# DREAM RESIDENTIAL REIT REPORTS Q2 2023 RESULTS AND ACHIEVEMENT OF IPO FORECAST

*This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release. All dollar amounts are in U.S. dollars.*

**TORONTO, August 2, 2023, DREAM RESIDENTIAL REAL ESTATE INVESTMENT TRUST (TSX: DRR.U) ("Dream Residential REIT" or the "REIT" or "we" or "us")** today announced its financial results for the three and six months ended June 30, 2023 ("Q2 2023"). The results presented for the three months ended June 30, 2023 are compared to the financial forecast for the same period (the "Forecast") contained in the REIT's final prospectus dated April 29, 2022. Management will host a conference call to discuss the financial results on August 3, 2023 at 10:00 a.m. (ET).

**HIGHLIGHTS**

- Q2 2023 net income was $11.0 million, which comprises net rental income of $7.7 million, fair value adjustments to investment properties of ($1.4) million and fair value adjustments to financial instruments of $8.1 million, primarily from the revaluation of Class B units of DRR Holdings LLC, a subsidiary of the REIT ("Class B Units" and together with the Trust Units, "Units"). Partially offsetting these items were cumulative other income and expenses of $(3.4) million.
- Diluted funds from operations ("FFO") per Unit[1] was $0.18 for Q2 2023, largely consistent with the Forecast.
- Net operating income ("NOI")[2] was $6.1 million in Q2 2023 and in line with the Forecast. Net rental income was $7.7 million in Q2 2023 compared to $7.8 million in the Forecast, primarily due to an increase in investment properties operating expenses of $0.3 million, partially offset by investment properties revenue, which was $0.2 million higher than the Forecast for the three months ended June 30, 2023.
- Average monthly rent as at June 30, 2023 was $1,122 per unit compared to $1,095 per unit at March 31, 2023, an increase of 2.5%.
- Portfolio occupancy was 94.1% as of June 30, 2023, with Greater Oklahoma City at 94.1%, Greater Dallas-Fort Worth at 91.0% and Greater Cincinnati at 97.7%.
- Total equity (per condensed consolidated financial statements) was $235.6 million as at June 30, 2023, compared to $239.3 million as at December 31, 2022.
- Net asset value ("NAV")[3] per Unit was $14.85 as at June 30, 2023 compared to $14.50 as at December 31, 2022.
- Net total debt-to-net total assets[4] was 30.8% as at June 30, 2023, total mortgages payable were $140.5 million and total assets (per condensed consolidated financial statements) were $437.2 million. Total assets were comprised primarily of $425.0 million of investment properties and $8.4 million of cash and cash equivalents.
- The REIT declared distributions totalling $0.105 per Unit during Q2 2023.
- The REIT purchased a total of 119,336 Trust Units under its current normal course issuer bid that commenced on January 6, 2023, for a total of $1.0 million for the period from April 1, 2023 through August 2, 2023.

"We have now completed the IPO Forecast period and are pleased that NOI and FFO met expectations," said Brian Pauls, Chief Executive Officer of Dream Residential REIT. "We will continue to manage the portfolio to optimize growth and seek opportunities to scale the business and create value for our unitholders."

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

[2] NOI is a non-GAAP financial measure. The tables included in the Appendices section of this press release reconcile NOI for the three months ended June 30, 2023 and the period from May 6, 2022 to June 30, 2022 to net rental income. For further information on this non-GAAP financial measure, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

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

[4] Net total debt-to-net total assets is a non-GAAP ratio. For further information on this non-GAAP ratio, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

## FINANCIAL HIGHLIGHTS

| (unaudited) (in thousands unless otherwise stated) | *Actual* Three months ended June 30, 2023 | *Forecasted* Three months ended June 30, 2023 | *Variance* | *Actual* Period from May 6, 2022 to June 30, 2022 |
|---|---|---|---|---|
| **Operating results** | | | | |
| Net income | **$ 11,005** | $ 4,069 | $ 6,936 | $ 84,825 |
| FFO[1] | **3,464** | 3,452 | 12 | 1,868 |
| Net rental income | **7,685** | 7,802 | (117) | 4,050 |
| NOI[10] | **6,107** | 6,136 | (29) | 3,516 |
| NOI margin[11] | **51.1%** | 52.2% | (110) bps | 52.2% |
| **Per Unit amounts** | | | | |
| Distribution rate per Trust Unit | **$ 0.105** | $ 0.105 | $ - | $ 0.029 |
| Diluted FFO per Unit[2][3] | **0.18** | 0.17 | 0.01 | 0.09 |

*See footnotes at end*

Net income for Q2 2023 was $11.0 million or $6.9 million higher than the Forecast, primarily as a result of the fair value adjustments to financial instruments. This was partially offset by the fair value adjustments to investment properties with a net impact of $6.7 million for the three months ended June 30, 2023. The remaining difference was mainly driven by lower interest expense on Class B Units as a result of Class B Units that were redeemed on a one-for-one basis for Trust Units in Q4 2022. FFO for Q2 2023 was $3.5 million and consistent with the Forecast. Q2 2023 diluted FFO per Unit was $0.18 and consistent with the Forecast.

Net rental income for Q2 2023 was $7.7 million compared to the Forecast of $7.8 million. NOI for Q2 2023 was $6.1 million and consistent with the Forecast. NOI margin of 51.1% was 110 basis points lower than the Forecast, primarily due to higher than forecasted investment properties operating expenses, attributable to increased property insurance and advertising expenses. Q2 2023 NOI includes investment properties revenue of $12.0 million, which exceeded Forecast by $0.2 million as a result of strong renewal rates across the REIT's portfolio combined with value-add rental premiums.

## PORTFOLIO INFORMATION

| | As at | |
|---|---|---|
| (unaudited) | **June 30, 2023** | March 31, 2023 |
| **Total portfolio** | | |
| Number of assets | **16** | 16 |
| Investment properties fair value (in thousands) | **$ 424,980** | $ 422,560 |
| Units | **3,432** | 3,432 |
| Occupancy rate – in place (period-end) | **94.1%** | 94.0% |
| Average in-place base rent per month per unit | **$ 1,122** | $ 1,095 |
| Estimated market rent to in-place base rent spread (%) (period-end) | **8.6%** | 5.8% |
| Tenant retention ratio (quarter-end)[12] | **52.7%** | 59.9 % |

*See footnotes at end*

## ORGANIC GROWTH

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

Weighted average monthly rent as at June 30, 2023 was $1,122 per unit, representing a 2.5% increase from March 31, 2023. Rental rate increases were experienced across all of the REIT's primary markets including Greater Cincinnati at 3.1%, Greater Oklahoma City at 2.9% and Greater Dallas-Fort Worth at 1.7% from March 31, 2023.

During Q2 2023, blended lease trade outs averaged 7.2%. This compares to 7.9% in Q1 2023 and were comprised of an average increase on new leases of approximately 5.4% and an average increase on renewals of approximately 8.8%. At June 30, 2023, estimated market rents were $1,219 per unit, or an average gain-to-lease for the portfolio of 8.6%. The retention rate for the quarter ended June 30, 2023 was 52.7% compared to 59.9% for the three months ended March 31, 2023 due to the growth in new leases during the period.

### Value-Add Initiatives

During Q2 2023, renovations were completed on 109 suites across Greater Dallas-Fort Worth and Greater Oklahoma City, with an additional 43 suites under renovation as at June 30, 2023. For the three months ended June 30, 2023, the average new lease trade out on renovated suites was $235 per unit higher than expiring leases, or a premium of 22.3%.

"Despite moderating fundamentals in the broader Sunbelt, we continue to see attractive rental rate growth across our portfolio," said Scott Schoeman, Chief Operating Officer of Dream Residential REIT. "Returns on our value-add renovations are attractive and the program remains a priority for the REIT. We are also continually reviewing our operations to identify efficiencies and cost savings to enhance our margins."

## FINANCING AND CAPITAL INFORMATION

| | | As at | |
|---|---|---|---|
| (unaudited)<br>(dollar amounts presented in thousands, except for per Unit amounts) | | **June 30, 2023** | December 31, 2022 |
| **Financing** | | | |
| Net total debt-to-net total assets(4) | | **30.8%** | 29.7% |
| Average term to maturity on debt (years) | | **5.7** | 5.6 |
| Interest coverage ratio (times)(5) | | **2.9** | 2.7 |
| Undrawn credit facility | **$** | **70,000** | 70,000 |
| Available liquidity(6) | **$** | **78,382** | 81,645 |
| **Capital** | | | |
| Total equity | **$** | **235,588** | 239,291 |
| Total equity (including Class B Units)(7) | **$** | **291,678** | 286,968 |
| Total number of Trust Units and Class B Units(8) | | **19,644** | 19,788 |
| Net asset value (NAV) per Unit(9) | **$** | **14.85** | 14.50 |
| Trust Unit price | **$** | **8.00** | 6.80 |

*See footnotes at end*

As of June 30, 2023, net total debt-to-net total assets was 30.8%, total mortgages payable were $140.5 million and total assets were $437.2 million. The REIT ended Q2 2023 with total available liquidity of approximately $78.4 million(6), comprised of $8.4 million of cash and cash equivalents and $70 million available on its undrawn revolving credit facility.

Total equity of $235.6 million decreased from December 31, 2022 by $3.7 million. At June 30, 2023, there were approximately 12.6 million Trust Units and 7.0 million Class B Units.

NAV per Unit as at June 30, 2023 increased slightly to $14.85 from $14.50 as at December 31, 2022, mainly due to an increase in working capital and the impact of unit repurchases under our NCIB.

The REIT remained active on its NCIB program. The REIT has purchased 150,758 Trust Units under its NCIB at a total of $1.2 million through August 2, 2023.

**CONFERENCE CALL**

Senior management will host a conference call to discuss the financial results on Thursday, August 3, 2023, at 10:00 a.m. (ET). To access the conference call, please dial 1-800-806-5484 (toll free) or 416-340-2217 (toll) and use passcode 5984602#. To access the conference call via webcast, please go to Dream Residential REIT's website at www.dreamresidentialreit.ca and click the link for the webcast. A taped replay of the conference call and the webcast will be available for ninety (90) days following the call.

**OTHER INFORMATION**

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

Dream Residential REIT is an unincorporated, open-ended real estate investment trust established and governed by the laws of the Province of Ontario. The REIT owns an initial portfolio of 16 garden-style multi-residential properties, consisting of 3,432 units primarily located in three markets across the Sunbelt and Midwest regions of the United States. For more information, please visit www.dreamresidentialreit.ca.

***Non-GAAP financial measures, ratios and supplementary financial measures***

*The REIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the REIT discloses and discusses certain non-GAAP financial measures and ratios, including FFO, diluted FFO per Unit, NOI, NOI margin, net total debt-to-net total assets ratio, net total debt, net total assets, adjusted EBITDAFV, interest coverage ratio (times), available liquidity, total equity (including Class B Units) and NAV per Unit as well as other measures discussed elsewhere in this press release. These non-GAAP financial measures and ratios are not defined by or recognized under IFRS and do not have a standardized meaning under IFRS. The REIT's method of calculating these non-GAAP financial measures and ratios may differ from other issuers and may not be comparable with similar measures presented by other issuers. The REIT has presented such non-GAAP financial measures and ratios as management believes they are relevant measures of the REIT's underlying operating and financial performance. Certain additional disclosures such as the composition, usefulness and changes, as applicable, of the non-GAAP financial measures and ratios included in this press release are expressly incorporated by reference from the management's discussion and analysis of the financial condition and results from operations of the REIT as at and for the three and six months ended June 30, 2023, dated August 2, 2023 (the "Q2 2023 MD&A") and can be found under the section "Non-GAAP Financial Measures and Ratios" and respective sub-headings labelled "FFO and diluted FFO per Unit", "NAV per Unit", "NOI and NOI margin", "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments (Adjusted EBITDAFV)", "Available liquidity", "Total equity (including Class B Units)", "Interest coverage ratio (times)" and "Net total debt-to-net total assets". In this press release, the REIT also discloses and discusses certain supplementary financial measures including tenant retention ratio and weighted average number of units. The composition of supplementary financial measures included in this press release are expressly incorporated by reference from the Q2 2023 MD&A and can be found under* *the section "Supplementary Financial Measures and Other Disclosures". The Q2 2023 MD&A is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the REIT's profile and on the REIT's website at [www.dreamresidentialreit.ca](http://www.dreamresidentialreit.ca) under the Investors section. Non-GAAP financial measures and ratios should not be considered as alternatives to net income, net rental income, cash flows generated from (utilized in) operating activities, cash and cash equivalents, total assets, non-current debt, total equity, or comparable metrics determined in accordance with IFRS as indicators of the REIT's performance, liquidity, cash flow, and profitability.*

***Forward-Looking Information***

*This press release may contain forward-looking information within the meaning of applicable securities legislation. Such information includes statements regarding our intention to continue to manage our portfolio to optimize growth and seek opportunities to scale our business and create value for our unitholders; our intention to implement our value-enhancing renovation initiatives across our portfolio and our expectations regarding rental rate growth and upgrading the quality of the REIT's portfolio; our expectations with respect to internal growth; and the value proposition of our renovation program and our renovation plans. Forward-looking information generally can be identified by the use of forward-looking terminology such as "will", "expect", "believe", "plan", or "continue", or similar expressions suggesting future outcomes or events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream Residential REIT's control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, risks inherent in the real estate industry; financing risks; inflation, interest and currency rate fluctuations; global and local economic and business conditions; risks associated with unexpected or ongoing geopolitical events; changes in law; tax risks; competition; environmental and climate change risks; insurance risks; cybersecurity; and uncertainties surrounding the COVID-19 pandemic and other public health crises and epidemics. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable; there are no unforeseen changes in the legislative and operating framework for our business; we will have access to adequate capital to fund our future projects and plans and that we will receive financing on acceptable terms; inflation and interest rates will not materially increase beyond current market expectations; and geopolitical events will not disrupt global economies. All forward-looking information in this press release speaks as of the date of this press release. Dream Residential REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in Dream Residential REIT's filings with securities regulators, including its annual information form dated March 31, 2023, including under the heading "Risk Factors" therein and its latest management's discussion and analysis.*

For further information, please contact:


**Dream Residential REIT**

| | | |
|---|---|---|
| **Brian Pauls** | **Derrick Lau** | **Scott Schoeman** |
| Chief Executive Officer | Chief Financial Officer | Chief Operating Officer |
| (416) 365-2365 | (416) 365-2364 | (303) 519-3020 |
| bpauls@dream.ca | dlau@dream.ca | sschoeman@dream.ca |

**FOOTNOTES**

(1) FFO is a non-GAAP financial measure. The most directly comparable financial measure to FFO is net income. For further information on this non-GAAP measure, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release. The table included in the Appendices section of this press release reconciles FFO for the three months ended June 30, 2023 and the period from May 6, 2022 to June 30, 2022 to net income.

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

(3) A description of the determination of diluted amounts per Unit can be found in the REIT's Q2 2023 MD&A in the section "Supplementary Financial Measures and Other Disclosures", under the heading "Weighted average number of Units".

(4) Net total debt-to-net total assets is a non-GAAP ratio. Net total debt-to-net total assets comprises net total debt (a non-GAAP financial measure) divided by net total assets (a non-GAAP financial measure). The most directly comparable financial measure to net total debt is mortgages payable, and the most directly comparable financial measure to net total assets is total assets. For further information on this non-GAAP ratio and these non-GAAP financial measures, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

(5) Interest coverage ratio (times) is a non-GAAP ratio. Interest coverage ratio is comprised of adjusted EBITDAFV (a non-GAAP financial measure) divided by interest expense on debt. The table included in the Appendices section of this press release reconciles adjusted EBITDAFV to net income. The most directly comparable financial measure to adjusted EBITDAFV is net income. For further information on this non-GAAP ratio and non-GAAP financial measure, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

(6) Available liquidity is a non-GAAP financial measure. The most directly comparable financial measure to available liquidity is the undrawn credit facility. The table included in the Appendices section of this press release reconciles available liquidity to the undrawn credit facility as at June 30, 2023 and December 31, 2022. For further information on this non-GAAP measure, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

(7) Total equity (including Class B Units) is a non-GAAP financial measure. The most directly comparable financial measure to total equity (including Class B Units) is total equity. For further information on this non-GAAP measure, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release. The table included in the Appendices section of this press release reconciles total equity (including Class B Units) to total equity (per the condensed consolidated financial statements) as at June 30, 2023 and December 31, 2022.

(8) Total number of Units includes 12,632,792 Trust Units and 7,011,203 Class B Units that are classified as a liability under IFRS.

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

(10) NOI is a non-GAAP financial measure. The most directly comparable financial measure to NOI is net rental income. The table included in the Appendices section of this press release reconciles NOI for the three months ended June 30, 2023 and the period from May 6, 2022 to June 30, 2022 to net rental income. For further information on this non-GAAP financial measure, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

(11) NOI margin is a non-GAAP ratio. NOI margin is defined as NOI (a non-GAAP financial measure) divided by investment properties revenue, as a percentage. For further information on this non-GAAP ratio, please refer to the statements under the heading "Non-GAAP financial measures, ratios and supplementary financial measures" in this press release.

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

***Appendices***

***Reconciliation of FFO to net income***

The table below reconciles FFO to net income for the three months ended June 30, 2023 and the period from May 6, 2022 to June 30, 2022:

| (in thousands of dollars, unless otherwise stated) | | **Three months ended June 30, 2023** | | **Period from May 6, 2022 to June 30, 2022** |
|---|---|---|---|---|
| **Net income for the period** | $ | **11,005** | $ | 84,825 |
| Add (deduct): | | | | |
| Fair value adjustments to investment properties | | **1,406** | | (44,683) |
| Fair value adjustments to financial instruments | | **(8,105)** | | (38,381) |
| Property tax liability adjustment (IFRIC 21) | | **(1,578)** | | (534) |
| Interest expense on Class B Units | | **736** | | 641 |
| **Funds from operations (FFO) for the period** | $ | **3,464** | $ | 1,868 |
| Diluted weighted average number of Units (in thousands) | | **19,773** | | 19,806 |
| Diluted FFO per Unit | $ | **0.18** | $ | 0.09 |

***Reconciliation of NOI to net rental income***

The table below reconciles NOI to net rental income for the three months ended June 30, 2023 and the period from May 6, 2022 to June 30, 2022:

| (in thousands of dollars, unless otherwise stated) | | **Three months ended June 30, 2023** | | **Period from May 6, 2022 to June 30, 2022** |
|---|---|---|---|---|
| Investment properties revenue | $ | **11,955** | $ | 6,742 |
| Property operating expenses | | **(4,270)** | | (2,692) |
| Net rental income | | **7,685** | | 4,050 |
| Property tax liability adjustment (IFRIC 21) | | **(1,578)** | | (534) |
| **Net operating income (NOI)** | | **6,107** | | 3,516 |
| NOI Margin | | **51.1%** | | 52.2% |

### *Reconciliation of adjusted EBITDAFV to net income*

The table below reconciles adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments to net income for the six months ended June 30, 2023 and the period from May 6, 2022 to December 31, 2022:

| (in thousands, unless otherwise stated) | | Six months ended June 30, 2023 | | Period from May 6, 2022 to December 31, 2022 |
|---|---|---|---|---|
| Net income for the period | $ | **137** | $ | 112,826 |
| Add (deduct): | | | | |
| Interest expense - debt | | **3,668** | | 4,716 |
| Interest expense - Class B Units | | **1,472** | | 2,630 |
| Fair value adjustments to investment properties | | **(661)** | | (47,677) |
| Fair value adjustments to financial instruments | | **8,423** | | (61,721) |
| Debt settlement costs | | **259** | | - |
| Property tax liability adjustment (IFRIC 21) | | **(2,643)** | | 1,896 |
| **Adjusted EBITDAFV for the period** | **$** | **10,655** | **$** | 12,670 |
| Interest expense on debt | | **3,668** | | 4,716 |
| **Interest coverage ratio (times)** | | **2.9** | | 2.7 |

### *Reconciliation of available liquidity to undrawn credit facility*

The table below reconciles available liquidity to cash and cash equivalents as at June 30, 2023 and December 31, 2022:

| (in thousands of dollars) | | As at June 30, 2023 | | As at December 31, 2022 |
|---|---|---|---|---|
| Undrawn credit facility | $ | **70,000** | | 70,000 |
| Cash and cash equivalents | | **8,382** | $ | 11,645 |
| **Available liquidity** | **$** | **78,382** | **$** | 81,645 |

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

The table below reconciles total equity (including Class B Units) and NAV per Unit to total equity as at June 30, 2023 and December 31, 2022:

| | As at June 30, 2023 | | | As at December 31, 2022 | | |
|---|---|---|---|---|---|---|
| (in thousands of dollars, except number of Units) | **Units** | | **Amount** | **Units** | | **Amount** |
| Unitholders' equity | **12,632,792** | **$** | **128,094** | 12,776,418 | $ | 129,265 |
| Retained earnings | **—** | | **107,494** | — | | 110,026 |
| **Total equity per condensed consolidated financial statements** | **12,632,792** | | **235,588** | 12,776,418 | | 239,291 |
| Add: Class B Units | **7,011,203** | | **56,090** | 7,011,203 | | 47,677 |
| **Total equity (including Class B Units)** | **19,643,995** | | **291,678** | 19,787,621 | | 286,968 |
| **NAV per Unit** | | **$** | **14.85** | | $ | 14.50 |

***Reconciliation of net total debt to mortgages payable and net total assets to total assets and calculation of net total debt-to-net total assets to net total debt and net total assets***

The following table reconciles net total debt to mortgages payable and net total assets to total assets and calculates net total debt-to-net total assets as at June 30, 2023 and December 31, 2022:

| | | As at June 30, 2023 | | As at December 31, 2022 |
|---|---|---|---|---|
| (in thousands of dollars, unless otherwise stated) | | **Amount** | | **Amount** |
| Mortgages payable | $ | **140,549** | $ | 136,621 |
| Less: Cash and cash equivalents | $ | **(8,382)** | $ | (11,645) |
| **Net total debt** | **$** | **132,167** | $ | 124,976 |
| Total assets | $ | **437,179** | $ | 432,504 |
| Less: Cash and cash equivalents | $ | **(8,382)** | $ | (11,645) |
| **Net total assets** | **$** | **428,797** | $ | 420,859 |
| **Net total debt-to-net total assets** | | **30.8%** | | 29.7% |