAP financial measures and supplementary and other financial measures. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

All dollar amounts in tables within this MD&A are in thousands of Canadian dollars, unless otherwise specified. Unless otherwise specified, all references to "we", "us", "our" or similar terms refer to Dream and its subsidiaries. All references to the "Dream group of companies" represent Dream and the four publicly traded trusts that Dream provides asset management or development management services to and includes Dream, Dream Office Real Estate Investment Trust ("Dream Office REIT"), Dream Impact Trust, Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT"), and Dream Residential Real Estate Investment Trust ("Dream Residential REIT"). This MD&A is dated as of, and reflects all material events up to, May 9, 2023.

The "Forward-Looking Information" section of this MD&A includes important information concerning certain information found in this MD&A that contains or incorporates statements that constitute forward-looking information within the meaning of applicable securities laws. Readers are encouraged to read the "Forward-Looking Information" and "Risk Factors" sections of this MD&A for a discussion of the risks and uncertainties regarding this forward-looking information as there are a number of factors that could cause actual results to differ materially from those disclosed or implied by such forward-looking information.

Business Overview

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 $24 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 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 this MD&A.

As at May 9, 2023, the Company had a 12% interest in Dream Residential REIT, a 32% interest in Dream Impact Trust and a 37% interest in Dream Office REIT.

Summary of Results – First Quarter of 2023

Overview of Results

Earnings before income taxes for the three months ended March 31, 2023 was $41.7 million, compared to earnings before taxes of $57.2 million in the comparative period. Prior year earnings included higher fair value gains across our portfolio, including within equity accounted investments, as well as condominium unit occupancies at Canary Commons. While we had stronger results from Arapahoe Basin and a fair value gain on Dream Impact Trust units held by other unitholders, this was offset by higher interest costs across our business lines.

Dream Impact Trust units held by other unitholders is treated as a liability on the condensed consolidated statements of financial position of Dream and is fair valued each period under IFRS, generating fair value gains/losses with the fluctuation of the Dream Impact Trust unit price and distributions to unitholders.

In the three months ended March 31, 2023, the fair value gain on the Dream Impact Trust units was $41.4 million (as a result of the Dream Impact Trust unit price decreasing to $3.09 at March 31, 2023 from $4.03 at December 31, 2022, partially offset by $2.4 million in cash distributions to Dream Impact Trust unitholders), compared to a fair value loss of $7.0 million in the comparative period (as a result of the Dream Impact Trust unit price increasing to $6.20 at March 31, 2022 from $6.15 at December 31, 2021 and $4.7 million in cash distributions to Dream Impact Trust unitholders).

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Our Operating Segments and Strategy

As an asset manager, owner and developer of real estate, our objectives are to:

- Develop best-in-class properties and communities that attract exceptional businesses, residents and visitors;
- Own our newly developed income producing assets for the long term;
- Grow our assets under management both through our public and private platforms;
- Maintain a conservative balance sheet and liquidity position;
- Create positive and lasting impacts through our impact dedicated vehicles;
- Work with exceptional partners and stakeholders to maximize the value of our assets and developments;
- Manage our asset mix and profile to maximize long-term value to shareholders; and
- Generate solid returns for our shareholders over the long term.

We have achieved our goals in the past as a result of our expertise and high-quality asset base, combined with a track record in our ability to source, structure and execute on compelling investment opportunities while maintaining conservative debt levels. Over the last few years, we have actively focused on differentiating our asset base by growing assets that contribute to recurring income and investing in development assets and real estate in Toronto, with the goal of improving the safety, value and earnings quality of our business. Inclusive of assets held by Dream Impact Fund, Dream Impact Trust, Dream Office REIT and Dream Residential REIT, our portfolio totals 33,893 residential units and 11.0 million square feet ("sf") of commercial/retail gross leasable area ("GLA") as at March 31, 2023 (at 100% project level).

Recurring income is important to our business as it provides stable cash flows in order to fund our ongoing interest expense, fixed operating costs and dividends. This provides enhanced stability and financial flexibility as we continue to execute on our development pipeline. Assets held at March 31, 2023 that contribute to recurring income include our asset and development management contracts, our 37% equity ownership in Dream Office REIT, our 12% equity ownership in Dream Residential REIT, management fees from our private asset management business and our stabilized income generating assets, such as the Distillery District in Toronto, Arapahoe Basin, our ski hill in Colorado, and our multi-family purpose-built rentals including those shared with Dream Impact Trust. Our future recurring income properties will include those that are currently being developed within our mixed-use developments in Toronto and Ottawa in addition to future potential acquisitions.

Our development assets, comprised of residential, commercial and retail buildings, and raw land, are located across Toronto, Ottawa/Gatineau and Western Canada. We believe our development pipeline includes exceptional assets that will contribute to income and cash flow over time as they are developed and completed. Income and cash flow generated from these assets can vary from period to period, due to a variety of factors including the timing of construction, availability of inventory, achievement of project milestones, timing of completion and end customer occupancy. As we execute on completing our development properties, we anticipate our recurring income assets will increase over time.

While not considered an individual reportable segment, Corporate and other includes: corporate-level cash and other working capital, consolidated tax balances and expense, our term facility and related interest expense, general and administrative expenses not allocated to a particular segment and the liability and fair value adjustments to Dream Impact Trust and Dream Impact Fund units held by other unitholders. Refer to the "Additional Information - Consolidated Dream" section of this MD&A for segmented assets and liabilities and the segmented statement of earnings.

Timing of Income Recognition and Impact of Seasonality

The Company's housing and condominium operations recognize revenue at the time of occupancy and, as a result, revenue and direct costs vary depending on the number of units occupied in a particular reporting period. The Company's land operations revenue relating to sales of land is recognized when control over the property has been transferred to the customer - typically when the customer can begin construction on the property. Until this criterion is met, any proceeds received are accounted for as customer deposits. Revenue is measured based on the transaction price agreed to under the contract and is typically recognized upon receipt of 15% of the transaction price. Revenue from land is deferred until occupancy by a third-party customer, when the land is sold as part of a home constructed by our housing division. Certain marketing expenses for condominiums and homes are incurred prior to the occupancy of these units and accordingly are not tied to the number of units occupied in a particular period as they are expensed as incurred. Commissions are capitalized as contract assets, and expensed when condominium and housing revenue is recognized.

Based on our geographic location, most of our development activity in Western Canada takes place between April and October due to weather constraints, while sales orders vary depending on the rate at which builders work through inventory, which is affected by weather and market conditions. Traditionally, our highest sales volume quarter for our land and housing divisions has been the fourth quarter, while our lowest has been the first quarter.

Our recurring segment, which includes our purpose-built multi-family rentals, retail and office properties and hotels, is relatively flat throughout the year with the exception to our recreational property, Arapahoe Basin, which primarily has the highest visitor volume during the winter ski season.

As a result, the Company's results can vary significantly from quarter to quarter.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Key Financial Information and Performance Indicators

Selected Financial Information

(in thousands of dollars, except per share and outstanding share amounts)		For the three months ended March 31, 2023		2022
Revenue	**$**	**72,196**	$	53,214
Earnings for the period	**$**	**34,601**	$	42,173
Basic earnings per share[(1)]	**$**	**0.81**	$	0.99
Diluted earnings per share[(1)]	**$**	**0.78**	$	0.96
Dream standalone funds from operation per share*	**$**	**0.30**	$	1.01
Dream consolidated funds from operation per share*	**$**	**0.19**	$	0.88
Weighted average number of shares outstanding, basic		**42,675,079**		42,641,733

		March 31, 2023		December 31, 2022
Total assets	**$**	**4,082,264**	$	3,956,494
Total liabilities	**$**	**2,500,867**	$	2,402,802
Total equity	**$**	**1,581,397**	$	1,553,692
Total issued and outstanding shares		**42,801,680**		42,587,702

(1) See Note 22 of the Company's condensed consolidated financial statements for the three months ended March 31, 2023 for further details on the calculation of basic and diluted earnings per share.

Funds from Operations*

Dream standalone funds from operations ("FFO") and Dream consolidated FFO are non-GAAP financial measures that we consider key measures of our financial performance on a pre-tax basis. Dream standalone FFO and Dream consolidated FFO are further defined in the "Non-GAAP Measures and Other Disclosures" section of the MD&A. We use Dream standalone FFO and Dream consolidated FFO to assess operating results and the performance of our businesses on a divisional basis.

Dream standalone FFO per share and Dream consolidated FFO per share are non-GAAP ratios, refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

The following tables breakdown Dream standalone FFO by division and reconcile Dream consolidated FFO to net income:

FFO by division:		For the three months ended March 31,				For the year ended December 31,
(in thousands of dollars)		**2023**		2022		2022
Asset management[(1)]	**$**	**8,603**	$	3,006	$	20,365
Dream group unit holdings[(2)]		**8,757**		9,099		36,805
Stabilized assets - GTA/Ottawa		**(2,401)**		(256)		3,657
Stabilized assets - Western Canada		**219**		104		2,858
Arapahoe Basin		**11,815**		9,129		13,495
Development - GTA/Ottawa		**(1,787)**		30,589		118,834
Development - Western Canada		**(3,815)**		(1,451)		30,897
Corporate & other		**(8,552)**		(7,200)		(40,803)
Dream standalone FFO	**$**	**12,839**	$	43,020	$	186,108
Dream Impact Trust & consolidation adjustments[(3)]		**(4,551)**		(5,563)		(16,272)
Dream consolidated FFO	**$**	**8,288**	$	37,457	$	169,836
Shares outstanding, weighted average		**42,675,079**		42,641,733		42,601,025
Dream standalone FFO per share	**$**	**0.30**	$	1.01	$	4.37
Dream consolidated FFO per share	**$**	**0.19**	$	0.88	$	3.99

(1) Included in asset management for the three months ended March 31, 2023 are asset management fees from Dream Impact Trust received in the form of units of $1,379 (three months ended March 31, 2022 - $1,782; year ended December 31, 2022 - $6,308).
(2) Included in Dream group unit holdings for the three months ended March 31, 2023 is distributions from Dream Impact Trust received in the form of units of $1,653 (three months ended March 31, 2022 - $nil; year ended December 31, 2022 - $2,325).
(3) Included within consolidation adjustments in the three months ended March 31, 2023 is $71 in losses attributable to non-controlling interest (March 31, 2022 - $552 in losses; December 31, 2022 - $345 in income).

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

	For the three months ended March 31,		For the year ended December 31,
(in thousands of dollars, unless otherwise noted)	**2023**	2022	2022
Dream consolidated net income	**$ 34,601**	$ 42,173	$ 164,445
FS components not included in FFO:			
Fair value changes in investment properties	**(2,993)**	(14,562)	(31,219)
Fair value changes in financial instruments	**(93)**	993	54,821
Share of earnings from Dream Office REIT and Dream Residential REIT	**(1,315)**	(23,823)	(11,507)
Fair value changes in equity accounted investments	**2,169**	(58)	(295)
Adjustments related to Dream Impact Trust units	**(41,408)**	6,984	(80,411)
Adjustments related to Impact Fund units	**422**	1,846	4,524
Depreciation and amortization	**4,673**	1,674	7,525
Income tax expense	**7,049**	14,991	32,846
Share of Dream Office REIT FFO	**4,621**	7,239	27,886
Share of Dream Residential REIT FFO	**562**	—	1,221
Dream consolidated FFO	**$ 8,288**	$ 37,457	$ 169,836

An overview of the composition of each operating division and the change in FFO period over period is included below:

Asset Management
Asset management includes our asset and development management contracts with the Dream Group of Companies and management fees from our private asset management business, along with associated costs.

FFO for the division in the three months ended March 31, 2023 increased by $5.6 million in comparison to the same period in 2022 primarily due to an increase in fee earning assets under management of $6 billion since December 31, 2022. Dream Residential REIT completed its initial public offering on May 6, 2022 and contributed to a full quarter of earnings in 2023.

Dream Group Unit Holdings
Dream group unit holdings includes our proportionate share of FFO from our 36.8% effective interest in Dream Office REIT and 11.8% effective interest in Dream Residential REIT, along with distributions from our 31.8% interest in Dream Impact Trust.

FFO for the division in the three months ended March 31, 2023 decreased by $0.3 million from 2022 due to a reduction in Dream Impact Trust's distribution policy and lower FFO generated by Dream Office REIT primarily driven by higher interest expense and lower net rental income. This was partially offset by the launch of Dream Residential REIT in May 2022 and increased unit holdings in both Dream Office REIT and Dream Impact Trust.

Stabilized Assets - GTA/Ottawa
Stabilized assets - GTA/Ottawa is comprised of our retail, commercial, hotel and multi-family properties in the GTA and National Capital Region, including the Distillery District and completed buildings at Zibi at our proportionate share.

FFO for the division in the three months ended March 31, 2023 decreased by $2.1 million from 2022 primarily driven by higher interest expense on our variable rate debt and transaction costs related to the acquisition of an incremental 12.5% interest in the Distillery District. This was partially offset by higher occupancy rates across the portfolio.

Stabilized Assets - Western Canada
Stabilized assets - Western Canada is comprised of our retail, commercial, recreational and multi-family properties in Saskatchewan and Alberta.

The change in FFO for the division was nominal as occupancy rates have remained consistent period over period.

Arapahoe Basin
Arapahoe Basin is our 1,428 acre ski hill located in Dillon, Colorado and features seven distinct mountain areas, with 73% of our terrain rated black or double-black. The hill also features several dining options and a number of summer activities.

FFO generated by Arapahoe Basin increased by $2.7 million from 2022 due to an increase in skier visits and improved yields on the IKON pass.

Development - GTA/Ottawa
Development - GTA/Ottawa is comprised of our development opportunities in various planning and construction phases across Toronto and the National Capital Region, including condominium, purpose-built rental and mixed-use developments.

FFO for the division decreased by $32.4 million from 2022 due to 325 condominium unit occupancies at Canary Commons (163 units at Dream's share) in the first quarter of 2022 with nominal occupancies in the first quarter of 2023.

*Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Development - Western Canada
Development - Western Canada is comprised of our land, housing, multi-family and retail/commercial assets within our master-planned communities in Saskatchewan and Alberta.

FFO for the division decreased by $2.4 million from 2022 primarily due to fewer lot sales, a change in sales mix and higher interest rates on project-level debt, which was partially offset by increased housing occupancies within our communities.

Corporate & Other
Corporate & other is not considered a separate division and includes general and administrative expenses and interest on our term facility.

FFO decreased by $1.4 million from 2022 primarily due to higher interest on our corporate term facility.

Recurring Income

The recurring income segment is comprised of our asset management, stabilized assets and Arapahoe Basin divisions, as described in the "Funds From Operations" section of this MD&A. In addition, this segment includes results from Dream Impact Trust's recurring income business, net of consolidation and fair value adjustments.

Asset management fees, development management services and equity interests in Dream Impact Trust and Dream Impact Fund are eliminated on consolidation. It is important to note that fees earned on transactional activity in a period are not recurring in nature and accordingly will impact related margins. Fees related to development activities and partnerships included within this segment may fluctuate depending on the number of active projects and on Dream achieving certain milestones as the development manager. We expect that development and other management fees will continue to increase in future years as our existing developments progress through construction milestones.

Dream's assets under management* as of March 31, 2023 was $24 billion (December 31, 2022 – $18 billion), including fee earning assets under management* of approximately $17 billion (December 31, 2022 - $11 billion).

As of March 31, 2023, we held approximately 13.7 million sf of GLA in office and retail, residential and mixed-use properties across the Dream platform and we expect assets in this segment to grow over time, as we intend to hold stabilized investment properties that are developed by Dream in the core markets in which we operate in addition to sourced transactions in those markets.

Selected Segment Key Operating Metrics

	For the three months ended March 31,	
(in thousands of dollars, unless otherwise noted)	**2023**	2022
Revenue	**$ 59,538**	$ 43,574
Net operating income*	**25,259**	17,454
Net margin	**22,927**	15,724
Net margin (%)*	**38.5%**	36.1%
Fair value changes in investment properties	**$ 2,076**	$ 14,097
Share of earnings from equity accounted investments	**2,344**	23,020

Results of Operations

Revenue and net operating income* for the three months ended March 31, 2023 was $59.5 million and $25.3 million, respectively, an increase of $16.0 million and $7.8 million, respectively, from the comparative period. The increase is primarily attributable to higher earnings in the current quarter in our asset management business due to an increase in fee earning assets under management* and at Arapahoe Basin due to an increase in skier visits and improved yields on the IKON pass.

Earnings from equity accounted investments for the three months ended March 31, 2023 was $2.3 million, down from $23.0 million in the comparative period. Results for the three months ended March 31, 2023 includes $0.9 million from our 12% interest in Dream Residential REIT and $0.4 million from our 37% interest from Dream Office REIT.

Over the next four years, an additional 2.6 million sf of residential GFA is expected to be added to our recurring income segment (at the project level) primarily relating to various blocks at Canary Landing, Zibi and LeBreton Flats.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Development

The development segment is comprised of our development divisions in the GTA, the National Capital Region, Saskatchewan and Alberta. In addition, this segment includes results of Dream Impact Trust's development business, net of consolidation and fair value adjustments.

A large proportion of assets carried within this segment are being developed for sale and so are held at cost. These are expected to contribute meaningfully to the Company's earnings in future periods as properties and land are developed and sold. In addition, through our equity ownership in Dream Impact Trust, we have indirect investments in high-quality assets located in the GTA with significant redevelopment potential.

The developments that we hold today do not require a significant amount of equity and are financed primarily through project-specific debt including land loans, construction financing and our western Canada operating line, providing us with additional financial flexibility. In cases where we are developing investment properties to hold, fair value gains are recognized as key milestones are achieved through the development period over the time frame to stabilization and/or completion.

As at March 31, 2023, our GTA and National Capital Region pipeline across the Dream portfolio is comprised of over 25,600 residential units and approximately 4.0 million sf of commercial/retail GLA.

We currently own approximately 8,900 acres of land in Western Canada, of which 8,500 acres are in nine large master-planned communities at various stages of approval. With our land bank, market share, liquidity position and extensive experience as a developer, we are able to closely monitor and have the flexibility to increase or decrease our inventory levels to adjust to market conditions in any year. As at March 31, 2023, our Western Canada pipeline across the Dream portfolio is comprised of 227 purpose-built rental units and 0.1 million sf of commercial/retail GLA.

Selected Segment Key Operating Metrics

	For the three months ended March 31,			
(in thousands of dollars, except lot, average selling price per lot amounts)		**2023**		2022
DIRECTLY OWNED				
Revenue	**$**	**12,658**	$	9,640
Gross margin		**1,874**		2,022
Gross margin %*		**14.8%**		21.0%
Net margin	**$**	**(5,192)**	$	(4,849)
Net margin %*		**n/a**		n/a
Lots sold - Western Canada		**30**		33
Average selling price per lot - Western Canada	**$**	**113,000**	$	152,000
Housing units sold		**25**		10
Average selling price per housing unit	**$**	**433,000**	$	418,000
EQUITY ACCOUNTED INVESTMENTS				
Share of earnings from equity accounted investments	**$**	**820**	$	32,068
Condominium occupancy units (project level) - Toronto		**—**		325
Condominium occupancy units (Dream's share) - Toronto		**—**		163

Results of Operations

In the three months ended March 31, 2023, our development business generated $12.7 million in revenue and incurred negative net margin of $5.2 million, an increase in revenue of $3.0 million and a nominal decrease in net margin from the comparative period. The increase in revenue is primarily due to higher housing occupancies within our Western Canada communities, partially offset by fewer lot sales.

Earnings from equity accounted investments in the three months ended March 31, 2023 were $0.8 million, down from $32.1 million in the comparative period. The first quarter of 2022 included 325 condominium unit occupancies at Canary Commons (163 units at Dream's share) with nominal occupancies in 2023.

Our development team remains focused on building out our exceptional development pipeline, including Phase 2 of Riverside Square, The Mason and Brightwater I and II at Brightwater and Maple House, Cherry House, Canary House and Birch House at Canary Landing, which are expected to occupy between 2023 and 2025; however, as the development manager for our projects, we are able to adjust, in real time, should adverse changes to the market arise.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Active Projects

Forma

The development will consist of two towers and comprise over 2,000 units in Toronto's downtown core. Upon completion, the two towers will stand at 73 and 84 storeys tall and will include seven levels of office space, three levels of retail, include a mezzanine, and two levels for the Ontario College of Arts and Design University. Construction commenced in the fourth quarter of 2022. Subsequent to March 31, 2023, the Company closed on a $700,000 construction loan (at 100% project level) for Forma's East Tower.

Quayside

On March 1, 2023, Dream Impact Fund, Dream Impact Trust and Great Gulf Group acquired phase one of the Quayside development site in downtown Toronto. Dream's consolidated interest in the development is 50%, split 37.5%/12.5% between Dream Impact Fund and Dream Impact Trust and Dream holds an indirect interest in the development through our 41% ownership interest in Dream Impact Fund. Waterfront Toronto has approved a project agreement for the development of a 12 acre site at the east end of downtown Toronto's waterfront to build Canada's largest all-electric, zero-carbon master-planned community. The community will comprise over 4,000 units, including over 800 affordable housing units and 3.5 acres of public space with a car-free green oasis from Parliament Street to Bonnycastle Street that will connect projects further west towards Jarvis Street.

Other Items

Interest Expense

In the three months ended March 31, 2023, interest expense was $18.6 million, up from $10.0 million in the comparative period. The increase in interest expense is primarily due to higher interest rates on project-level variable rate debt, higher drawings on our Western Canada operating line, and the issuance of the second tranche of Dream Impact Trust's convertible debentures in 2022.

General and Administrative Expenses

In the three months ended March 31, 2023, general and administrative expenses were $6.6 million, respectively, compared to $4.6 million in the comparative period. The increase in general and administrative expenses is primarily due to an increase in non-cash share based compensation costs. Prior period results included a reduction in expenses due to government assistance received through the Canadian Emergency Wage Subsidy of $0.6 million.

Income Tax Expense

The Company's effective income tax rate was 16.9% for the three months ended March 31, 2023 (three months ended March 31, 2022 – 26.2%). The effective income tax rate for the three months ended March 31, 2023 is different than the statutory combined federal and provincial tax rate of 26.2% mainly due to the non-taxable portion of capital gains, partially offset by a combination of non-deductible expenses and other items.

We are subject to income taxes in Canada, both federally and provincially, and the United States. Significant judgments and estimates are required in the determination of the Company's tax balances. Our income tax expense and deferred tax liabilities reflect management's best estimate of current and future taxes to be paid. The Company is subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by the Company in its tax filings.

Liquidity and Capital Resources

Our capital consists of debt facilities and shareholders' equity. Our objectives in managing our capital are to ensure adequate operating funds are available to fund development costs, to cover leasing costs, overhead and capital expenditures for income generating assets, to provide for resources needed to fund capital calls for existing developments, to generate a target rate of return on investments and to cover dividend payments. There have been no material changes in future contractual obligations since March 31, 2023.

A summary of our working capital, recurring assets and liabilities, and financial assets and liabilities as at March 31, 2023 and December 31, 2022 is presented below. Project-specific inventory and debt balances in our development segment are excluded from the table below as the proceeds from the sale of inventory funds the repayment of project-specific construction facilities and cash flows from investment properties are used to fund regular payments on mortgages and term debt. Please refer to Note 27 of the condensed consolidated financial statements for the Company's full classification of items in the condensed consolidated statements of financial position.

(in thousands of Canadian dollars)	March 31, 2023 Less than 12 months	Greater than 12 months	Non-determinable	Total	December 31, 2022 Less than 12 months	Greater than 12 months	Non-determinable	Total
Cash and cash equivalents	$ 84,486	$ —	$ —	**$ 84,486**	$ 47,633	$ —	$ —	$ 47,633
Accounts receivable	195,830	66,436	—	**262,266**	207,363	60,674	—	268,037
Other financial assets[1]	44,498	46,096	—	**90,594**	34,407	66,657	—	101,064
Lending portfolio	5,193	10,172	—	**15,365**	5,066	10,008	—	15,074
Investment properties within recurring income	—	1,459,830	—	**1,459,830**	—	1,410,271	—	1,410,271
Recreational properties	—	—	81,688	**81,688**	—	—	80,300	80,300
Investment in Dream Office REIT[2]	—	—	581,929	**581,929**	—	—	579,416	579,416
Investment in Dream Residential REIT[2]	—	—	46,512	**46,512**	—	—	45,835	45,835
Subtotal assets	330,007	1,582,534	710,129	**2,622,670**	294,469	1,547,610	705,551	2,547,630
Accounts payable and accrued liabilities	164,208	13,714	45,247	**223,169**	205,929	15,613	46,330	267,872
Income and other taxes payable	83,213	—	—	**83,213**	57,363	—	—	57,363
Provision for real estate development costs	62,978	—	—	**62,978**	74,162	—	—	74,162
Project-specific debt within recurring income	150,475	900,714	—	**1,051,189**	—	916,137	—	916,137
Corporate debt facilities	—	290,514	—	**290,514**	41,421	290,409	—	331,830
Dream Impact Trust units	—	—	142,941	**142,941**	—	—	188,385	188,385
Dream Impact Fund units	—	—	70,341	**70,341**	—	—	69,919	69,919
Subtotal liabilities	460,874	1,204,942	258,529	**1,924,345**	378,875	1,222,159	304,634	1,905,668
Net excess (deficiency)	$ (130,867)	$ 377,592	$ 451,600	**$ 698,325**	$ (84,406)	$ 325,451	$ 400,917	$ 641,962

[1] Other financial assets as at March 31, 2023 excludes $42.5 million in project-specific investment holdings (December 31, 2022 – $34.1 million).
[2] The Company's holdings of Dream Office REIT and Dream Residential REIT have been measured at book equity per share as of March 31, 2023 and December 31, 2022.

As at March 31, 2023, there were adequate resources to address the Company's short-term liquidity requirements. Certain financial instruments that are callable or due on demand are presented as due within 12 months, which is inconsistent with the repayment timing expected by management. Due to the nature of our development business, in addition to the above resources, the Company expects to fund a portion of our current liabilities through sales of housing, condominium and land inventories, which cannot be classified and accordingly are not presented above. Management continuously reviews the timing of expected debt repayments and actively pursues refinancing opportunities as they arise. As at March 31, 2023, we had $258.5 million in available liquidity*, down from $285.7 million as at December 31, 2022.

Cash Requirements

The nature of the real estate business is such that we require capital to fund non-discretionary expenditures with respect to existing assets, as well as to fund growth through acquisitions and developments. As at March 31, 2023, on a consolidated basis, we had $84.5 million in cash and cash equivalents (December 31, 2022 – $47.6 million). Our intention is to meet short-term liquidity requirements through cash on hand, cash from operating activities, working capital reserves and operating debt facilities. As at March 31, 2023, our debt maturing in 2023 is primarily project-specific and is expected to be funded through proceeds from condominium unit closings. In addition, we anticipate that cash from operations and recurring income will continue to provide the cash necessary to fund operating expenses and debt service requirements.

Consolidated Statements of Cash Flows

The Company's consolidated statement of cash flows is as follows:

(in thousands of Canadian dollars)	For the three months ended March 31, 2023	2022
Net cash flows used in operating activities	**$ (14,260)**	$ (85,263)
Net cash flows used in investing activities	**(56,732)**	(68,885)
Net cash flows provided by financing activities	**107,845**	175,064
Increase in cash and cash equivalents	**36,853**	20,916
Cash and cash equivalents, beginning of period	**47,633**	52,564
Cash and cash equivalents, end of period	**$ 84,486**	$ 73,480

Operating Activities

Cash flows used in operating activities totalled $14.3 million in the three months ended March 31, 2023, a $71.0 million decrease from 2022 primarily due timing of cash collections of our working capital and an increase in drawings on our construction loans used to develop our condominium, land and housing inventory.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Investing Activities

Cash flow used in investing activities totalled $56.7 million in the three months ended March 31, 2023, a $12.2 million decrease from the comparative period. Cash outflows in 2023 primarily relate to the acquisition of an additional 12.5% interest in the Distillery District and acquisition of a 50% interest in Quayside.

Financing Activities

Cash flows provided by financing activities totalled $107.8 million in the three months ended March 31, 2023, compared to $175.1 million in the prior year. The decrease in cash from financing activities is primarily due to fewer borrowings, net of repayments of project-level debt facilities in 2023. In addition, 2022 financing activities includes higher drawings on our project-level debt facilities in connection with the acquisition of our multi-family properties and $14.9 million in the Company's Subordinate Voting Share purchased for cancellation under its NCIB.

Debt

As at March 31, 2023, debt was $1,807.1 million (December 31, 2022 – $1,612.6 million). A breakdown of project-specific and corporate debt facilities is detailed in the table below.

	Weighted average effective interest rates		Debt amount	
(in thousands of Canadian dollars)	**March 31, 2023**	December 31, 2022	**March 31, 2023**	December 31, 2022
Project-specific debt				
Operating line - Dream Impact Fund	**6.69%**	6.47%	**$ 38,900**	$ 9,400
Operating line - Western Canada	**7.44%**	7.22%	**107,368**	73,796
Construction loans	**5.66%**	5.78%	**346,709**	328,139
Mortgages and term debt	**4.34%**	4.03%	**1,023,583**	869,405
Total project-specific debt	**4.92%**	4.65%	**1,516,560**	1,280,740
Corporate debt facilities				
Non-revolving term facility	**5.50%**	5.59%	**223,150**	223,128
Operating line - Dream Impact Trust	**n/a**	6.97%	**—**	41,421
Convertible debentures (host instruments) - Dream Impact Trust	**6.12%**	6.12%	**67,008**	66,833
Convertible debentures (conversion features) - Dream Impact Trust	**n/a**	n/a	**356**	449
Total corporate debt facilities	**5.65%**	5.77%	**290,514**	331,831
Total debt	**5.04%**	4.89%	**$ 1,807,074**	$ 1,612,571

As at March 31, 2023, $789.7 million (December 31, 2022 – $735.3 million) of aggregate development loans and term debt were subject to a fixed, weighted average interest rate of 3.14% (December 31, 2022 – 3.14%) and will mature between 2023 and 2052. A further $1,017.4 million (December 31, 2022 – $877.3 million) of real estate debt was subject to a weighted average variable interest rate of 6.52% (December 31, 2022 – 6.40%) and will mature between 2023 and 2029. Included within total debt is $360.6 million (December 31, 2022 – $308.1 million) of variable debt that the Company has hedged through fixed interest rate swaps. All of the Company's interest rate swaps are being used to mitigate risk of rising interest rates and have been accounted for using hedge accounting.

Contractual Obligations

Our liquidity is impacted by contractual debt commitments as follows:

	2023	2024	2025	2026	2027 and thereafter	Total
Project-specific debt[1]	$ 342,467	$ 184,187	$ 340,749	$ 34,353	$ 614,804	$ 1,516,560
Corporate debt facilities[1]	—	—	223,150	29,541	37,823	290,514
	$ 342,467	$ 184,187	$ 563,899	$ 63,894	$ 652,627	$ 1,807,074

[1] The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.

In addition to the commitments above, we may be required to fund capital to our development projects as part of the Company's normal course of operations.

Shareholders' Equity

Dream is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class B Shares. As at March 31, 2023, there were 41,244,327 Subordinate Voting Shares and 1,557,353 Class B Shares outstanding (December 31, 2022 - 41,030,346 Subordinate Voting Shares and 1,557,356 Class B Shares).

As at May 9, 2023, there were 41,244,327 Subordinate Voting Shares, 1,557,353 Class B Shares, 865,845 stock options, 841,489 performance share units, 204,082 restricted share units and 305,470 deferred share units outstanding.

Including the Subordinate Voting Shares of Dream and Class B Shares held or controlled directly or indirectly, the President and Chief Responsible Officer ("CRO") owned an approximate 50% economic interest and 88% voting interest in the Company as at March 31, 2023.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Share Repurchases
The Company renewed its Normal Course Issuer Bid ("NCIB"), which commenced on September 21, 2022, under which the Company has the ability to purchase for cancellation up to a maximum number of 2,231,143 Subordinate Voting Shares through the facilities of the TSX at prevailing market prices and in accordance with the rules and policies of the TSX. The actual number of Subordinate Voting Shares that may be purchased, and the timing of any such purchases as determined by the Company, are subject to a maximum daily purchase limitation of 11,462 shares, except where purchases are made in accordance with block purchase exemptions under applicable TSX rules.

In connection with the renewal of the NCIB, the Company has established an automatic securities purchase plan (the "Plan") with its designated broker to facilitate the purchase of Subordinate Voting Shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its Subordinate Voting Shares due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Company's broker based on the parameters prescribed by the TSX and the terms of the parties' written agreement. Outside of such restricted or blackout periods, the Subordinate Voting Shares may also be purchased in accordance with management's discretion. The Plan was pre-cleared by the TSX and will terminate on September 20, 2023.

In the three months ended March 31, 2023, no Subordinate Voting Shares were purchased for cancellation by the Company under its NCIB (year ended December 31, 2022 – 0.4 million Subordinate Voting Shares at an average price of $39.53).

Off-Balance Sheet Arrangements, Commitments and Contingencies

We conduct our real estate activities from time to time through joint arrangements with third-party partners. A discussion of our off-balance sheet arrangements, commitments and contingencies is included in Note 23 of the condensed consolidated financial statements for the three months ended March 31, 2023.

Transactions with Related Parties

The Company has agreements for services and transactions with related parties, which are discussed and outlined in Note 24 of our financial statements for the three months ended March 31, 2023.

Dream Industrial REIT
In the three months ended March 31, 2023 and 2022, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Industrial REIT:

	For the three months ended March 31, 2023	2022
Asset management fees charged by Dream[1]	**$ 7,955**	$ 5,040
Cost recoveries charged by Dream	**278**	300

[1] Included in asset management fees charged to Dream Industrial REIT for the three months ended March 31, 2023 and 2022 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Industrial REIT related to asset management agreements and cost sharing agreements of $8,233 (December 31, 2022 - $5,593).

Dream Office REIT
Amounts earned/recovered under the shared services and property management agreements during the three months ended March 31, 2023 and 2022 are as follows:

	For the three months ended March 31, 2023	2022
Cost recoveries charged by Dream to Dream Office REIT	**$ 320**	$ 333
Cost recoveries charged by Dream Office REIT to Dream	**2,647**	2,305
Cost recoveries charged by Dream Office REIT to Dream Impact Trust	**623**	629
Fees charged by Dream to Dream Office REIT	**538**	588
Fees charged by Dream Office REIT to Dream	**93**	93
Fees charged by Dream Office REIT to Dream Impact Trust	**212**	223

The amount owing to Dream Office REIT as of March 31, 2023 was $374 (December 31, 2022 – $566).

Dream Residential REIT

In the three months ended March 31, 2023 and 2022, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Residential REIT:

	For the three months ended March 31,			
		2023		2022
Asset management fees charged by Dream[1]	**$**	**201**	$	—
Cost recoveries charged by Dream		**79**		—

[1] Included in asset management fees charged to Dream Residential REIT for the three months ended March 31, 2023 and 2022 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Residential REIT related to asset management agreements and cost sharing agreements of $177 (December 31, 2022 - $423).

Industrial Joint Ventures

Amounts earned under the asset management, development management and fund management agreements during the three months ended March 31, 2023 and 2022 are as follows:

	For the three months ended March 31,			
		2023		2022
Fees earned under fund/asset management agreements	**$**	**2,880**	$	727
Fees earned under development management agreements		**72**		—

Included in accounts receivable are balances due from the Industrial joint ventures related to various agreements of $2,952 (December 31, 2022 - $1,169).

Critical Accounting Estimates

The preparation of the condensed consolidated financial statements in accordance with IFRS requires the Company to make judgments in applying its accounting policies, estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities included in the Company's condensed consolidated financial statements. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions or conditions. A detailed summary of the most significant accounting judgments, estimates and assumptions made by management in the preparation and analysis of our financial results is included in our Annual Report for the year ended December 31, 2022.

Internal Control over Financial Reporting

As at March 31, 2023, the President and Chief Responsible Officer and the Chief Financial Officer (the "Certifying Officers"), with the assistance of senior management, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to Dream is made known to the Certifying Officers in a timely manner and information required to be disclosed by Dream is recorded, processed, summarized and reported within the time periods specified in securities legislation, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements in accordance with IFRS.

There were no changes in the Company’s internal control over financial reporting in the three months ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

Risk Factors

We are exposed to various risks and uncertainties, many of which are beyond our control and could have an impact on our business, financial condition, operating results and prospects. Shareholders should consider those risks and uncertainties when assessing our outlook in terms of investment potential.

For a discussion of the risks and uncertainties identified by the Company, please refer to our Annual Report for the year ended December 31, 2022 and our most recent Annual Information Form filed on SEDAR (www.sedar.com). For a discussion of the risks and uncertainties identified specific to Dream Impact Trust, please refer to the Annual Report for the year ended December 31, 2022 and the most recent Annual Information Form filed by Dream Impact Trust on SEDAR.

Forward-Looking Information

Certain information herein contains or incorporates statements that constitute 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: anticipated levels and fluctuation of development, asset management and other management fees, and fees related to development activities and partnerships, in future periods; our development and redevelopment plans and proposals for current and future projects, including the quality of our assets, projected sizes, density, timelines, uses and tenants; the redevelopment potential of our assets and the assets held by Dream Impact Trust; anticipated current and future unit sales and occupancies of our condominium and mixed-use projects, including anticipated timing of closings of condominium unit sales, and resulting revenue; the contribution of our development segment to our earnings and income in future periods; our expectation that recurring income will increase in the future, including as development properties are completed and held for the long term, and the future composition of our recurring income portfolio; expected benefits from recurring income and developments, including stability and financial flexibility; the supplementary information in relation to the development and redevelopment projects in our portfolio, including the projects that we expect to be completed and added to our recurring income segment over the next four years, total units at completion, square footage, residential GFA, rental, commercial and retail GLA, occupancy/stabilization dates, sustainability features, and future GLA under development and other project features; expectations regarding our development plans for Zibi, Riverside Square, West Don Lands, Canary District, LeBreton, Brightwater, Maple House, Lakeshore East, Quayside and Forma projects, as well as other projects; Quayside becoming Canada's largest all-electric, zero-carbon master-planned community; the approval of our master-planned communities; our acquisition and development pipeline, including in respect of the Dream group of companies; our ability to monitor and adjust our inventory levels and development projects based on market conditions; our capital management objectives; our ability to mitigate certain risks; Dream's intention to hold stabilized income properties in core markets and expectations that such assets will grow over time; Dream's ability to source, structure and execute investment opportunities; the goal of improving Dream's business' safety, value and earnings quality; expectations regarding our sustainability and impact targets, including in respect of characteristics of our projects and affordable units; expectations regarding the sale of assets, including assets being developed for sale; our expected sources of funding of current liabilities, including the sale of assets, and of short-term liquidity requirements, including through cash on hand, cash from operating activities, working capital reserves and operating debt facilities; Dream's ability to maintain a conservative debt level; expected sources of funding for maturing debt; our anticipation that cash from operations and recurring income will provide cash needed to fund operating expenses and debt service requirements; and our overall financial performance, profitability and liquidity for future periods and years. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "forecast", "project", "continue", "target", "outlook" 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 the Company's control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. There can be no assurance that actual results will be consistent with these forward-looking statements. The assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein as well as assumptions relating to: that no unforeseen changes in the legislative and operating framework for the respective businesses will occur; that there will be no material change to environmental regulations that may adversely impact our business; that we will meet our future objectives, priorities and growth targets; that we will receive the licenses, permits or approvals necessary in connection with our projects; our expectations regarding the impact of the novel coronavirus ("COVID-19") pandemic and government measurements to contain it, including the impact of COVID-19 on our operations, liquidity, financial condition or results; our expectation regarding ongoing remote working; that we will have access to adequate capital to fund our future projects, plans and any potential future acquisitions; that our future projects and plans will proceed as anticipated; that we are able to identify high-quality investment opportunities; that we will find suitable partners with which to enter into joint ventures or partnerships; that we do not incur any material environmental liabilities and that future market, demographic and economic conditions will develop as expected; and the nature of development lands held and the development potential of such lands, including our ability to bring new developments to market, general economic and business conditions remaining in line with expectations, including low unemployment, interest rates and inflation remaining in line with management expectations, 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 GTA and Western Canada land, commercial and housing markets. All the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions; there can be no assurance that actual results will be consistent with these forward-looking statements. Factors or risks that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, adverse changes in general and local economic and business conditions; inflation or stagflation; 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; 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; 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; employment levels; regulatory risks, mortgage and interest rates and regulations; environmental risks; consumer confidence; seasonality; adverse weather conditions; reliance on key clients and personnel and competition; and other risks and factors referenced under "Risk Factors" in this MD&A and described from time to time in the documents filed by the Company with the securities regulators.

All forward-looking information is as of May 9, 2023. 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 applicable law. Additional information about these assumptions and risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at www.dream.ca.

Additional Information - Consolidated Dream

Segmented Assets and Liabilities

March 31, 2023	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	**Dream standalone[1]**
Assets							
Cash and cash equivalents	$ 36,962	$ 15,185	$ 32,339	**$ 84,486**	$ 25,053	$ 4,462	**$ 54,971**
Accounts receivable	35,043	221,122	6,101	**262,266**	3,030	(433)	**259,669**
Other financial assets[2]	45,032	41,539	4,023	**90,594**	5,803	(100,924)	**185,715**
Lending portfolio	15,365	—	—	**15,365**	15,365	—	**—**
Housing inventory	—	48,369	—	**48,369**	—	—	**48,369**
Condominium inventory	—	378,079	—	**378,079**	—	64,810	**313,269**
Land inventory	206	466,236	—	**466,442**	—	—	**466,442**
Investment properties	1,459,830	177,056	—	**1,636,886**	305,458	131,616	**1,199,812**
Recreational properties	81,688	—	—	**81,688**	—	—	**81,688**
Equity accounted investments	659,441	299,644	—	**959,085**	399,404	(216,098)	**775,779**
Capital and other operating assets	12,176	35,523	11,305	**59,004**	5,836	3,899	**49,269**
Intangible asset	—	—	—	**—**	—	(43,000)	**43,000**
Total assets	$ 2,345,743	$ 1,682,753	$ 53,768	**$ 4,082,264**	$ 759,949	$ (155,668)	**$ 3,477,983**
Liabilities							
Accounts payable and other liabilities	$ 57,296	$ 142,046	$ 23,827	**$ 223,169**	$ 11,485	$ 40,651	**$ 171,033**
Income and other taxes payable[3]	—	—	83,213	**83,213**	—	—	**83,213**
Provision for real estate development costs	—	62,978	—	**62,978**	—	—	**62,978**
Debt	1,051,189	465,371	290,514	**1,807,074**	271,454	106,554	**1,429,066**
Dream Impact Trust units[3]	—	—	142,941	**142,941**	—	142,941	**—**
Dream Impact Fund units[3]	—	—	70,341	**70,341**	—	—	**70,341**
Deferred income taxes[3]	—	—	111,151	**111,151**	3,758	15,295	**92,098**
Total liabilities	$ 1,108,485	$ 670,395	$ 721,987	**$ 2,500,867**	$ 286,697	$ 305,441	**$ 1,908,729**
Non-controlling interest	$ —	$ —	$ —	**$ —**	$ —	$ (155,986)	**$ 155,986**
Shareholders' equity	1,237,258	1,012,358	(668,219)	**1,581,397**	473,252	(305,123)	**1,413,268**
Total equity	$ 1,237,258	$ 1,012,358	$ (668,219)	**$ 1,581,397**	$ 473,252	$ (461,109)	**$ 1,569,254**

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments and Dream standalone, which are non-GAAP financial measures.
(2) Other financial assets on a Dream standalone basis includes the Company's investment in Dream Impact Trust of $101.3 million, which is eliminated on a consolidated basis.
(3) Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

December 31, 2022

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	Dream standalone[1]
Assets							
Cash and cash equivalents	$ 27,739	$ 15,270	$ 4,624	$ 47,633	$ 2,244	$ 2,062	$ 43,327
Accounts receivable	26,436	233,564	8,037	268,037	3,353	(568)	265,252
Other financial assets[2]	37,155	59,055	4,854	101,064	6,156	(97,612)	192,520
Lending portfolio	15,074	—	—	15,074	15,074	—	—
Housing inventory	—	48,146	—	48,146	—	—	48,146
Condominium inventory	—	346,979	—	346,979	—	57,167	289,812
Land inventory	206	469,942	—	470,148	—	—	470,148
Investment properties	1,410,271	148,240	—	1,558,511	304,830	131,270	1,122,411
Recreational properties	80,300	—	—	80,300	—	—	80,300
Equity accounted investments	644,700	317,037	—	961,737	386,111	(208,521)	784,147
Capital and other operating assets	16,259	31,390	11,216	58,865	6,401	3,677	48,787
Intangible asset	—	—	—	—	—	(43,000)	43,000
Total assets	$ 2,258,140	$ 1,669,623	$ 28,731	$ 3,956,494	$ 724,169	$ (155,525)	$ 3,387,850
Liabilities							
Accounts payable and other liabilities	$ 64,506	$ 175,463	$ 27,903	$ 267,872	$ 18,980	$ 36,693	$ 212,199
Income and other taxes payable[3]	—	—	57,363	57,363	—	—	57,363
Provision for real estate development costs	262	73,900	—	74,162	—	—	74,162
Debt	916,137	364,603	331,831	1,612,571	220,889	99,070	1,292,612
Dream Impact Trust units[3]	—	—	188,385	188,385	—	188,385	—
Dream Impact Fund units[3]	—	—	69,919	69,919	—	—	69,919
Deferred income taxes[3]	—	—	132,530	132,530	5,568	10,349	116,613
Total liabilities	$ 980,905	$ 613,966	$ 807,931	$ 2,402,802	$ 245,437	$ 334,497	$ 1,822,868
Non-controlling interest	$ —	$ —	$ —	$ —	$ —	$ (146,774)	$ 146,774
Shareholders' equity	1,277,235	1,055,657	(779,200)	1,553,692	478,732	(343,248)	1,418,208
Total equity	$ 1,277,235	$ 1,055,657	$ (779,200)	$ 1,553,692	$ 478,732	$ (490,022)	$ 1,564,982

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments and Dream standalone, which are non-GAAP financial measures.
(2) Other financial assets on a Dream standalone basis includes the Company's investment in Dream Impact Trust of $98.0 million, which is eliminated on a consolidated basis.
(3) Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

Segmented Statement of Earnings

For the three months ended March 31, 2023

	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	**Dream standalone[1]**
Revenue	$ 59,538	$ 12,658	$ —	**$ 72,196**	$ 4,806	$ 157	**$ 67,233**
Direct operating costs	(34,279)	(10,784)	—	**(45,063)**	(2,413)	(1,043)	**(41,607)**
Gross margin	25,259	1,874	—	**27,133**	2,393	(886)	**25,626**
Selling, marketing, depreciation and other operating costs	(2,332)	(7,066)	—	**(9,398)**	—	(1)	**(9,397)**
Net margin	22,927	(5,192)	—	**17,735**	2,393	(887)	**16,229**
Fair value changes in investment properties	2,076	917	—	**2,993**	(457)	(97)	**3,547**
Investment and other income	(501)	1,853	554	**1,906**	129	3	**1,774**
Interest expense	(10,035)	(3,906)	(4,699)	**(18,640)**	(3,798)	(1,239)	**(13,603)**
Fair value changes in financial instruments	—	—	93	**93**	93	—	**—**
Share of earnings from equity accounted investments	2,344	820	—	**3,164**	(882)	1,330	**2,716**
Net segment earnings (loss)	16,811	(5,508)	(4,052)	**7,251**	(2,522)	(890)	**10,663**
General and administrative expenses[2]	—	—	(6,587)	**(6,587)**	(2,188)	1,473	**(5,872)**
Adjustments related to Dream Impact Trust units[2]	—	—	41,408	**41,408**	—	41,408	**—**
Adjustments related to Dream Impact Fund units[2]	—	—	(422)	**(422)**	—	—	**(422)**
Income tax (expense) recovery[2]	—	—	(7,049)	**(7,049)**	1,353	(4,929)	**(3,473)**
Net earnings (loss)[3]	$ 16,811	$ (5,508)	$ 23,298	**$ 34,601**	$ (3,357)	$ 37,062	**$ 896**

For the three months ended March 31, 2022

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	Dream standalone[1]
Revenue	$ 43,574	$ 9,640	$ —	$ 53,214	$ 4,581	$ (1,814)	$ 50,447
Direct operating costs	(26,120)	(7,618)	—	(33,738)	(2,447)	(170)	(31,121)
Gross margin	17,454	2,022	—	19,476	2,134	(1,984)	19,326
Selling, marketing, depreciation and other operating costs	(1,730)	(6,871)	—	(8,601)	—	(5)	(8,596)
Net margin	15,724	(4,849)	—	10,875	2,134	(1,989)	10,730
Fair value changes in investment properties	14,097	465	—	14,562	—	(65)	14,627
Investment and other income	(240)	1,183	130	1,073	13	—	1,060
Interest expense	(5,122)	(1,777)	(3,097)	(9,996)	(1,575)	—	(8,421)
Fair value changes in financial instruments	4	(790)	(207)	(993)	(997)	—	4
Share of earnings (loss) from equity accounted investments	23,020	32,068		55,088	3,414	(4,147)	55,821
Net segment earnings (loss)	47,483	26,300	(3,174)	70,609	2,989	(6,201)	73,821
General and administrative expenses[2]	—	—	(4,615)	(4,615)	(2,864)	1,863	(3,614)
Adjustments related to Dream Impact Trust units[2]	—	—	(6,984)	(6,984)	—	(6,984)	
Adjustments related to Dream Impact Fund units[2]	—	—	(1,846)	(1,846)	—	—	(1,846)
Income tax (expense) recovery[2]	—	—	(14,991)	(14,991)	224	(114)	(15,101)
Net earnings (loss)[3]	$ 47,483	$ 26,300	$ (31,610)	$ 42,173	$ 349	$ (11,436)	$ 53,260

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments and Dream standalone, which are non-GAAP financial measures.
(2) Certain line items are included in Corporate and other as balances are reviewed on a consolidated basis.
(3) Dream standalone net earnings for the three months ended March 31, 2023 includes $461 attributable to non-controlling interest (March 31, 2022 - $4,165).

Quarterly Business Trends

A summary of revenue, earnings (loss), and basic and diluted earnings (loss) per share for the previous eight quarters is presented below.

(in thousands of dollars, except per share amounts)	**Mar 31, 2023**	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Revenue	**$ 72,196**	$ 167,692	$ 55,057	$ 67,805	$ 53,214	$ 150,122	$ 46,066	$ 79,660
Earnings (loss) for the period	**34,601**	(51,211)	96,742	76,741	42,173	80,317	34,572	(467)
Basic earnings (loss) per share	**0.81**	(1.20)	2.27	1.80	0.99	1.87	0.79	(0.01)
Diluted earnings (loss) per share	**0.78**	(1.20)	2.20	1.74	0.96	1.81	0.77	(0.01)
Dividends declared	**5,349**	25,553	4,259	4,259	4,257	4,282	3,046	3,073

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 MD&A, there are references to certain non-GAAP 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 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 Ratios and Financial Measures

"Dream Impact Trust & Consolidation and fair value adjustments" are two separate non-GAAP financial measures and represent certain IFRS adjustments required to reconcile Dream standalone and Dream Impact Trust results to the consolidated results as at March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and 2022. Management believes Dream Impact Trust & Consolidation and fair value adjustments provides investors useful information in order to agree to the Dream Impact Trust financial statements.

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.

"Dream standalone" represents the results of Dream, excluding the impact of Dream Impact Trust's consolidated results. Refer to the "Segmented Assets and Liabilities" and "Segmented Statement of Earnings" sections of this MD&A for a reconciliation of Dream excluding Dream Impact Trust's results to the condensed consolidated financial statements. The most direct comparable financial measure to Dream standalone is consolidated Dream. This non-GAAP measure is an important measure used by the Company to evaluate earnings against historical periods, including results prior to the acquisition of control of Dream Impact Trust.

"Dream standalone FFO" and "Dream consolidated FFO" are non-GAAP financial measures that we consider key measures of our financial performance on a pre-tax basis. Dream standalone FFO is calculated as the sum of FFO for all of our divisions, excluding Dream Impact Trust and consolidation adjustments, and Dream consolidated FFO is calculated as Dream standalone FFO (a non-GAAP financial measure) plus Dream Impact Trust and consolidation adjustments. We use Dream standalone FFO and Dream consolidated FFO to assess operating results and the performance of our businesses on a divisional basis. Dream standalone FFO is a component of Dream standalone FFO per unit, a non-GAAP ratio, and Dream consolidated FFO is a component of Dream consolidated FFO per unit, a non-GAAP ratio.

We use FFO to assess our performance as an asset manager and separately as an investor in our divisions on a pre-tax basis. FFO includes the fees that we earn from managing capital as well as our share of revenues earned and costs incurred within our operations, which include interest expense and other costs. Specifically, FFO includes the impact of contracts that we enter into to generate revenue, including asset management agreements, contracts that our operating businesses enter into such as leases, operational results at our recreational properties and sales of inventory. FFO also includes the impact of changes in borrowings or the cost of borrowings as well as other costs incurred to operate our business.

We exclude depreciation and amortization from FFO as we believe that the value of most of our assets typically increases over time, provided we make the necessary maintenance expenditures, the timing and magnitude of which may differ from the amount of depreciation recorded in any given period. In addition, the depreciated cost base of our assets is reflected in the ultimate realized disposition gain or loss on disposal. As noted above, unrealized fair value changes are excluded from FFO until the period in which the asset is sold. We also exclude income tax expense from FFO as management reviews divisional performance on a pre-tax basis given the diversified nature of our business.

FFO is a commonly used measure of performance of real estate operations; however, it does not represent net income or cash flows generated from operating activities, as defined by IFRS, and it is not necessarily indicative of cash available for the Company's needs. Our definition of FFO differs from the definition used by other organizations, as well as the definition of FFO used by the Real Property Association of Canada (“REALPAC”). We do not use FFO as a measure of cash generated from our operations.

Dream standalone FFO and Dream consolidated FFO are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. Refer to the "Funds From Operations" section of this MD&A for a reconciliation of these non-GAAP measures to net income, in each case the most directly comparable financial measure and for further details on the components of Dream standalone FFO and Dream consolidated FFO.

“Dream standalone FFO per share” and **“Dream consolidated FFO per share”** are non-GAAP ratios. Dream standalone FFO per share is calculated as Dream standalone FFO divided by the weighted average number of Dream shares outstanding. Dream consolidated FFO per share is calculated as Dream consolidated FFO divided by weighted average number of Dream shares outstanding. We use these ratios to assess operating results and the performance of our businesses on a per share basis.

Dream standalone FFO per unit and Dream consolidated FFO per unit are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. Dream standalone FFO per unit and Dream consolidated FFO per unit for the three months ended March 31, 2023 and 2022, and the year ended December 31, 2022 are shown in the table included under the "Funds From Operations" section of this MD&A.

“Net operating income" represents revenue less direct operating costs and is equal to gross margin as per Note 26 of the condensed consolidated financial statements. Net operating income excludes general, administrative and overhead expenses, and depreciation, which are included in net margin per Note 26 of the condensed consolidated financial statements. The most directly comparable financial measure to net operating revenue is net margin. This non-GAAP measure is an important measure used by management 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, 2023 and 2022 is calculated as follows:

		For the three months ended March 31,		
		2023		2022
Revenue	**$**	**59,538**	$	43,574
Less: Direct operating costs		**(34,279)**		(26,120)
Less: Selling, marketing, depreciation and other indirect costs		**(2,332)**		(1,730)
Net margin	**$**	**22,927**	$	15,724
Add: Depreciation		**1,470**		1,522
Add: General and administrative expenses		**862**		208
Net operating income	**$**	**25,259**	$	17,454

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 revolving debt facilities, including the operating line – Western Canada and margin loan, 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 to allow for the Company to settle obligations as they come due.

"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.

"Gross margin %" is an important measure of operating earnings in each business segment of Dream and represents gross margin as a percentage of revenue. Gross margin represents revenue, less direct operating costs, excluding selling, marketing, depreciation and other operating costs.

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

Additional Information

Additional information relating to Dream, including the Company's annual information form and condensed consolidated financial statements and accompanying notes, is available on SEDAR at www.sedar.com. The Subordinate Voting Shares trade on the TSX under the symbol **“DRM”**.

Summary of Dream Group of Companies' Assets and Holdings

Project/property	Entity[3]	Dream ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
RECURRING INCOME SEGMENT								
Downtown Toronto & GTA								
Commercial:								
Adelaide Place	D.UN	36.8%	Income property	—	—	658,000	80.1%	
Sussex Centre	D.UN/MPCT	100.0%	Income property	—	—	655,000	73.5%	
2200-2206 Eglinton Avenue East & 1020 Birchmount Road	D.UN	36.8%	Income property	—	—	442,000	72.9%	
State Street Financial Centre	D.UN	36.8%	Income property	—	—	414,000	96.9%	
Distillery District	DRM	62.5%	Income property	—	—	395,000	88.9%	
438 University Avenue	D.UN	36.8%	Income property	—	—	323,000	98.1%	
655 Bay Street	D.UN	36.8%	Income property	—	—	301,000	99.7%	
74 Victoria Street/137 Yonge Street	D.UN	36.8%	Income property	—	—	266,000	100.0%	
36 Toronto Street	D.UN	36.8%	Income property	—	—	214,000	74.7%	
330 Bay Street	D.UN	36.8%	Income property	—	—	165,000	68.9%	
20 Toronto Street/33 Victoria Street	D.UN	36.8%	Income property	—	—	158,000	97.9%	
250 Dundas Street West	D.UN	36.8%	Income property	—	—	121,000	85.7%	
Victory Building	D.UN	36.8%	Income property	—	—	102,000	48.5%	
49 Ontario	MPCT	100.0%	Redevelopment	TBD	TBD	88,000	91.5%	
425 Bloor Street East	D.UN	36.8%	Income property	—	—	83,000	100.0%	
212 King Street West	D.UN	36.8%	Income property	—	—	73,000	92.9%	
357 Bay Street	D.UN	36.8%	Income property	—	—	65,000	100.0%	
10 Lower Spadina	MPCT	100.0%	Income property	—	—	61,000	100.0%	
100 Steeles Avenue West	DRM/MPCT	50.0%	Redevelopment	TBD	TBD	59,000	97.1%	
360 Bay Street	D.UN	36.8%	Income property	—	—	58,000	66.0%	
6 Adelaide Street East	D.UN	36.8%	Income property	—	—	53,000	81.0%	
350 Bay Street	D.UN	36.8%	Income property	—	—	53,000	67.5%	
Plaza Imperial	MPCT	40.0%	Income property	—	—	35,000	100.0%	
349 Carlaw	MPCT	100.0%	Income property	—	—	34,000	59.8%	
56 Temperance Street	D.UN	36.8%	Income property	—	—	32,000	77.0%	
Canary District - Stage 1 retail	DRM	50.0%	Income property	—	—	32,000	90.0%	
68-70 Claremont Street	MPCT	100.0%	Income property	—	—	30,000	100.0%	
76 Stafford Street	MPCT	100.0%	Income property	—	—	25,000	100.0%	
Plaza Bathurst	MPCT	40.0%	Income property	—	—	24,000	100.0%	
220 King Street West	D.UN	18.4%	Income property	—	—	22,000	100.0%	
Berkeley Properties	MPCT	100.0%	Income property	—	—	14,000	61.8%	
Other GTA retail	DRM	30.0-50.0%	Income property	—	—	102,000	46.0%	
Residential Rentals:								
Weston Common	DRM/DIF/MPCT	100.0%	Income property	841	692,000	52,000	96.3%	
70 Park	DIF/MPCT	100.0%	Income property	210	257,000	—	94.9%	
Robinwood Portfolio	DRM/DIF/MPCT	100.0%	Income property	285	156,000	—	92.3%	
262 Jarvis	DRM/DIF/MPCT	100.0%	Income property	71	35,000	—	97.2%	
111 Cosburn	DIF/MPCT	100.0%	Income property	23	14,000	—	95.7%	
Other:								
Broadview Hotel	DRM	50.0%	Hospitality	58	—	—		
Gladstone House	DRM	50.0%	Hospitality	55	—	—		
Postmark Hotel	DRM	50.0%	Hospitality	55	—	—		Q2 2023
Total Downtown Toronto & GTA				**1,598**	**1,154,000**	**5,209,000**	**86.9%**	
Zibi (Ottawa/Gatineau)								
Commercial:								
Natural Sciences Building (Zibi Block 211)	DRM/DIF/MPCT	100.0%	Income property	—	—	186,000	93.4%	
15 Rue Jos-Montferrand (Zibi Block 2/3)	DRM/MPCT	100.0%	Income property	—	—	53,000	81.2%	
310 Miwate Private (Zibi Block 208)	DRM/MPCT	100.0%	Income property	—	—	33,000	100.0%	
Residential Rentals:								
Aalto Suites (Zibi Block 10)	DRM/MPCT	100.0%	Income property	162	135,000	1,000	94.4%	
Other:								
Zibi Community Utility	DIF/MPCT	40.0%	Energy utility					
Total Zibi (Ottawa/Gatineau)				**162**	**135,000**	**273,000**	**92.7%**	

Project/property	Entity(3)	Dream ownership(1)	Status/type	Total residential/ hotel units at completion(2)	Residential GFA(2) (at 100%)	Total commercial and retail GLA(2)	In-place/ committed occupancy	Occupancy/ stabilization date
U.S.								
Commercial:								
12800 Foster Street, Overland Park, Kansas	D.UN	36.8%	Income property	—	—	185,000	100.0%	
Residential Rentals:								
Private Fund - Texas	DRM	5.0%	Income property	2,497	2,065,000		91.8%	
Private Fund - Arizona	DRM	5.0%	Income property	347	223,000		96.6%	
DRR - Greater Oklahoma City, OK	DRR	11.8%	Income property	1,431	1,164,000		94.5%	
DRR - Greater Dallas-Fort Worth, TX	DRR	11.8%	Income property	1,049	1,005,000		92.7%	
DRR - Greater Cincinnati, OH	DRR	11.8%	Income property	952	866,000		96.4%	
Other:								
Arapahoe Basin ski hill, Colorado	DRM	100.0%	Recreational	—	—			
Total U.S.				**6,276**	**5,323,000**	**185,000**	**93.6%**	
Western Canada								
Commercial:								
444 - 7th Building, Calgary	D.UN	36.8%	Income property	—	—	261,000	78.9%	
Saskatoon Square, Saskatoon	D.UN	36.8%	Income property	—	—	228,000	58.4%	
Brighton Marketplace, Saskatoon	DRM	50.0%	Income property	—	—	222,000	97.1%	
Co-operators Place, 1900 Sherwood Place, Regina	D.UN	36.8%	Income property	—	—	206,000	83.6%	
606 - 4th Building & Barclay Parkade, Calgary	D.UN	36.8%	Income property	—	—	126,000	87.6%	
Kensington House, Calgary	D.UN	36.8%	Income property	—	—	78,000	84.6%	
Shops of South Kensington, Saskatoon	DRM	100.0%	Income property	—	—	72,000	100.0%	
Hampton Heights, Saskatoon	DRM	100.0%	Income property	—	—	22,000	91.0%	
234 - 1st Avenue South, Saskatoon	D.UN	36.8%	Income property	—	—	10,000	85.4%	
Brighton Recreation, Saskatoon	DRM	100.0%	Income property	—	—	7,000	100.0%	
Residential Rentals:								
Brighton Village Rentals I, Saskatoon	DRM	100.0%	Income property	121	81,000	—	100.0%	
Childers Rentals Kensington, Saskatoon	DRM	100.0%	Income property	48	75,000	—	100.0%	
Other:								
Willows, Saskatoon	DRM	100.0%	Recreational	—	—			
Total Western Canada				**169**	**156,000**	**1,232,000**	**84.1%**	
Total Recurring Income Segment				**8,205**	**6,768,000**	**6,899,000**	**89.5%**	

Project/property	Type	Entity(3)	Dream ownership(1)	Status/type	Total residential/ hotel units at completion(2)	Residential GFA(2) (at 100%)	Total commercial and retail GLA(2)	In-place/ committed occupancy	Occupancy/ stabilization date
DEVELOPMENT SEGMENT									
Downtown Toronto & GTA									
Residential and Mixed-Use:									
Riverside Square - Phase 2	Sell	DRM	32.5%	Construction	227	195,000	43,000		Q3 2023
Maple House at Canary Landing (WDL Block 8)	Hold	DIF/MPCT	33.3%	Construction	770	624,000	4,000		Q3 2023
Brightwater I and II	Sell	DRM/MPCT	31.0%	Construction	311	244,000	98,000	36.7%	2023
Brightwater Towns	Sell	DRM/MPCT	31.0%	Construction	106	237,000	—		2024
Canary House at Canary Landing (Block 10 - Condominium)	Sell	DIF	50.0%	Construction	206	153,000	26,000		2024
Birch House at Canary Landing (Block 10 - Rental)	Hold	DIF/MPCT	33.3%	Construction	238	182,000	—		2024
The Mason, Brightwater	Sell	DRM/MPCT	31.0%	Construction	162	128,000	5,000		2024
Ivy	Various	DRM/MPCT	100.0%	Construction	268	193,000	—		2024
Cherry House at Canary Landing (WDL Block 3/4/7)	Hold	DRM/MPCT	33.3%	Construction	855	811,000	32,000		2025
Queen & Mutual	Sell	MPCT	9.0%	Construction	369	243,000	7,000		2025
Bridge House, Brightwater	Sell	DRM/MPCT	31.0%	Planning	474	392,000	—		2026
Forma - East Tower	Sell	DRM/MPCT	33.3%	Construction	864	590,000	1,000		2029
Brightwater future blocks	Various	DRM/MPCT	31.0%	Planning	1,942	2,441,000	257,000		2025-2032
Quayside	Various	DIF/MPCT	50.0%	Planning	4,405	3,100,000	300,000		TBD
Canary Block 13	Hold	DRM	50.0%	Planning	682	565,000	13,000		TBD
Forma - West Tower	Sell	DRM/MPCT	33.3%	Planning	1,170	885,000	223,000		TBD
Scarborough Junction	Sell	MPCT	45.0%	Planning	6,619	5,270,000	165,000		TBD
Victory Silos (previously Lakeshore East)	TBD	DRM/MPCT	50.0%	Planning	1,500	1,200,000	100,000		TBD
WDL Block 20	Hold	DRM/MPCT	33.3%	Planning	653	571,000	255,000		TBD
Distillery District - 31A Parliament	Hold	DRM	62.5%	Planning	515	389,000	342,000	30.7%	TBD
Main Street Townhomes	Sell	DRM	50.0%	Planning	30	68,000	—		TBD
Seaton	Sell	MPCT	7.0%	Planning	TBD	TBD	TBD		TBD
BlackTusk Partnership	Various	DIF/MPCT	5.0%-80.0%	Various	TBD	TBD	TBD		TBD
Front & Spadina GO Station(4)	TBD	TBD	TBD	Planning	TBD	TBD	TBD		TBD
Collingwood Grain Terminal(4)	TBD	TBD	TBD	Planning	TBD	TBD	TBD		TBD
Other	Sell	Various	Various	Various	1,045	1,099,000	58,000		TBD
Commercial:									
366 Bay Street		D.UN	36.8%	Redevelopment	—	—	36,000		Q2 2023
67 Richmond Street West		D.UN	36.8%	Redevelopment	—	—	50,000	23.4%	Q4 2023
Total Downtown Toronto & GTA					**23,411**	**19,580,000**	**2,015,000**	**28.8%**	

Project/property	Type	Entity[(3)]	Dream ownership[(1)]	Status/type	Total residential/ hotel units at completion[(2)]	Residential GFA[(2)] (at 100%)	Total commercial and retail GLA[(2)]	In-place/ committed occupancy	Occupancy/ stabilization date
Ottawa/Gatineau									
Zibi Block 11	Hold	DRM/MPCT	100.0%	Construction	148	127,000	4,000		Q4 2023
Zibi Block 206	Hold	DRM/MPCT	100.0%	Construction	207	196,000	11,000		Q4 2023
Zibi Block 207	Hold	DRM/MPCT	100.0%	Construction	—	—	76,000		Q4 2023
Dream LeBreton	Hold	DRM/DIF/MPCT	100.0%	Planning	608	410,000	26,000		2025
Zibi Future blocks	Various	DRM/MPCT	100.0%	Planning	1,255	1,292,000	1,891,000		TBD
Total Ottawa/Gatineau					**2,218**	**2,025,000**	**2,008,000**		
Western Canada									
Residential:									
Brighton Village Rentals II, Saskatoon	Hold	DRM	100.0%	Construction	132	108,000	9,000		Q4 2023
Block 124 Townhome Rentals, Saskatoon	Hold	DRM	100.0%	Planning	95	115,000	—		Q4 2023
Commercial:									
Harbour Landing, Regina	Hold	DRM	100.0%	Construction	—	—	41,000	76.3%	Q2 2023
Montrose, Calgary	Hold	DRM	100.0%	Construction	—	—	24,000	93.2%	Q2 2023
Total Western Canada					**227**	**223,000**	**74,000**	**82.5%**	
Total Development Segment					**25,856**	**21,828,000**	**4,097,000**	**35.1%**	
Total Dream Platform					**34,061**	**28,596,000**	**10,996,000**	**87.4%**	

Western Canada Land Holdings

City	Acre equivalents
Calgary	1,782
Edmonton	847
Saskatoon	2,992
Regina	3,276
Total	**8,897**

Summary by Geography

Location	Current GLA	Future GLA under development[(2)]	In-place and committed occupancy	Residential/ hotel units at completion[(2)]	Residential GFA[(2)]
Downtown Toronto & GTA	5,209,000	2,015,000	82.8%	25,009	20,734,000
Ottawa/Gatineau	273,000	2,008,000	92.7%	2,380	2,160,000
U.S.	185,000	—	93.6%	6,276	5,323,000
Western Canada	1,232,000	74,000	84.0%	396	379,000
Total	**6,899,000**	**4,097,000**	**87.4%**	**34,061**	**28,596,000**

(1) Dream, Dream Impact Fund and Dream Impact Trust holdings at fully consolidated ownership. Dream Office and Dream Residential REIT at 36.8% and 11.8% ownership, respectively, as of March 31, 2023.

(2) Residential units, GFA and GLA are at 100% project level and include planned units, GFA and GLA, which are subject to change pending various development approvals. Planned residential units may be developed as condominium units or purpose-built rentals as supported by market demand, targeted studies and return objectives. For projects currently in occupancy, residential units reflect remaining units in inventory to be occupied in future periods.

(3) DRM refers to Dream Standalone. DIF refers to Dream Impact Fund. MPCT refers to Dream Impact Trust. D.UN refers to Dream Office REIT. DRR refers to Dream Residential REIT.

(4) This project agreement is currently under negotiation and planned density and ownership structure will be available upon completion.

Condensed Consolidated Statements of Financial Position

(unaudited)

(in thousands of Canadian dollars)	Note	**March 31, 2023**	December 31, 2022
Assets			
Cash and cash equivalents	25	**$ 84,486**	$ 47,633
Accounts receivable		**262,266**	268,037
Other financial assets	5	**90,594**	101,064
Lending portfolio	6	**15,365**	15,074
Housing inventory		**48,369**	48,146
Condominium inventory	7	**378,079**	346,979
Land inventory	8	**466,442**	470,148
Investment properties	9	**1,636,886**	1,558,511
Recreational properties		**81,688**	80,300
Equity accounted investments	10	**959,085**	961,737
Capital and other operating assets	11	**59,004**	58,865
Total assets		**$ 4,082,264**	$ 3,956,494
Liabilities			
Accounts payable and other liabilities	12	**$ 223,169**	$ 267,872
Income and other taxes payable		**83,213**	57,363
Provision for real estate development costs		**62,978**	74,162
Debt	13	**1,807,074**	1,612,571
Dream Impact Trust units	14	**142,941**	188,385
Dream Impact Fund units	15	**70,341**	69,919
Deferred income taxes	16	**111,151**	132,530
Total liabilities		**2,500,867**	2,402,802
Shareholders' equity			
Share capital	17	**972,854**	968,076
Reorganization adjustment		**(944,577)**	(944,577)
Contributed surplus	21	**14,814**	18,082
Retained earnings		**1,514,768**	1,485,636
Accumulated other comprehensive income		**23,538**	26,475
Total equity		**1,581,397**	1,553,692
Total liabilities and equity		**$ 4,082,264**	$ 3,956,494

See accompanying notes to the condensed consolidated financial statements.

Commitments and contingencies (Note 23)

On behalf of the Board of Directors of Dream Unlimited Corp.:

"Michael J. Cooper"
Michael J. Cooper
Director

"Joanne Ferstman"
Joanne Ferstman
Chair

Condensed Consolidated Statements of Earnings

(unaudited)

(in thousands of Canadian dollars, except for per share amounts)	Note		**For the three months ended March 31,** **2023**		2022
Revenue	18	**$**	**72,196**	$	53,214
Direct operating costs			**(45,063)**		(33,738)
Gross margin			**27,133**		19,476
Selling, marketing, depreciation and other operating costs			**(9,398)**		(8,601)
Net margin			**17,735**		10,875
Other income (expenses):					
General and administrative expenses			**(6,587)**		(4,615)
Fair value changes in investment properties	9		**2,993**		14,562
Share of earnings from equity accounted investments	10		**3,164**		55,088
Investment and other income			**1,906**		1,073
Interest expense	19		**(18,640)**		(9,996)
Adjustments related to Dream Impact Trust units	14		**41,408**		(6,984)
Adjustments related to Dream Impact Fund units	15		**(422)**		(1,846)
Fair value changes in financial instruments			**93**		(993)
Earnings before income taxes			**41,650**		57,164
Income tax expense	16		**(7,049)**		(14,991)
Earnings for the period		**$**	**34,601**	$	42,173
Basic earnings per share	22	**$**	**0.81**	$	0.99
Diluted earnings per share	22	**$**	**0.78**	$	0.96

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(unaudited)

(in thousands of Canadian dollars)	Note	For the three months ended March 31, 2023	2022
Earnings for the period		**$ 34,601**	$ 42,173
Other comprehensive income (loss)			
Items that will be reclassified subsequently to net income:			
Unrealized loss on interest rate hedge, net of tax		**(3,409)**	(2,097)
Unrealized gain (loss) from foreign currency translation		**(33)**	(166)
Share of other comprehensive loss from equity accounted investments		**505**	(1,060)
Total other comprehensive loss		**(2,937)**	(3,323)
Total comprehensive income		**$ 31,664**	$ 38,850

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity

For the three months ended March 31, 2023 and March 31, 2022
(unaudited)

(in thousands of Canadian dollars)		Dream share capital (Note 17)		Contributed surplus		Reorganization adjustment		Retained earnings		Accumulated other comprehensive income		Total equity
Balance, January 1, 2023	**$**	**968,076**	**$**	**18,082**	**$**	**(944,577)**	**$**	**1,485,636**	**$**	**26,475**	**$**	**1,553,692**
Earnings for the period		**—**		**—**		**—**		**34,601**		**—**		**34,601**
Other comprehensive loss for the period		**—**		**—**		**—**		**—**		**(2,937)**		**(2,937)**
Dividends paid (Note 17)		**—**		**—**		**—**		**(5,349)**		**—**		**(5,349)**
Share-based compensation (Note 21)		**4,778**		**(3,268)**		**—**		**(120)**		**—**		**1,390**
Balance, March 31, 2023	**$**	**972,854**	**$**	**14,814**	**$**	**(944,577)**	**$**	**1,514,768**	**$**	**23,538**	**$**	**1,581,397**

(in thousands of Canadian dollars)		Dream share capital		Contributed surplus		Reorganization adjustment		Retained earnings		Accumulated other comprehensive income		Total equity
Balance, January 1, 2022	$	972,917	$	15,701	$	(944,577)	$	1,366,433	$	11,739	$	1,422,213
Earnings for the period		—		—		—		42,173		—		42,173
Other comprehensive loss for the period		—		—		—		—		(3,323)		(3,323)
Shares repurchased		(8,521)		—		—		(6,364)		—		(14,885)
Dividends paid		—		—		—		(4,258)		—		(4,258)
Share-based compensation		3,680		(2,421)		—		(35)		—		1,224
Balance, March 31, 2022	$	968,076	$	13,280	$	(944,577)	$	1,397,949	$	8,416	$	1,443,144

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(unaudited)

(in thousands of Canadian dollars)	Note	For the three months ended March 31, **2023**	2022
Operating activities			
Earnings for the period		**$ 34,601**	$ 42,173
Adjustments for non-cash items:			
Depreciation and amortization		**1,913**	1,674
Fair value changes in investment properties	9	**(2,993)**	(14,562)
Share of earnings from equity accounted investments	10	**(3,164)**	(55,088)
Deferred income tax (recovery) expense	16	**(20,523)**	9,818
Fair value adjustment on Dream Impact Trust units	14	**(45,222)**	2,312
Fair value adjustment on Dream Impact Fund units	15	**422**	1,846
Other adjustments	25	**379**	(1,600)
Changes in non-cash working capital	25	**20,702**	(14,134)
Acquisition of condominium inventory	7	**(4,241)**	(3,779)
Sale of housing inventory, net of development		**1,936**	(1,650)
Development of condominium inventory, net of sales	7	**(17,878)**	(8,348)
Advances on construction loans, net of repayments	13	**18,261**	(39,780)
Development of land inventory, net of sales	8	**1,547**	(4,145)
Net cash flows used in operating activities		**(14,260)**	(85,263)
Investing activities			
Acquisitions and additions to investment properties	9	**(36,825)**	(41,900)
Acquisitions and additions to recreational properties		**(2,968)**	(4,226)
Investments in equity accounted investments		**—**	(9,713)
Contributions to equity accounted investments		**(34,506)**	(29,873)
Distributions and disposals of equity accounted investments		**9,950**	5,882
Acquisitions of financial assets and other assets		**(10,062)**	(1,419)
Distributions and disposals of financial assets and other assets		**1,489**	39
Loans receivable repayments, net of advances		**16,190**	12,325
Net cash flows used in investing activities		**(56,732)**	(68,885)
Financing activities			
Borrowings from mortgages and term debt facilities	13	**125,206**	256,610
Repayments of mortgages and term debt facilities	13	**(31,329)**	(122,698)
Advances from operating lines and revolving credit facilities, net of repayments	13	**21,300**	61,700
Dream Impact Trust units repurchased from other unitholders	14	**(1,829)**	(1,161)
Dividends paid	17	**(5,349)**	(4,258)
Repayments of lease obligations		**(154)**	(244)
Shares repurchased	17	**—**	(14,885)
Net cash flows provided by financing activities		**107,845**	175,064
Change in cash and cash equivalents		**36,853**	20,916
Cash and cash equivalents, beginning of period		**47,633**	52,564
Cash and cash equivalents, end of period	25	**$ 84,486**	$ 73,480

See accompanying notes to the condensed consolidated financial statements.

1. Business and structure

Dream Unlimited Corp. ("Dream" or "the Company"), through its wholly owned subsidiary, Dream Asset Management Corporation (“DAM”), is a leading developer of office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established asset management business, inclusive of assets under management across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. The Company also develops land and residential assets in Western Canada.

The principal office and centre of administration of the Company is 30 Adelaide Street East, Suite 301, State Street Financial Centre, Toronto, Ontario, M5C 3H1. The Company is listed on the TSX and is domiciled in Canada. The ultimate controlling party of Dream is Michael Cooper, President and Chief Responsible Officer of Dream.

2. Basis of preparation

The condensed consolidated financial statements are prepared in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and are in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" ("IAS 34"), on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the year ended December 31, 2021. Accordingly, certain information and footnote disclosures normally provided in annual consolidated financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed.

The condensed consolidated financial statements should be read in conjunction with the most recently issued Annual Report of the Company, which includes information necessary to understand the Company's business and financial statement presentation.

All dollar amounts discussed herein are in thousands of Canadian dollars, unless otherwise stated.

The condensed consolidated financial statements for the three months ended March 31, 2023 were approved by the Board of Directors for issue on May 9, 2023, after which date they may be amended only with the Board of Directors’ approval.

3. Summary of significant accounting policies

The condensed consolidated financial statements have been prepared using the same significant accounting policies and methods as those used in the Company's annual consolidated financial statements for the year ended December 31, 2022.

Future Accounting Standards

IAS 1, "Presentation of Financial Statements"

The IASB has issued amendments to IAS 1. The amendments to IAS 1 clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024. The Company intends to adopt the amendments to IAS 1 on the required effective date of January 1, 2024. The Company is in the process of assessing the impact of this amendment.

4. Critical accounting estimates, judgments and assumptions

The preparation of these condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities and the recognitions of revenues and expenses. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the affect asset or liability and the recognition of revenues and expenses in the future. The critical accounting judgments, estimates and assumptions applied during the three months ended March 31, 2023 are consistent with those set out in Note 4 of the Company's audited annual consolidated financial statements for the year ended December 31, 2022 and as updated in Note 10.

(in thousands of Canadian dollars, except number of shares and per share amounts)

5. Other financial assets

Other financial assets consisted of the following:

		March 31, 2023		December 31, 2022
Investment holdings	$	**49,281**	$	40,950
Loans receivable		**28,967**		44,545
Participating mortgages		**5,193**		5,193
Interest rate swaps		**7,153**		10,376
	$	**90,594**	$	101,064

Loans Receivable

Loans receivable includes amounts owing to the Company pertaining to development partnerships in Toronto and Western Canada. In the three months ended March 31, 2023, $12,600 was received pertaining to a loan in Western Canada (year ended December 31, 2022 - $12,600).

6. Lending portfolio

		March 31, 2023		December 31, 2022
Balance, beginning of period	$	**15,074**	$	12,734
Lending portfolio advances		**—**		1,432
Interest capitalized to lending portfolio balance		**161**		547
Other		**130**		361
Balance, end of period[(1)]	$	**15,365**	$	15,074

[(1)] Included is a loan of $5,193 that is classified as fair value through profit and loss ("FVTPL") (December 31, 2022 - $5,066).

The table below provides a summary of the Company's lending portfolio:

		March 31, 2023		December 31, 2022
Weighted average effective interest rate		**14.7%**		14.7%
Maturity dates		**2023 - 2025**		2023-2025
Balance of accrued interest	$	**99**	$	90
Loans with prepayment options		**7,614**		7,513

As at March 31, 2023, a loan investment classified as FVTPL, aggregating $5,193 (December 31, 2022 - $5,066), was measured at fair value using a discounted cash flow method. The fair value was determined by discounting the expected cash flows of the loan using an interest rate of 17.5% (December 31, 2022 - 17.5%), which took into consideration similar instruments with corresponding maturity dates plus a credit adjustment in accordance with the borrowers' creditworthiness, as well as the risk profile of the underlying securities.

7. Condominium inventory

The movement in condominium inventory is as follows:

		March 31, 2023		December 31, 2022
Balance, beginning of period	$	**346,979**	$	288,215
Acquisitions		**13,222**		11,694
Development		**17,997**		51,988
Condominium units occupied		**(119)**		(4,918)
Balance, end of period	$	**378,079**	$	346,979

(in thousands of Canadian dollars, except number of shares and per share amounts)

8. Land inventory

The movement in land inventory is as follows:

	March 31, 2023	December 31, 2022
Balance, beginning of period	$ 470,148	$ 469,608
Acquisitions	—	3,243
Development	1,215	107,383
Lot and acre sales	(2,762)	(98,375)
Transfers to housing inventory	(2,159)	(11,711)
Balance, end of period	$ 466,442	$ 470,148

9. Investment properties

The movement in investment properties by segment is as follows:

	Recurring income	Development	Total March 31, 2023	Total December 31, 2022
Balance, beginning of period	$ 1,410,270	$ 148,241	$ 1,558,511	$ 1,256,958
Additions to and transfers to/from investment properties:				
Properties acquired	37,094	—	37,094	163,926
Land and building additions	9,412	27,908	37,320	107,442
Gains (losses) included in earnings:				
Fair value changes in investment properties	2,076	917	2,993	31,219
Amortization and other	(266)	(20)	(286)	(1,542)
Change in straight-line rent	1,244	10	1,254	508
Balance, end of period	$ 1,459,830	$ 177,056	$ 1,636,886	$ 1,558,511

During the three months ended March 31, 2023, the Company acquired additional share in the Distillery District, located in Toronto, increasing its ownership from 50% to 62.5% for gross proceeds of $37,094 net of assumed term debt of $29,567 and a promissory note of $8,022.

Included in the recurring income segment as at March 31, 2023 is a right-of-use asset for the 100 Steeles leasehold interest of $9,360 (December 31, 2022 - $9,452).

Fair Value of Investment Properties

Fair values of investment properties are determined using valuations prepared by management using inputs that are Level 3 on the fair value hierarchy. To supplement the assessment of fair value, management obtains valuations of selected investment properties on a rotational basis from qualified external valuation professionals and verifies the results of such valuations with the external appraisers. As at March 31, 2023, three investment properties with a fair value of $426,320 were externally fair valued at a value of $426,320 (December 31, 2022 - 21 investment properties with a total fair value of $733,055 were externally appraised at a value of $754,030).

During the three months ended March 31, 2023, the Company recorded a fair value gain of $2,993 (year ended December 31, 2022 - gain of $31,219) in the condensed consolidated statements of earnings. Fair values of investment properties were calculated using a discounted cash flow method or the direct capitalization method.

The discount rate is based on the weighted average cost of capital of the Company and is used to determine the net present value of cash flows. The terminal capitalization rate is based on the location, size and quality of the investment property and takes into account any available market data at the valuation date.

The following are the significant assumptions in the valuation of investment properties using the discounted cash flow method:

- Terminal capitalization rate – capitalization rates used to estimate the resale value of the property at the end of the holding period
- Discount rate – reflecting current market assessments of the uncertainty in the amount and timing of cash flows
- Market rents – year one rates in the discounted cash flow

(in thousands of Canadian dollars, except number of shares and per share amounts)

Significant unobservable inputs were as follows for March 31, 2023 and December 31, 2022:

		March 31, 2023		December 31, 2022	
	Input	**Range**	**Weighted average**	Range	Weighted average
Recurring income	Discount rate	**5.50%-7.75%**	**6.1%**	5.50%-7.75%	6.1%
	Terminal capitalization rate	**4.75%-7.25%**	**5.5%**	4.50%-7.25%	5.4%
	Market rents (in dollars per square foot)[1]	**$16.00-$41.47**	**$26.13**	$16.00-$41.15	$27.35
Development	Discount rate	**7.50%**	**7.5%**	7.50%	7.5%
	Terminal capitalization rate	**6.75%-7.00%**	**6.9%**	6.75%-7.00%	6.9%
	Market rents (in dollars per square foot)[1]	**$18.91-$26.23**	**$21.60**	$18.59-$26.23	$21.40

[1] Market rents represent year one rates in the discounted cash flow method. Market rents represent base rents only and do not include the impact of lease incentives.

Fair values of investment properties, which include commercial, retail and other properties held for the long term, are calculated using the direct capitalization method or a discounted cash flow ("DCF") model, plus a terminal value based on the estimated cash flow in the final year. The DCF model incorporates, among other things, expected rental income from current leases, assumptions about rental income from future leases and implied vacancy rates, general inflation and projections of required cash outflows with respect to such leases. The significant unobservable inputs for the fair value of the Company's investment properties are provided above.

Fair values of the Company's investment properties are most sensitive to changes in the discount and terminal capitalization rates. An increase in these rates will result in a decrease in the fair value of an investment property and vice versa.

	Increase (decrease) in value	
Input sensitivity	**+25 bps**	**-25 bps**
Impact of changes to weighted average discount rate	$ (9,346)	$ 9,723
Impact of changes to weighted average terminal capitalization rate	(13,789)	17,343

The following are the significant assumptions in the valuation of investment properties using the direct capitalization method:

- Capitalization rate – capitalization rates used to estimate the fair value of the investment properties

Significant unobservable inputs were as follows for March 31, 2023 and December 31, 2022:

		March 31, 2023		December 31, 2022	
	Input	**Range**	**Weighted average**	Range	Weighted average
Recurring income	Capitalization rate	**3.13%-5.50%**	**3.6%**	3.00%-3.50%	3.3%

Fair values of the Company's investment properties are most sensitive to changes in the capitalization rate. An increase in this rate will result in a decrease in the fair value of an investment property and vice versa.

	Increase (decrease) in value	
Input sensitivity	**+25 bps**	**-25 bps**
Impact of changes to weighted average capitalization rate	$ (41,819)	$ 48,520

Investment properties with a fair value of $1,326,759 as at March 31, 2023 (December 31, 2022 - $1,275,670) are pledged as security for mortgages and term debt and the Dream Impact Trust operating line. Investment properties with a fair value of $298,476 as at March 31, 2023 (December 31, 2022 - $270,826) are pledged as security for construction loans.

10. Equity accounted investments

The Company has entered into certain arrangements in the form of jointly controlled entities for various businesses. These arrangements include restrictions on the ability to access assets without the consent of all partners and include distribution conditions outlined in partnership agreements. These arrangements are accounted for under the equity method. The equity method of accounting is also applicable to investments in which the Company is deemed to be able to exercise significant influence over the investee company. As at March 31, 2023, the carrying value of these arrangements was $959,085 (December 31, 2022 - $961,737).

In determining if an entity is a subsidiary of the Company, the Company makes significant judgments about whether it has power, and therefore control, over such an entity. In addition to voting rights, the Company considers the contractual rights and obligations arising from other arrangements, and other relevant factors relating to an entity in determining if the Company has the power and ability to affect returns from an investee, among other factors. The contractual rights and obligations considered by the Company include, among others, the approvals and decision-making process over significant operating, financing and investing activities, the responsibilities and scope of decision-making power of the Company, the termination provisions of applicable agreements, the types and determination of fees paid to the Company and the significance, if any, of any investment made by the Company.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The Company reassessed its voting rights resulting from increasing ownership in Dream Office REIT and determined that it does not have de facto control of Dream Office REIT as at March 31, 2023. The Company will be deemed to have control when it has sufficient voting rights in relation to the number of votes cast and active voting participation by third-party unitholders meets the definition of control as described above. The Company continues to monitor its ownership on an ongoing basis to determine when consolidation of Dream Office REIT is appropriate.

The follow tables summarize the Company's proportionate share of assets and liabilities in equity accounted investments (segregated between development and recurring income investments) as at March 31, 2023 and December 31, 2022.

						March 31, 2023
At Dream's share	**Ownership interest**	**Assets**	**Liabilities**	**Net assets**	**Difference between net assets and deemed cost of investments[1]**	**Total**
Development investments						
Canary District	33%-50%	$ 116,772	$ (78,290)	$ 38,482	$ —	**$ 38,482**
Forma	33%	183,476	(105,680)	77,796	—	**77,796**
Brightwater[2]	31%	179,369	(128,277)	51,092	—	**51,092**
Victory Silos (previously Lakeshore East)[2]	50%	104,817	(75,066)	29,751	—	**29,751**
West Don Lands	33%	207,402	(162,197)	45,205	—	**45,205**
Quayside	50%	125,591	(90,101)	35,490	—	**35,490**
Other development investments	7%-78%	90,024	(68,196)	21,828	—	**21,828**
Total development investments		$ 1,007,451	$ (707,807)	$ 299,644	$ —	**$ 299,644**
Recurring income investments						
Dream Office REIT[3]	37%	$ 1,077,414	$ (496,704)	$ 580,710	$ (55,957)	**$ 524,753**
Dream Residential REIT[3]	12%	69,850	(23,430)	46,420	—	**46,420**
Brighton Marketplace	50%	45,268	(26,596)	18,672	(2,286)	**16,386**
Other recurring income investments	5%-50%	119,324	(47,035)	72,289	(407)	**71,882**
Total recurring income investments		$ 1,311,856	$ (593,765)	$ 718,091	$ (58,650)	**$ 659,441**
Total		**$ 2,319,307**	**$ (1,301,572)**	**$ 1,017,735**	**$ (58,650)**	**$ 959,085**

(1) The difference between net assets and the deemed cost of investments is due to the Company's proportionate share of the joint venture's net assets being either higher or lower than the Company's cost of the investment at the end of the period.
(2) The Company's deemed cost of this investment includes fair value adjustments relating to the consolidation of Dream Impact Trust and, as a result, may not reflect the Company's proportionate share of project-level assets.
(3) As at March 31, 2023, the fair value of the Company's unit holdings in Dream Office REIT and Dream Residential REIT were $268,611 and $28,895, respectively.

						December 31, 2022
At Dream's share	Ownership interest	Assets	Liabilities	Net assets	Difference between net assets and deemed cost of investments[1]	Total
Development investments						
Brighton Marketplace	50%	$ 44,661	$ (26,670)	$ 17,991	$ (2,286)	$ 15,705
Canary District	33%-50%	147,446	(78,020)	69,426	—	69,426
Forma	33%	184,844	(106,653)	78,191	—	78,191
Brightwater[2]	31%	168,827	(117,626)	51,201	—	51,201
Victory Silos (previously Lakeshore East)[2]	50%	51,951	(17,576)	34,375	—	34,375
West Don Lands	33%	196,552	(151,528)	45,024	—	45,024
Other development investments	7%-78%	87,252	(64,137)	23,115	—	23,115
Total development investments		$ 881,533	$ (562,210)	$ 319,323	$ (2,286)	$ 317,037
Recurring income investments						
Dream Office REIT[3]	36%	$ 1,102,176	$ (523,946)	$ 578,230	$ (49,817)	$ 528,413
Dream Residential REIT[3]	12%	69,081	(23,246)	45,835	—	45,835
Other recurring income investments	5%-50%	114,899	(44,395)	70,504	(52)	70,452
Total recurring income investments		$ 1,286,156	$ (591,587)	$ 694,569	$ (49,869)	$ 644,700
Total		$ 2,167,689	$ (1,153,797)	$ 1,013,892	$ (52,155)	$ 961,737

(1) The difference between net assets and the deemed cost of investments is due to the Company's proportionate share of the joint venture's net assets being either higher or lower than the Company's cost of the investment at the end of the period.
(2) The Company's deemed cost of this investment includes fair value adjustments relating to the consolidation of Dream Impact Trust and, as a result, may not reflect the Company's proportionate share of project-level assets.
(3) As at December 31, 2022, the fair value of the Company's unit holdings in Dream Office REIT and Dream Residential REIT were $276,000 and $21,492 respectively.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The following tables summarize the Company's proportionate share of revenue, earnings (losses) and earnings (losses) before depreciation in equity accounted investments for the three months ended March 31, 2023 and 2022.

				March 31, 2023
At Dream's share	**Ownership interest**	**Revenue**	**Earnings**	**Earnings before depreciation**
Development investments	7%-78%	$ 2,025	$ 820	$ 855
Recurring income investments				
Dream Office REIT	37%	17,388	371	387
Dream Residential REIT	12%	1,135	945	945
Other recurring income investments	5%-50%	870	1,028	1,098
Total recurring income investments		$ 19,393	$ 2,344	$ 2,430
Total		**$ 21,418**	**$ 3,164**	**$ 3,285**

				March 31, 2022
At Dream's share	Ownership interest	Revenue	Earnings (losses)	Earnings (losses) before depreciation
Development investments[1]	7%-78%	$ 102,020	$ 32,068	$ 32,079
Recurring income investments				
Dream Office REIT	34%	16,763	23,832	23,788
Other recurring income investments	5%-50%	2,063	(812)	(623)
Total recurring income investments		$ 18,826	$ 23,020	$ 23,165
Total		$ 120,846	$ 55,088	$ 55,244

(1) Earnings in the three months ended March 31, 2022 relate primarily to 163 condominium occupancies, at the Company's proportionate share, at Canary Commons.

11. Capital and other operating assets

Capital and other operating assets consisted of the following:

	March 31, 2023	December 31, 2022
Restricted cash	**$ 5,130**	$ 6,442
Goodwill	**13,576**	13,576
Prepaid expenses[1]	**18,281**	17,043
Capital assets	**11,466**	11,900
Right-of-use assets	**1,875**	1,931
Other	**8,676**	7,973
Total capital and other operating assets	**$ 59,004**	$ 58,865

	March 31, 2023	December 31, 2022
Capital assets	**$ 26,025**	$ 25,880
Accumulated depreciation	**(14,559)**	(13,980)
Total capital assets	**$ 11,466**	$ 11,900

(1) Included in prepaid expenses as at March 31, 2023 is $4,971 of capitalized sales commissions relating to housing and condominium sales to be recognized in future periods (December 31, 2022 - $4,839).

Restricted cash represents cash advanced by the Company to secure letters of credit provided to various government agencies to support development activity, certain customer deposits on land, housing and condominium sales required for specific statutory requirements before closing, and cash held as security.

Right-of-Use Assets

The movement in right-of-use assets relating to property and equipment is as follows:

	March 31, 2023	December 31, 2022
Balance, beginning of period	**$ 1,931**	$ 1,409
Additions	**—**	1,010
Depreciation	**(56)**	(488)
Balance, end of period	**$ 1,875**	$ 1,931

Refer to Note 9 for right-of-use assets relating to investment properties.

(in thousands of Canadian dollars, except number of shares and per share amounts)

12. Accounts payable and other liabilities

The details of accounts payable and other liabilities are as follows:

		March 31, 2023		December 31, 2022
Accrued liabilities	**$**	**89,468**	$	101,993
Customer deposits		**45,247**		46,330
Trade payables[1]		**68,619**		98,037
Lease obligation		**11,618**		11,836
Deferred revenue		**7,540**		9,676
Interest rate swaps		**677**		—
	$	**223,169**	$	267,872

[1] Included in trade payables were bank overdraft balances of $4,046 as at March 31, 2023 (December 31, 2022 - $3,062).

Lease Obligation

		March 31, 2023		December 31, 2022
Maturity analysis - contractual undiscounted cash flows				
Less than one year	**$**	**1,505**	$	1,481
One to five years		**5,506**		5,032
More than five years		**9,008**		9,532
Total undiscounted lease obligation as at end of period	**$**	**16,019**	$	16,045
Discounted using the lessee's incremental borrowing rate as at end of period		**(4,401)**		(4,209)
Total discounted lease obligation as at end of period	**$**	**11,618**	$	11,836
Current portion of lease obligation		**1,440**		1,404
Non-current portion of lease obligation		**10,178**		10,432
Total lease obligation	**$**	**11,618**	$	11,836

There are no future cash outflows to which the Company is potentially exposed that are not reflected in the measurement of lease obligations.

13. Debt

	Weighted average effective interest rates					Debt amount
	March 31, 2023	December 31, 2022		**March 31, 2023**		December 31, 2022
Project-specific debt						
Operating line - Dream Impact Fund	**6.69%**	6.47%	**$**	**38,900**	$	9,400
Operating line - Western Canada	**7.44%**	7.22%		**107,368**		73,796
Construction loans	**5.66%**	5.78%		**346,709**		328,139
Mortgages and term debt	**4.34%**	4.03%		**1,023,583**		869,405
Total project-specific debt	**4.92%**	4.65%		**1,516,560**		1,280,740
Corporate debt facilities						
Non-revolving term facility	**5.50%**	5.59%		**223,150**		223,128
Operating line - Dream Impact Trust	**n/a**	6.97%		**—**		41,421
Convertible debentures (host instruments) - Dream Impact Trust	**6.12%**	6.12%		**67,008**		66,833
Convertible debentures (conversion features) - Dream Impact Trust	**n/a**	n/a		**356**		449
Total corporate debt facilities	**5.65%**	5.77%		**290,514**		331,831
Total debt	**5.04%**	4.89%	**$**	**1,807,074**	$	1,612,571

Construction Loans and Mortgages and Term Debt

Construction loans relate to housing and commercial projects under development, project-specific financing and land servicing and may be due on demand with recourse provisions and/or hold security against the underlying property. Mortgages and term debt are property-specific and may hold security against the underlying property with or without recourse provisions.

Operating Line - Western Canada

The Company's revolving term credit facility (the "operating line") is primarily used to finance land servicing activity in Saskatchewan and Alberta. The operating line is available up to a formula-based maximum not to exceed $320,000, with a syndicate of Canadian financial institutions.

As at March 31, 2023, funds available under this facility were $320,000, as determined by the formula-based maximum calculation, with $51,466 of letters of credit issued against the facility (December 31, 2022 - $320,000, with $54,864 of letters of credit issued against the facility).

(in thousands of Canadian dollars, except number of shares and per share amounts)

Operating Line - Dream Impact Trust

During the three months ended March 31, 2023, Dream Impact Trust amended its credit facility, reducing the borrowing capacity from $50,000 to $25,000 and extending the maturity date to April 30, 2025. As at March 31, 2023, the demand revolving credit facility was available to the Dream Impact Trust up to a formula-based maximum of $25,000.

As at March 31, 2023, $nil was drawn on the facility (December 31, 2022 - $41,700) and funds available under this facility were $18,000 (December 31, 2022 – $8,000), with $300 of letters of credit issued against the facility (December 31, 2022 – $300).

Interest Rate Swaps

The Company is exposed to interest rate risk primarily through its variable rate debt obligations. Variable rate debt represented 56% (December 31, 2022 - 54%) of the Company's total debt obligation as at March 31, 2023. In order to manage the interest rate risk on certain variable rate debt, the Company has entered into interest rate swaps as detailed below.

Maturity date(s)	Debt facility		Notional amount hedged	Average fixed interest rate	Financial instrument classification		Fair value of hedging instrument
May 31, 2024	Non-revolving term facility	$	100,000	3.93%	Cash flow hedge	$	3,803
October 31, 2025	Non-revolving term facility		100,000	6.78%	Cash flow hedge		(491)
November 30, 2025	Non-revolving term facility		20,000	6.42%	Cash flow hedge		69
July 16, 2027 and July 27, 2027	Mortgage		65,130	5.15%	Cash flow hedge		(186)
March 18, 2029	Mortgage		75,500	3.43%	Cash flow hedge		3,281

In the three months ended March 31, 2023, the Company entered into an interest rate swap to effectively exchange the variable interest on a $20,000 term facility for a fixed rate of 6.22% per annum through the use of forward-purchase contracts that commenced on March 31, 2023 and mature on November 30, 2025. The Company applied hedge accounting to this relationship, whereby the change in fair value of the effective portion of the hedging derivatives was recognized in accumulated other comprehensive income. Settlement of both the fixed and variable portions of the interest rate swap occur on a monthly basis. The full amount of the hedge was determined to be effective as at March 31, 2023 as all critical terms matched during the period.

14. Dream Impact Trust units

The Company accounts for the 68% interest in Dream Impact Trust held by other unitholders as a financial liability measured at FVTPL (December 31, 2022 - 70%). As at March 31, 2023, the trust units had a fair value of $142,941 based on the trading price on the TSX. The movement in Dream Impact Trust units is as follows:

		March 31, 2023				December 31, 2022
	Units		**Total**	Units		Total
Balance, beginning of period	**46,745,547**	**$**	**188,385**	46,844,290	$	288,092
Units acquired by the Company in the period	**(411,400)**		**(1,407)**	—		—
Units issued to other unitholders through distribution reinvestment plan	**10,697**		**39**	11,715		50
Units repurchased and cancelled by Dream Impact Trust	**(133,320)**		**(422)**	(193,100)		(1,161)
Deferred units exchanged for Dream Impact Trust units	**47,609**		**161**	82,642		507
Fair value adjustment	**—**		**(43,815)**	—		(99,103)
Balance, end of period	**46,259,133**	**$**	**142,941**	46,745,547	$	188,385

In the three months ended March 31, 2023, the Company recognized a gain related to Dream Impact Trust units of $41,408 in the condensed consolidated statements of earnings, comprising a fair value gain of $43,815 due to a decrease in Dream Impact Trust's trading price offset by cash distributions to other unitholders of $2,407 (year ended December 31, 2022 - gain of $80,411 comprising a fair value gain of $99,103 due to decrease in Dream Impact Trust's trading price offset by cash distributions to other unitholders of $18,692).

(in thousands of Canadian dollars, except number of shares and per share amounts)

15. Dream Impact Fund units

The Company accounts for the 59% interest in Dream Impact Fund held by other unitholders as a financial liability and is remeasured to fair value each period based on the Dream Impact Fund unit's closing net asset value (December 31, 2022 - 59%). The movement in Dream Impact Fund units is as follows:

	March 31, 2023			December 31, 2022		
	Units		**Total**	Units		Total
Balance, beginning of period	**6,213,941**	**$**	**69,919**	4,746,403	$	49,430
Units issued to other unitholders	**—**		**—**	1,467,538		15,965
Fair value adjustment	**—**		**422**	—		4,524
Balance, end of period	**6,213,941**	**$**	**70,341**	6,213,941	$	69,919

In the three months ended March 31, 2023, the Company recognized a loss related to Dream Impact Fund units of $422 (three months ended March 31, 2022 - $1,846) in the condensed consolidated statements of earnings due to an increase in net asset value attributable to Dream Impact Fund's non-controlling interest.

16. Income taxes

In the three months ended March 31, 2023, the Company recognized an income tax expense of $7,049 (three months ended March 31, 2022 – $14,991), the major components of which include the following items:

	For the three months ended March 31,			
		2023		2022
Current income taxes:				
Current income taxes with respect to profits during the period	**$**	**26,271**	$	4,412
Current tax adjustments with respect to prior period		**1**		—
Other items affecting current income tax expense		**1,300**		761
Current income tax expense		**27,572**		5,173
Deferred income taxes (recoveries):				
Origination and reversal of temporary differences		**(20,747)**		9,056
Impact of changes in income tax rates		**224**		762
Deferred income tax (recovery) expense		**(20,523)**		9,818
Income tax expense	**$**	**7,049**	$	14,991

Due to non-coterminous tax years of the Company's partnership and trust interests, income of approximately $6,728 for the three months ended March 31, 2023 (three months ended March 31, 2022 – $33,958) relating to such partnership and trust interests will be included in computing the Company's taxable income for its 2024 and 2023 taxation years.

The income tax expense amount on pre-tax earnings differs from the income tax expense amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26.2% (March 31, 2022 - 26.2%) as presented in the table below. Cash paid for income taxes for the three months ended March 31, 2023 was $1,564 (three months ended March 31, 2022 – $3,809).

	For the three months ended March 31,			
		2023		2022
Earnings before tax at statutory rate of 26.2% (2022 - 26.2%)	**$**	**10,912**	$	15,034
Effect on taxes of:				
Non-deductible expenses		**755**		(823)
Adjustment in expected future tax rates		**224**		762
Non-taxable portion of capital gains		**(5,957)**		(2,000)
Non-recognition of the benefit of current year's tax losses		**304**		—
Other items		**811**		2,018
Income tax expense	**$**	**7,049**	$	14,991

The movement in the deferred income taxes in the three months ended March 31, 2023 and the year ended December 31, 2022, and the net components of the Company's net deferred income tax liabilities, are presented in the following table:

(in thousands of Canadian dollars, except number of shares and per share amounts)

Asset (Liability)		Accounts receivable		Real estate and assets held for sale		Non-coterminous tax year		Financial instruments/ equity accounted investments		Loss carry-forwards		Total
Balance, January 1, 2022	$	(11,906)	$	(59,687)	$	(1,124)	$	(47,780)	$	16,798	$	(103,699)
(Charged) credited to:												
Loss (earnings) for the period		(1,978)		(7,322)		(24,449)		(3,048)		10,640		(26,157)
Other comprehensive income		—		68		—		(2,742)		—		(2,674)
Balance, December 31, 2022	$	(13,884)	$	(66,941)	$	(25,573)	$	(53,570)	$	27,438	$	(132,530)
(Charged) credited to:												
Earnings (losses) for the period		2,996		(1,531)		23,813		(4,936)		181		20,523
Other comprehensive income		—		(3)		—		859		—		856
Balance, March 31, 2023	**$**	**(10,888)**	**$**	**(68,475)**	**$**	**(1,760)**	**$**	**(57,647)**	**$**	**27,619**	**$**	**(111,151)**

As at March 31, 2023, the Company had tax losses of $14,602 (December 31, 2022 – $13,440) that expire between 2025 and 2042. Deferred income tax assets have not been recognized in respect of these losses, as it is not probable that the Company will be able to utilize all of the losses against taxable profits in the future.

17. Share capital

The Company is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class B Shares. Holders of Subordinate Voting Shares and Class B Shares are entitled to one vote and 100 votes, respectively, for each share held. The Class B Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time. Holders of Subordinate Voting Shares and Class B Shares are entitled to receive and participate equally as to dividends, share for share, as and when declared by the directors of the Company. In the event of a liquidation, dissolution or winding up of the Company, holders of Subordinate Voting Shares and Class B Shares will be entitled to the remaining property and assets of the Company.

	March 31, 2023			December 31, 2022		
Issued and outstanding	**Number of shares**		**Amount**	Number of shares		Amount
Subordinate Voting Shares	**41,244,327**	**$**	**934,072**	41,030,346	$	929,294
Class B Shares	**1,557,353**		**38,782**	1,557,356		38,782
	42,801,680	**$**	**972,854**	42,587,702	$	968,076

The following table summarizes the changes in the Subordinate Voting Shares issued:

	March 31, 2023			December 31, 2022		
	Number of shares		**Amount**	Number of shares		Amount
Issued and outstanding, beginning of period	**41,030,346**	**$**	**929,294**	41,278,675	$	934,135
Class B Shares converted into Subordinate Voting Shares	**3**		**—**	—		—
Performance share units exercised, net of withholding taxes	**9,896**		**247**	10,599		152
Subordinate Voting Shares issued under the Restricted Share & Restricted Share Unit Plan	**204,082**		**4,531**	117,618		3,528
Subordinate Voting Shares repurchased	**—**		**—**	(376,546)		(8,521)
Issued and outstanding, end of period	**41,244,327**	**$**	**934,072**	41,030,346	$	929,294

The following table summarizes the changes in the Class B Shares issued:

	March 31, 2023			December 31, 2022		
	Number of shares		**Amount**	Number of shares		Amount
Issued and outstanding, beginning of period	**1,557,356**	**$**	**38,782**	1,557,356	$	38,782
Class B Shares converted into Subordinate Voting Shares	**(3)**		**—**	—		—
Issued and outstanding, end of period	**1,557,353**	**$**	**38,782**	1,557,356	$	38,782

Share Repurchases

The Company renewed its normal course issuer bid ("NCIB"), which commenced on September 21, 2022, under which the Company has the ability to purchase for cancellation up to a maximum number of 2,231,143 Subordinate Voting Shares through the facilities of the TSX at prevailing market prices and in accordance with the rules and policies of the TSX. The actual number of Subordinate Voting Shares that may be purchased, and the timing of any such purchases as determined by the Company, are subject to a maximum daily purchase limitation of 11,462 shares, except where purchases are made in accordance with block purchase exemptions under applicable TSX rules.

(in thousands of Canadian dollars, except number of shares and per share amounts)

In connection with the renewal of the NCIB, the Company has established an automatic securities purchase plan (the "Plan") with its designated broker to facilitate the purchase of Subordinate Voting Shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its Subordinate Voting Shares due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Company's broker based on the parameters prescribed by the TSX and the terms of the parties' written agreement. Outside of such restricted or blackout periods, the Subordinate Voting Shares may also be purchased in accordance with management's discretion. The Plan was pre-cleared by the TSX and will terminate on September 20, 2023.

In the three months ended March 31, 2023, no Subordinate Voting Shares were purchased for cancellation by the Company under its NCIB (year ended December 31, 2022 – 376,546 Subordinate Voting Shares at an average price of $39.53). The purchase price in excess of the carrying amount of $6,364 is recorded in retained earnings for the year ended December 31, 2022.

Dividends

In the three months ended March 31, 2023, the Company declared dividends of $5,349 on its Subordinate Voting Shares and Class B Shares (three months ended March 31, 2022 - $4,258).

18. Revenue

Revenue consisted of the following:

	For the three months ended March 31,	
	2023	2022
Revenue from contracts with customers	**$ 55,332**	$ 38,872
Revenue from other sources - lending portfolio	**395**	265
Revenue from other sources - rental income	**16,469**	14,077
Total revenue	**$ 72,196**	$ 53,214

Revenue from Contracts with Customers

The following table disaggregates revenue by major revenue stream and timing of revenue recognition:

For the three months ended March 31, 2023	Land	Housing and condominium	Investment properties	Recreational properties	Asset management	**Total**
Revenue	$ 3,401	$ 9,815	$ 3,452	$ 26,680	$ 14,352	**$ 57,700**
Less: Intercompany revenue	—	(1,350)	—	—	(1,018)	**(2,368)**
Revenue from external customers	$ 3,401	$ 8,465	$ 3,452	$ 26,680	$ 13,334	**$ 55,332**
Timing of revenue recognition						
At a point in time	$ 3,401	$ 8,465	$ —	$ 23,205	$ 3,659	**$ 38,730**
Over time	—	—	3,452	3,475	9,675	**16,602**
	$ 3,401	$ 8,465	$ 3,452	$ 26,680	$ 13,334	**$ 55,332**

For the three months ended March 31, 2022	Land	Housing and condominium	Investment properties	Recreational properties	Asset management	Total
Revenue	$ 5,147	$ 4,935	$ 2,095	$ 19,814	$ 9,872	$ 41,863
Less: Intercompany revenue	—	(1,078)	—	—	(1,913)	(2,991)
Revenue from external customers	$ 5,147	$ 3,857	$ 2,095	$ 19,814	$ 7,959	$ 38,872
Timing of revenue recognition						
At a point in time	$ 5,147	$ 3,857	$ —	$ 16,396	$ 1,123	$ 26,523
Over time	—	—	2,095	3,418	6,836	12,349
	$ 5,147	$ 3,857	$ 2,095	$ 19,814	$ 7,959	$ 38,872

(in thousands of Canadian dollars, except number of shares and per share amounts)

19. Interest expense

Interest expense consisted of the following:

	March 31, 2023	March 31, 2022
Interest on project-specific debt	$ 18,983	$ 9,111
Interest on corporate debt facilities	3,279	2,511
Amortization of deferred financing costs and accretion of effective interest	626	519
Project-specific interest capitalized to real estate development projects	(4,248)	(2,145)
Total	$ 18,640	$ 9,996

20. Financial instruments fair value and risk management

Fair Value of Financial Instruments

The following table categorizes financial assets or liabilities measured or disclosed at fair value by level according to the significance of inputs used in making measurements. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The Company recognizes transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There were no transfers between hierarchy levels during the period.

		March 31, 2023		December 31, 2022	
	Fair value hierarchy	Carrying value	Fair value	Carrying value	Fair value
Recurring measurement					
Financial assets					
Participating mortgages	Level 3	$ 5,193	$ 5,193	$ 5,193	$ 5,193
Interest rate swaps	Level 3	7,153	7,153	10,376	10,376
Investment holdings	Level 3	6,733	6,733	6,810	6,810
Lending portfolio	Level 3	5,193	5,193	5,066	5,066
Financial liabilities					
Dream Impact Trust units	Level 1	142,941	142,941	188,385	188,385
Dream Impact Fund units	Level 3	70,341	70,341	69,919	69,919
Interest rate swaps	Level 3	677	677	—	—
Convertible debentures (conversion features) - Dream Impact Trust	Level 3	356	356	449	449
Fair values disclosed					
Investment holdings	Level 2	42,548	41,261	34,140	32,055
Lending portfolio	Level 3	10,172	7,929	10,008	7,999
Operating line - Dream Impact Fund	Level 3	38,900	38,900	9,400	9,400
Construction loans	Level 3	346,709	328,001	328,139	324,629
Mortgages and term debt	Level 3	1,023,583	939,516	869,405	817,323
Operating line - Western Canada	Level 3	107,368	108,000	73,796	74,500
Operating line - Dream Impact Trust	Level 3	—	—	41,421	41,700
Non-revolving term facility	Level 3	223,150	225,000	223,128	225,000
Convertible debentures (host instruments) - Dream Impact Trust	Level 3	67,008	68,747	66,833	67,695

The fair values of cash and cash equivalents, accounts receivable, loans receivable, deposits, restricted cash and certain financial instruments included in accounts payable and other liabilities, with the exception of lease obligations, are carried at amortized cost, which approximates their fair values due to their short-term nature.

The fair value of the Dream Impact Trust units is based on the listed market price on the TSX as at March 31, 2023 of $3.09 per share for the 46,259,133 outstanding trust units not held by the Company.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Level 3 Fair Value Measurements

The Company used the following techniques to determine the fair value measurements categorized in Level 3:

Interest Rate Swaps

The fair value measurements of the interest rate swaps were valued by qualified external valuators based on the present value of the estimated future cash flow determined using observable yield curves.

Dream Impact Fund Units

The fair value of the Dream Impact Fund units liability is remeasured to fair value each period based on the Dream Impact Fund unit's closing net asset value.

Lending Portfolio

The fair value of the lending portfolio as at March 31, 2023 was determined by discounting the expected cash flows of each loan using an interest rate of 17.5%. The market interest rates were determined taking into consideration similar instruments with corresponding maturity dates, plus a credit adjustment in accordance with the borrower's creditworthiness as well as considering the risk characteristic of the underlying development.

Non-Revolving Term Facilities and Revolving Term Facilities

The fair value measurement of the non-revolving term facilities and revolving term facilities approximates the carrying value excluding unamortized financing costs given their variable rate.

Project-Specific Debt, Convertible Debentures and Lease Obligation

The fair value of the operating line - Western Canada, construction loans, mortgages and term debt and convertible debentures (host instruments) has been calculated by discounting the expected cash flows of each loan using a discount rate specific to each individual loan or obligation. The discount rate is determined using the bond yield for similar instruments of similar maturity adjusted for each individual project's specific credit risk. In determining the adjustment for credit risk, the Company considers current market conditions and other indicators of the Company's creditworthiness.

Convertible Debentures (Conversion Features) - Dream Impact Trust

The significant unobservable inputs used in the fair value measurement of the conversion features on the convertible debentures is the volatility. The Company calculated the expected volatility of the conversion features using historical pricing of Dream Impact Trust and other similar companies in the industry. The volatility used as at March 31, 2023 was 29.1%. If the volatility used in the fair value calculation were to increase by 5%, the value of the conversion features would increase by $392. If the volatility were to decrease by 5%, the value of the conversion features would decrease by $238.

Valuation Process

The Company's finance department is responsible for performing the valuation of fair value measurements or reviewing the fair value measurements provided by third-party appraisers. On a quarterly basis, management will review the valuation policies, procedures and analysis of changes in fair value measurements. Refer to Note 6 and Note 15 for continuities of the Company's lending portfolio balance and Dream Impact Fund units, respectively.

	Investment holdings	Convertible debentures (conversion features)	Interest rate swaps	Participating mortgages
Balance, December 31, 2022	$ 40,950	$ (449)	$ 10,376	$ 5,193
Issued or acquired during the period:				
Contributions/borrowings	—	—	—	—
Dispositions/extinguishment	(32,609)	—	—	—
Total gains or losses for the period included in net earnings:				
Change in fair value	40,940	93	—	—
Included in other comprehensive income:				
Change in fair value	—	—	(3,900)	—
Balance, March 31, 2023	**$ 49,281**	**$ (356)**	**$ 6,476**	**$ 5,193**

21. Share-based compensation

Stock Option Plan

The Company has a stock option plan under which key officers and employees are granted options to purchase Subordinate Voting Shares. Each option granted can be exercised for one Subordinate Voting Share.

(in thousands of Canadian dollars, except number of shares and per share amounts)

	March 31, 2023			December 31, 2022		
	Options		**Weighted average exercise price**	Options		Weighted average exercise price
Options outstanding, beginning of period	**865,845**	**$**	**16.96**	865,845	$	16.96
Options outstanding, end of period	**865,845**	**$**	**16.96**	865,845	$	16.96
Options exercisable, end of period	**845,836**	**$**	**16.92**	814,247	$	16.90

As at March 31, 2023, 865,845 options were outstanding under the stock option plan collectively. The fair value of the stock option grants is estimated on the historical grant date using the Black Scholes option pricing model.

In the three months ended March 31, 2023, the Company recognized an expense of $9 (three months ended March 31, 2022 – an expense of $21) relating to share-based compensation for stock options, recorded in general and administrative expenses.

Performance Share Unit Plan

PSUs may be granted to current employees and are subject to either time vesting only, or time and performance vesting. PSUs subject to performance vesting provide the holder with a minimum of 0 and a maximum of 1.5 Subordinate Voting Shares based on the achievement of predetermined Company performance goals. In lieu of receiving Subordinate Voting Shares on vesting, PSU holders have the right to request a cash payment equal to the five-day trailing weighted average share price of the Company's Subordinate Voting Shares on the vesting date or settlement date, when applicable; however, the form of payment on vesting is ultimately the decision of the Company.

	March 31, 2023			December 31, 2022		
	Units		**Weighted average fair value at grant date**	Units		Weighted average fair value at grant date
Units outstanding, beginning of period	**705,856**	**$**	**20.10**	571,332	$	17.02
Granted	**149,804**		**28.66**	116,818		41.03
Forfeited	**(6,295)**		**24.94**	(1,225)		41.03
PSUs added by performance factor	**7,501**		**24.94**	15,763		14.36
Reinvested	**4,564**		**22.31**	22,523		21.09
Exercised	**(18,675)**		**24.94**	(19,355)		14.36
Units outstanding, end of period	**842,755**	**$**	**22.25**	705,856	$	20.10

In the three months ended March 31, 2023, compensation expense of $1,072 (three months ended March 31, 2022 – $995) related to this plan was recognized in general and administrative expenses.

The fair value of PSUs granted in the three months ended March 31, 2023 was estimated on the historical grant date with the following assumptions:

Risk-free interest rate	4.0%
Expected life	3 years
Contractual life	10 years

Deferred Share Unit Plan

The Company has a DSU incentive plan pursuant to which DSUs may be granted to eligible directors, senior management and certain service providers. As at March 31, 2023, there were 305,470 units outstanding (December 31, 2022 – 298,896 units outstanding). In the three months ended March 31, 2023, compensation expense of $117 (three months ended March 31, 2022 – $117) related to this plan was recognized in general and administrative expenses.

	March 31, 2023	December 31, 2022
Units outstanding, beginning of period	**298,896**	266,143
Granted	**4,982**	23,464
Reinvested	**1,592**	9,289
Units outstanding, end of period	**305,470**	298,896

Restricted Share & Restricted Share Unit Plan

The Company has an RS & RSU Plan that grants to participants an amount of cash (a "Restricted Share Award") to be used exclusively to subscribe for Subordinate Voting Shares ("Restricted Shares") in accordance with the terms of the RS & RSU Plan.

In three months ended March 31, 2023, $4,532 in Restricted Share Awards was granted to be used to subscribe for Subordinate Voting Shares (December 31, 2022 - $3,528 in Restricted Share Awards) and 204,082 Restricted Shares (December 31, 2022 - 117,618 Restricted Shares) were issued to be held in escrow until February 2033. In the three months ended March 31, 2023, compensation expense of $534 (three months ended March 31, 2022 – $212) related to this plan was recognized in general and administrative expenses.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The net changes in contributed surplus relating to share-based compensation were as follows:

		March 31, 2023		December 31, 2022
Balance, beginning of period	$	18,082	$	15,701
Granted and added by performance factor, net of forfeitures		(2,922)		2,102
Dividends reinvested		120		557
Exercised		(466)		(278)
Balance, end of period	$	14,814	$	18,082

22. Earnings per share

Basic earnings per share is calculated by dividing the Company's earnings attributable to shareholders of the Company by the weighted average number of shares outstanding in the period.

Diluted earnings per share is calculated by dividing the Company's earnings attributable to the shareholders of the Company by the weighted average number of shares outstanding after the dilutive effect of the stock options, performance share units and deferred share units. The diluted weighted average number of shares used in the diluted earnings per share calculation is determined by assuming that the total proceeds received for the conversion of such units is used to repurchase Subordinate Voting Shares at the average selling price of such publicly traded units over the term of the calculation.
The following table summarizes the basic and diluted earnings per share and the weighted average number of shares outstanding:

	For the three months ended March 31,			
		2023		2022
Earnings attributable to the shareholders of the Company, basic and diluted	$	34,601	$	42,173
Weighted average number of shares outstanding:				
Dream Subordinate Voting Shares		41,117,726		41,084,377
Dream Class B Shares		1,557,353		1,557,356
Total weighted average number of shares		42,675,079		42,641,733
Effect of dilutive securities on weighted average number of shares outstanding at the end of the period:				
Share-based compensation[1]		1,459,031		1,388,066
Total weighted average number of shares outstanding after dilution		44,134,110		44,029,799
Basic earnings per share	$	0.81	$	0.99
Diluted earnings per share		0.78		0.96

[1] For the three months ended March 31, 2023, 157,504 PSUs were considered anti-dilutive (three months ended March 31, 2022 – 117,056 PSUs).

23. Commitments and contingencies

Letters of Credit and Surety Bonds

The Company is contingently liable for letters of credit and surety bonds that have been provided to support land developments, equity accounted investments and other activities in the amount of $99,099 (December 31, 2022 – $100,686). The Company is also contingently liable for bonds that have been provided to support certain urban development condominium partnerships that expire at the end of a specified warranty period.

The Company is committed to pay levies in the future of up to $21,056 (December 31, 2022 – $21,056) relating to signed municipal agreements on commencement of development of certain real estate assets. Additional development costs may also be required to satisfy the requirements of these municipal agreements.

Joint Operations, Co-ownerships, Joint Ventures and Associates

The Company may conduct its real estate activities from time to time through joint operations and joint ventures with third-party partners. The Company was contingently liable for the obligations of the other owners of the unincorporated joint operations and joint ventures in the amount of $307,862 as at March 31, 2023 (December 31, 2022 – $336,670). These guarantees include contingent liabilities for certain obligations of our joint venture partners, which are exclusive of our share of those guarantees that are included in our equity accounted investments on the condensed consolidated statements of financial position. However, the Company would have available to it the other co-venturers' share of assets to satisfy any obligations that may arise. From time to time, the Company may be required to fund capital contributions to its various investments.

Legal and Other Contingencies

The Company and its operating subsidiaries may become liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the condensed consolidated financial statements of the Company.

(in thousands of Canadian dollars, except number of shares and per share amounts)

24. Asset management and management services agreements and related party transactions

Dream Industrial REIT

In the three months ended March 31, 2023 and 2022, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Industrial REIT:

	For the three months ended March 31, 2023	2022
Asset management fees charged by Dream[1]	**$ 7,955**	$ 5,040
Cost recoveries charged by Dream	**278**	300

[1] Included in asset management fees charged to Dream Industrial REIT for the three months ended March 31, 2023 and 2022 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Industrial REIT related to asset management agreements and cost sharing agreements of $8,233 (December 31, 2022 - $5,593).

Dream Office REIT

Amounts earned/recovered under the shared services and property management agreements during the three months ended March 31, 2023 and 2022 are as follows:

	For the three months ended March 31, 2023	2022
Cost recoveries charged by Dream to Dream Office REIT	**$ 320**	$ 333
Cost recoveries charged by Dream Office REIT to Dream	**2,647**	2,305
Cost recoveries charged by Dream Office REIT to Dream Impact Trust	**623**	629
Fees charged by Dream to Dream Office REIT	**538**	588
Fees charged by Dream Office REIT to Dream	**93**	93
Fees charged by Dream Office REIT to Dream Impact Trust	**212**	223

The amount owing to Dream Office REIT as of March 31, 2023 was $374 (December 31, 2022 – $566).

Dream Residential REIT

In the three months ended March 31, 2023 and 2022, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Residential REIT:

	For the three months ended March 31, 2023	2022
Asset management fees charged by Dream[1]	**$ 201**	$ —
Cost recoveries charged by Dream	**79**	—

[1] Included in asset management fees charged to Dream Residential REIT for the three months ended March 31, 2023 and 2022 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Residential REIT related to asset management agreements and cost sharing agreements of $177 (December 31, 2022 - $423).

Industrial Joint Ventures

In the three months ended March 31, 2023, Dream Industrial REIT and a leading global sovereign wealth fund created a joint venture which acquired Summit Industrial Income REIT. The Company, through a subsidiary, entered into asset management and development management agreements with Dream Summit Industrial LP effective February 2023 pursuant to which the Company provides asset management and development management services.

Amounts earned under the various agreements with the Company's industrial-focused joint ventures (which also include the GTA Land Joint Venture and Dream U.S. Industrial Fund) during the three months ended March 31, 2023 and 2022 are as follows:

	For the three months ended March 31, 2023	2022
Fees earned under the fund/asset management agreement	**$ 2,880**	$ 727
Fees earned under the development management agreements	**72**	—

Included in accounts receivable are balances due from the Industrial joint ventures related to various agreements of $2,952 (December 31, 2022 - $1,169).

Distributions Earned from Investments

The Company earned distributions from Dream Residential REIT and Dream Office REIT (Note 10).

(in thousands of Canadian dollars, except number of shares and per share amounts)

Other Transactions
In the year ended December 31, 2018, the Company, along with Dream Office REIT, entered into a strategic partnership, Alate Partners, focused on the property technology market. The Company restructured its investment in Alate Partners in the year ended December 31, 2022 to allow for third party capital in a new fund, Alate I L.P. The Company and Dream Office REIT each hold a 20% interest in Alate I L.P., included within other development interests in equity accounted investments. As at March 31, 2023, the Company had funded $9,261 into Alate Partners (December 31, 2022 - $9,261).

25. Supplementary cash flow information

Components of other adjustments include:

		March 31, 2023		March 31, 2022
Accrued interest on loans receivable and other expenses	**$**	**(24)**	$	2,157
Share-based compensation expense		**(3,268)**		(2,421)
Fair value changes in financial instruments		**93**		993
Other		**3,578**		(2,329)
	$	**379**	$	(1,600)

Components of changes in non-cash working capital include:

		March 31, 2023		March 31, 2022
Accounts receivable	**$**	**39,612**	$	(6,015)
Accounts payable and other liabilities		**(32,805)**		(7,814)
Income and other taxes payable		**25,850**		1,108
Provision for real estate development costs		**(11,184)**		(2,079)
Deposits		**(930)**		1,049
Restricted cash		**1,312**		187
Inventory, prepaid expenses and other assets		**(1,153)**		(570)
	$	**20,702**	$	(14,134)

The breakdown of cash and cash equivalents is as follows:

		March 31, 2023		December 31, 2022
Cash	**$**	**84,370**	$	47,535
Money market funds, term deposits and GICs		**116**		98
	$	**84,486**	$	47,633

26. Segmented information

The Company's segment reporting considers how the Company presents information for financial reporting and management decision-making.

The Company's operating segments are as follows:

- *Recurring income*: Comprised of our asset management and development management agreements with Dream Industrial REIT, Dream Residential REIT and various development partners, fees earned through our private asset management business, a 37% equity interest in Dream Office REIT, a 12% equity interest in Dream Residential REIT, Dream Impact Trust's lending portfolio, and our stabilized income producing assets in the Greater Toronto Area ("GTA"), National Capital Region, Western Canada and Colorado.
- *Development*: Comprised of mixed-use developments in the GTA and National Capital Region, land, housing, retail/commercial, hospitality asset and multi-family rental developments in Saskatchewan and Alberta.

While not considered an individual reportable segment, Corporate and other includes: corporate-level cash and other working capital, consolidated tax balances and expense, our term facility and related interest expense, general and administrative expenses not allocated to a particular segment and the liability and fair value adjustments to Dream Impact Trust units and Dream Impact Fund units held by other unitholders.

Management has determined the operating segments based on how the President and Chief Responsible Officer and senior management review the business and manage risk. Gross margin represents revenue, less direct operating costs, excluding selling, marketing and other operating costs. Net margin represents gross margin, as defined above, including selling, marketing and other operating costs. Used as a percentage of revenue to evaluate operational efficiency, these margins are employed as fundamental business considerations in updating budgets, forecasts and strategic planning. The allocation of other components of earnings would not assist management in the evaluation of the segments’ contributions to earnings and are categorized as Corporate and other.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Segmented Statement of Earnings

Segmented revenue and expenditures for the three months ended March 31, 2023 and 2022 are as follows:

				March 31, 2023
	Recurring income	Development	Corporate and other	**Consolidated Dream**
Revenue	$ 59,538	$ 12,658	$ —	**$ 72,196**
Direct operating costs	(34,279)	(10,784)	—	**(45,063)**
Gross margin	25,259	1,874	—	**27,133**
Selling, marketing, depreciation and other operating costs	(2,332)	(7,066)	—	**(9,398)**
Net margin	22,927	(5,192)	—	**17,735**
Fair value changes in investment properties	2,076	917	—	**2,993**
Share of earnings from equity accounted investments	2,344	820	—	**3,164**
Investment and other income	(501)	1,853	554	**1,906**
Interest expense	(10,035)	(3,906)	(4,699)	**(18,640)**
Fair value changes in financial instruments	—	—	93	**93**
Net segment earnings (loss)	$ 16,811	$ (5,508)	$ (4,052)	**$ 7,251**
General and administrative expenses(1)	—	—	(6,587)	**(6,587)**
Adjustments related to Dream Impact Trust units(1)	—	—	41,408	**41,408**
Adjustments related to Dream Impact Fund units(1)	—	—	(422)	**(422)**
Income tax expense(1)	—	—	(7,049)	**(7,049)**
Net earnings (loss)	$ 16,811	$ (5,508)	$ 23,298	**$ 34,601**

				March 31, 2022
	Recurring income	Development	Corporate and other	Consolidated Dream
Revenue	$ 43,574	$ 9,640	$ —	$ 53,214
Direct operating costs	(26,120)	(7,618)	—	(33,738)
Gross margin	17,454	2,022	—	19,476
Selling, marketing, depreciation and other operating costs	(1,730)	(6,871)	—	(8,601)
Net margin	15,724	(4,849)	—	10,875
Fair value changes in investment properties	14,097	465	—	14,562
Share of earnings from equity accounted investments	23,020	32,068	—	55,088
Investment and other income	(240)	1,183	130	1,073
Interest expense	(5,122)	(1,777)	(3,097)	(9,996)
Fair value changes in financial instruments	4	(790)	(207)	(993)
Net segment earnings (loss)	$ 47,483	$ 26,300	$ (3,174)	$ 70,609
General and administrative expenses(1)		—	(4,615)	(4,615)
Adjustments related to Dream Impact Trust units(1)	—	—	(6,984)	(6,984)
Adjustments related to Dream Impact Fund units(1)	—	—	(1,846)	(1,846)
Income tax expense(1)	—	—	(14,991)	(14,991)
Net earnings (loss)	$ 47,483	$ 26,300	$ (31,610)	$ 42,173

(1) Certain line items are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Segmented Assets and Liabilities

Segmented assets and liabilities as at March 31, 2023 and December 31, 2022 were as follows:

				March 31, 2023
	Recurring income	Development	Corporate and other	**Consolidated Dream**
Assets				
Cash and cash equivalents	$ 36,962	$ 15,185	$ 32,339	**$ 84,486**
Accounts receivable	35,043	221,122	6,101	**262,266**
Other financial assets	45,032	41,539	4,023	**90,594**
Lending portfolio	15,365	—	—	**15,365**
Housing inventory	—	48,369	—	**48,369**
Condominium inventory	—	378,079	—	**378,079**
Land inventory	206	466,236	—	**466,442**
Investment properties	1,459,830	177,056	—	**1,636,886**
Recreational properties	81,688	—	—	**81,688**
Equity accounted investments	659,441	299,644	—	**959,085**
Capital and other operating assets	12,176	35,523	11,305	**59,004**
Total assets	$ 2,345,743	$ 1,682,753	$ 53,768	**$ 4,082,264**
Liabilities				
Accounts payable and other liabilities	$ 57,296	$ 142,046	$ 23,827	**$ 223,169**
Income and other taxes payable[1]	—	—	83,213	**83,213**
Provision for real estate development costs	—	62,978	—	**62,978**
Debt	1,051,189	465,371	290,514	**1,807,074**
Dream Impact Trust units[1]	—	—	142,941	**142,941**
Dream Impact Fund units[1]	—	—	70,341	**70,341**
Deferred income taxes[1]	—	—	111,151	**111,151**
Total liabilities	$ 1,108,485	$ 670,395	$ 721,987	**$ 2,500,867**
Shareholders' equity	1,237,258	1,012,358	(668,219)	**1,581,397**
Total equity	$ 1,237,258	$ 1,012,358	$ (668,219)	**$ 1,581,397**

[1] Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

		December 31, 2022		
	Recurring income	Development	Corporate and other	Consolidated Dream
Assets				
Cash and cash equivalents	$ 27,739	$ 15,270	$ 4,624	$ 47,633
Accounts receivable	26,436	233,564	8,037	268,037
Other financial assets	37,155	59,055	4,854	101,064
Lending portfolio	15,074	—	—	15,074
Housing inventory	—	48,146	—	48,146
Condominium inventory	—	346,979	—	346,979
Land inventory	206	469,942	—	470,148
Investment properties	1,410,271	148,240	—	1,558,511
Recreational properties	80,300	—	—	80,300
Equity accounted investments	644,700	317,037	—	961,737
Capital and other operating assets	16,259	31,390	11,216	58,865
Total assets	$ 2,258,140	$ 1,669,623	$ 28,731	$ 3,956,494
Liabilities				
Accounts payable and other liabilities	$ 64,506	$ 175,463	$ 27,903	$ 267,872
Income and other taxes payable[1]	—	—	57,363	57,363
Provision for real estate development costs	262	73,900	—	74,162
Debt	916,137	364,603	331,831	1,612,571
Dream Impact Trust units[1]	—	—	188,385	188,385
Dream Impact Fund units	—	—	69,919	69,919
Deferred income taxes[1]	—	—	132,530	132,530
Total liabilities	$ 980,905	$ 613,966	$ 807,931	$ 2,402,802
Shareholders' equity	1,277,235	1,055,657	(779,200)	1,553,692
Total equity	$ 1,277,235	$ 1,055,657	$ (779,200)	$ 1,553,692

[1] Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

27. Classification of items in condensed consolidated statements of financial position

A summary of the classification of assets and liabilities to be recovered or settled within or over twelve months is presented below.

				March 31, 2023
	Less than 12 months	Greater than 12 months	Non-determinable	**Total**
Assets				
Cash and cash equivalents	$ 84,486	$ —	$ —	**$ 84,486**
Accounts receivable	195,830	66,436	—	**262,266**
Other financial assets	44,498	46,096	—	**90,594**
Lending portfolio	5,193	10,172	—	**15,365**
Housing inventory	—	—	48,369	**48,369**
Condominium inventory	—	—	378,079	**378,079**
Land inventory	—	—	466,442	**466,442**
Investment properties	—	1,636,886	—	**1,636,886**
Recreational properties	—	81,688	—	**81,688**
Equity accounted investments	—	—	959,085	**959,085**
Capital and other operating assets	20,197	38,807	—	**59,004**
Total assets	$ 350,204	$ 1,880,085	$ 1,851,975	**$ 4,082,264**
Liabilities				
Accounts payable and accrued liabilities	$ 164,208	$ 13,714	$ 45,247	**$ 223,169**
Income and other taxes payable	83,213	—	—	**83,213**
Provision for real estate development costs	62,978	—	—	**62,978**
Debt[1]	384,929	1,422,145	—	**1,807,074**
Dream Impact Trust units[2]	—	—	142,941	**142,941**
Dream Impact Fund units[2]	—	—	70,341	**70,341**
Deferred income taxes	—	111,151	—	**111,151**
Total liabilities	$ 695,328	$ 1,547,010	$ 258,529	**$ 2,500,867**

[1] The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.
[2] Dream Impact Trust units and Dream Impact Fund units may be redeemed at the option of the holder with no expiry date.

(in thousands of Canadian dollars, except number of shares and per share amounts)

				December 31, 2022
	Less than 12 months	Greater than 12 months	Non-determinable	Total
Assets				
Cash and cash equivalents	$ 47,633	$ —	$ —	$ 47,633
Accounts receivable	207,363	60,674	—	268,037
Other financial assets	34,407	66,657	—	101,064
Lending portfolio	5,066	10,008	—	15,074
Housing inventory	—	—	48,146	48,146
Condominium inventory	—	—	346,979	346,979
Land inventory	—	—	470,148	470,148
Investment properties	—	1,558,511	—	1,558,511
Recreational properties	—	80,300	—	80,300
Equity accounted investments	—	—	961,737	961,737
Capital and other operating assets	22,937	35,928	—	58,865
Total assets	$ 317,406	$ 1,812,078	$ 1,827,010	$ 3,956,494
Liabilities				
Accounts payable and accrued liabilities	$ 205,929	$ 15,613	$ 46,330	$ 267,872
Income and other taxes payable	57,363	—	—	57,363
Provision for real estate development costs	74,162	—	—	74,162
Debt[1]	416,152	1,196,419	—	1,612,571
Dream Impact Trust units[2]	—	—	188,385	188,385
Dream Impact Fund units[2]	—	—	69,919	69,919
Deferred income taxes	—	132,530	—	132,530
Total liabilities	$ 753,606	$ 1,344,562	$ 304,634	$ 2,402,802

[1] The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.
[2] Dream Impact Trust units may be redeemed at the option of the holder with no expiry date.

Corporate Information

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STOCK EXCHANGE LISTING
The Toronto Stock Exchange
Listing Symbols:
Subordinate Voting Shares: DRM

For more information, please visit
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