DREAM UNLIMITED CORP. REPORTS FOURTH QUARTER RESULTS AND MANAGEMENT CHANGES

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 amounts are in Canadian dollars.

TORONTO, February 21, 2024, Dream Unlimited Corp. (TSX: DRM) ("Dream", "the Company" or "we") today announced its financial results for the three and twelve months ended December 31, 2023 ("fourth quarter").

"For many years we have been expecting the end of the never ending decline of interest rates. In 2023 we experienced the brunt of the reversal of interest rates to a 20 year high. The Company weathered the severe adjustment well, however, our interest in income properties experienced fair value adjustments as capitalization rates increased and the value adjustments hit our office buildings the hardest," said Michael Cooper, Chief Responsible Officer. "However, we currently have the highest pre-sales of land in our history as a result of parcel sales in Alpine Park, Edmonton and Saskatoon as well as our normal lot sales across all our communities. We also increased our assets under management by nearly 40% from a year ago and completed over 950 apartment units with an expectation that we will start construction on 1,400 units in 2024. Upon completion of the sale of Arapahoe Basin, our liquidity will increase to among the highest in our history which is expected to be maintained. The transition of Dream to be primarily focused on asset management, owning and operating income properties with a strong weighting on purpose built rental and continued development of our core Western Canadian lands is becoming clearer."

Dream has published a supplemental information package on our website concurrent with the release of our fourth quarter results.

Subsequent to the fourth quarter, the Company's Board of Directors approved an increase to the annual dividend per Subordinate Voting Share and Class B Share from $0.50 per share to $0.60 per share, effective with the dividend payable to shareholders on March 28, 2024.

Highlights: Recurring Income

- Revenue and net operating income(1) for the three months ended December 31, 2023 were $58.0 million and $25.6 million, respectively, up from $42.7 million and $14.3 million, respectively, in 2022. The increases are primarily attributable to higher fees earned in our asset management business as the fee-earning asset base has grown to $17 billion in 2023 from $11 billion in the comparative year. This was partially offset by lower net operating income from Arapahoe Basin. Similarly, revenue and net operating income(1) for the year ended December 31, 2023 were $45.4 million and $21.2 million higher than the comparative year due to the aforementioned reason and higher occupancies at Aalto Suites, our 162 unit rental building at our Zibi development, the launch of Aalto II in the fourth quarter of 2023 and higher occupancy rates in our retail property portfolio.

- During 2023, we completed the most purpose-built rental buildings in our history (954 units in total), with the completion of 770 units at Maple House at Canary Landing in Toronto, Aalto II at Zibi in the National Capital Region, and 15 town homes and 21 single family rentals at Brighton in Saskatoon. All of these buildings are being leased up as expected, with some product lines being leased above budget. In the next two years, we expect to complete an additional 1,572 units including Cherry House and Birch House at Canary Landing (1,093 rental units), Common at Zibi (207 units), along with another 120-unit apartment building, 110 town homes and 42 single family rentals in Saskatoon.

- In 2024, we expect to start construction on our next apartments, town homes and single family rentals in Saskatoon, along with our first apartment building in Alpine Park in Calgary. We have also received a financing commitment for LeBreton Flats Library Parcel and we expect to commence construction on the 608-unit development this spring. We are also making progress on financing commitments for two additional buildings at Zibi that would comprise an additional 439 units. Altogether, we hope to commence the development of 1,400 units in 2024. With the waiver of HST on purpose-built rentals and progress on pricing our construction costs, we are seeing success in starting purpose-built rental projects across Canada. We continue to focus on these types of projects that can turn our land into income-generating properties with a desirable risk-adjusted return.

- Our asset management revenue increased by $23.4 million, or nearly 50%, largely driven by the growth of our industrial assets under management as well as the build out of our industrial development pipeline. Based on development work that has been completed by our teams, we expect that our assets under management will continue to grow based on our expanding industrial portfolio, along with our growing multi-family rental portfolio.

- Adjusting for losses from Dream Office REIT, share of earnings from equity accounted investments for the three months and year ended December 31, 2023 was $8.6 million and $10.8 million, respectively, up from $3.6 million and $7.1 million in 2022. The increase is attributable fair value gains at Maple House at Canary Landing, which commenced occupancy in September. Share of loss from equity accounted investments for the three months and year ended December 31, 2023 was $64.3 million and $170.6 million, primarily driven by accounting losses taken on Dream Office REIT units as a result of the sustained lower unit price and the sale of a portion of our holdings in the second quarter of 2023.

- In the year ended December 31, 2023, our portfolio of stabilized properties generated revenue and net operating income(1) of $122.2 million and $41.2 million, an increase of $15.5 million and a decrease of $1.0 million, respectively over the prior period, largely driven by the growth in our multi-family portfolio in the GTA, National Capital Region and Western Canada. As of December 31, 2023, our portfolio comprises 2,691 apartment units (at project level) and 83.9% of available units are occupied.

- Subsequent to December 31, 2023, the Company announced an agreement to sell Arapahoe Basin to Alterra Mountain Company. Arapahoe Basin was purchased in 1997 and we have invested significantly in the ski hill, including the installation of snowmakers, its first six-person chair lift, six restaurants and an aerial adventure park. The sale is expected to increase the Company's liquidity by $150 million and focuses the business on its core asset base.

- Across the Dream group platform, which includes assets held through the Company, Dream Impact Trust, Dream Impact Fund, Dream Office REIT and Dream Residential REIT, we have a growing portfolio of 8,800 apartment units and 14.5 million square feet ("sf") of gross leasable area ("GLA") in stabilized rental, retail and commercial properties, in addition to our recreational properties. Over the next four years, an additional 2,305 apartment units comprising 2.0 million sf of residential GFA is expected to be added to our recurring income portfolio (at project level) primarily relating to Canary Landing, Zibi, LeBreton Flats and Western Canada.

Highlights: Development

- In the three months ended December 31, 2023, our development business generated $49.9 million in revenue and $3.1 million in net margin, a decrease of $75.1 million and $29.5 million, respectively from the comparative period, primarily driven by the timing of sales in various communities in Western Canada. In 2023, we recognized the majority of our sales volume in the third quarter, compared to the fourth quarter in 2022.

- In the fourth quarter of 2023, we achieved 102 lot sales and 26 housing occupancies primarily across our Alpine Park, Eastbrook, Maple, Elan and Vista Crossing communities in Regina, Edmonton and Calgary. As of December 31, 2023, we had approximately $146 million in land commitments for 2024 and 2025. Since the end of the year, we have entered into agreements to sell an additional $40 million, increasing our highest ever presale amount to $186 million, of which $148 million is expected to be recognized in income in 2024 and the remainder in 2025.

- In 2023 we committed to the front ending costs at Alpine Park to start development of 200 acres of land. In the fourth quarter of 2023 we completed the presale of 3 acres for $6 million for a multifamily site. Subsequent to the quarter, we sold an additional 15 acres for $27 million that will be used for a private school and community hub that will further enhance our great community. Together with presales from 2023, we now have $79 million of presales in these 200 acres, of which $44 million is expected to be recognized in 2024 with the remainder in 2025 which will repay our front ending costs and will be profitable. In addition, the front ending opens 1,400 apartment units and 230,000 square feet of retail which we will develop ourselves. We are making significant progress on the retail leasing front and expect to start our first 200-unit purpose-built rental this year.

- Subsequent to year-end, we completed two transactions in which we sold an interest in two parcels of land in Edmonton to builders in 2024 so that they can secure a pipeline of future building lots. We sold 80% and retained a 20% interest and we continue to be the development manager. The total sales price for the two sites is $39.5 million, resulting in profit in the first quarter of 2024 of $18 million and cash flow of $33 million over the next 12-18 months.

- The Teal, also known as Brighton Village Rentals II, commenced first occupancies this quarter. This property is the second multi-family building consisting of 120 studios, one and two bedroom rental units and is located within Brighton Village Centre, an innovative 14-acre complex of townhomes, apartments, office and high street retail. As of December 31, 2023, we had 32 committed leases and 13 occupancies for a total of 26% committed in the first 45 days of marketing. The retail component of this project is well underway with active interest on leasing.

- Brighton Towns on Delainey, also known as Block 124 Townhome Rentals, is our 95 rental townhouse development located near the Brighton Village Centre. Construction on this project is reaching completion and is expecting first occupancy in the first quarter of 2024.

Consolidated Results Overview

A summary of our consolidated results for the year ended December 31, 2023 is included in the table below.

	For the three months ended December 31,		For the year ended December 31,	
(in thousands of dollars, except number of shares and per share amounts)	**2023**	2022	**2023**	2022
Revenue	**$ 107,858**	$ 167,692	**$ 386,947**	$ 343,768
Net margin	**$ 26,380**	$ 43,729	**$ 85,870**	$ 79,135
Net margin (%)[1]	**24.5%**	26.1%	**22.2%**	23.0%
Earnings (loss) before income taxes	**$ (77,557)**	$ (57,525)	**$ (119,790)**	$ 197,291
Adjusted earnings (loss) before income taxes[1]	**$ (4,622)**	$ (27,798)	**$ 61,625**	$ 105,313
Dream standalone funds from operations per share[1]	**$ 0.48**	$ 0.72	**$ 1.29**	$ 4.39
Dream consolidated funds from operations per share[1]	**$ 0.43**	$ 0.68	**$ 0.91**	$ 3.99
Adjusted Dream standalone funds from operations per share[1]	**$ 0.48**	$ 0.72	**$ 1.29**	$ 2.36

	December 31, 2023	December 31, 2022
Total assets	**$ 3,875,522**	$ 3,956,494
Total liabilities	**$ 2,471,463**	$ 2,402,802
Total equity	**$ 1,404,059**	$ 1,553,692
Total issued and outstanding shares	**42,240,010**	42,587,702

The calculation of adjusted earnings (loss) before income taxes[1] is included below.

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Earnings (loss) before income taxes	**$ (77,557)**	$ (57,525)	**$ (119,790)**	$ 197,291
Less: Share of earnings (loss) from Dream Office REIT	**(72,935)**	(29,727)	**(181,415)**	5,558
Less: Net gain on land settlement	**—**	—	**—**	86,420
Adjusted earnings (loss) before income taxes	**$ (4,622)**	$ (27,798)	**$ 61,625**	$ 105,313

- Adjusted earnings (loss) before income taxes[1] for the three months ended December 31, 2023 was a loss of $4.6 million, up from a loss of $27.8 million in the comparative period. The decrease in losses is attributable to a fair value loss on a hospitality asset in 2022, growth of our asset management platform and fair value gains on Dream Impact Trust units held by other unitholders partially offset by fair value losses on our investment property portfolio and the timing of lot sales activity in Western Canada.

- Adjusted earnings before income taxes[1] for the year ended December 31, 2023 was $61.6 million, down from $105.3 million in the comparative period due to fair value losses on investment properties, higher interest expense on our variable rate debt and fewer lot and acres sales in Western Canada. The decrease was partially offset by growth of our asset management platform and fair value gains on Dream Impact Trust units held by other unitholders.

- Adjusted Dream standalone funds from operations[1] ("FFO") for the three months ended December 31, 2023 was $0.48 per share on a pre-tax basis, down from $0.72 per share in the comparative period, primarily due to fewer lot and acre sales from Western Canada partially offset by growth of our asset management platform. Adjusted Dream standalone FFO for the year ended December 31, 2023 was $1.29 per share on a pre-tax basis, down from $2.36 per share in the comparative period, which included occupancies at Canary Commons.

- As of December 31, 2023 the Company has available liquidity[2] of $325.1 million, an increase from $300.2 million as of December 31, 2022. While our liquidity is ample compared to our historical levels and it appears that the economy is improving, with the uncertainty on interest rates, global politics, social uncertainty and geopolitical risks, our management team has intentionally increased our liquidity so that we can pursue our business plan and manage through any shocks that arise in the economy. We continue to pursue the sale of other non-core assets that would further increase our liquidity, with the majority of any such proceeds to be used to repay debt, facilitating the Company's ability to return capital to shareholders in due course.

- In the year ended December 31, 2023, 0.6 million Subordinate Voting Shares were purchased for cancellation by the Company at an average price of $19.28 under a normal course issuer bid ("NCIB") for total proceeds of $10.8 million (year ended December 31, 2022 - 0.4 million Subordinate Voting Shares at an average price of $39.53).

- Dividends of $21.3 million were declared and paid on our Subordinate Voting Shares and Class B Shares in year ended December 31, 2023 (year ended December 31, 2022 - $38.3 million).

Management Changes

Deb Starkman, Chief Financial Officer, will be retiring effective March 28, 2024. Michael Cooper commented, “On behalf of management and the Board of Directors, I would like to thank Deb for her strong leadership, partnership, and commitment in executing our strategic vision during a transformational period of growth for the Company. Deb will be missed, and we wish her the very best in the next chapter of her continuing endeavors, where she plans to use her extensive financial leadership experience in a wide range of industries to broaden her ongoing board work.”

"I am extremely proud to have been part of Dream during this period of incredible growth and I cherish the relationships I've built with the talented team at Dream,” added Deb Starkman.

Dream will commence a search for a new Chief Financial Officer both externally and internally from among the strong team of executives at Dream.

Conference Call

Senior management will host a conference call to discuss the financial results on Wednesday, February 21, 2024, at 5:00 p.m. (ET). To access the conference call, please dial 1-800-319-4610 (toll free) or 416-915-3239 (toll). To access the conference call via webcast, please go to Dream’s website at www.dream.ca and click on the link for News, then click on Events. A taped replay of the conference call and the webcast will be available for ninety (90) days following the call.

Other Information

Information appearing in this press release is a select summary of results. The financial statements and MD&A for the fourth quarter of 2023 for the Company are available at www.dream.ca and on www.sedarplus.com.

About Dream Unlimited Corp.

Dream is a leading developer of exceptional office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established and successful asset management business, inclusive of $24 billion of assets under management[(1)] across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. We also develop land, residential and income generating assets in Western Canada. Dream expects to generate more recurring income in the future as its urban development properties are completed and held for the long term. Dream has a proven track record for being innovative and for our ability to source, structure and execute on compelling investment opportunities. A comprehensive overview of our holdings is included in the "Summary of Dream's Assets and Holdings" section of our MD&A for the fourth quarter of 2023.

Dream Unlimited Corp.

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Non-GAAP Measures and Other Disclosures

In addition to using financial measures determined in accordance with IFRS, we believe that important measures of operating performance include certain financial measures that are not defined under IFRS. Throughout this press release, there are references to certain non-GAAP financial measures and ratios including Dream standalone FFO per share, Dream consolidated FFO per share, Adjusted Dream consolidated FFO per share, Dream standalone FFO, Dream consolidated FFO, Adjusted Dream consolidated FFO net operating income, Dream Impact Trust & consolidation and fair value adjustments, and earnings before income taxes, 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. 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 have been incorporated by reference from the management’s discussion and analysis of Dream for the year ended December 31, 2023, dated February 21, 2024 (the “MD&A for the fourth quarter of 2023”) and can be found under the section “Non-GAAP Ratios and Financial Measures”, subheadings “Dream standalone FFO”, “Dream consolidated FFO” and “Adjusted Dream consolidated FFO”, “Dream standalone FFO per share”, “Dream consolidated FFO per share” and “Adjusted Dream consolidated FFO per share”, “Net operating income”, “Dream Impact Trust & Consolidation and fair value adjustments”, and “Adjusted earnings before income taxes”. The composition of supplementary financial measures included in this press release has been incorporated by reference from the MD&A for the fourth quarter of 2023 and can be found under the section “Supplementary and Other Financial Measures”. The MD&A for the fourth quarter of 2023 is available on SEDAR+ at www.sedarplus.com under Dream’s profile and on Dream’s website at www.dream.ca under the Investors section.

Non-GAAP Ratios and Financial Measures

“Adjusted earnings before income taxes” is a non-GAAP financial measure and represents pre-tax earnings excluding earnings (loss) from equity accounted investments attributable to Dream Office REIT per Note 12 and net gain on land settlement per Note 26 of the condensed consolidated financial statements. The most directly comparable measure to adjusted earnings before income taxes is earnings (loss) before income taxes. This non-GAAP financial measure is an important measure used to assess the Company’s pre-tax earnings excluding non-cash and/or one-time transactional amounts. A reconciliation of adjusted earnings before income taxes to earnings (loss) before income taxes is contained in the MD&A for the fourth quarter of 2023 and can be found under the section “Non-GAAP Ratios and Financial Measures”.

"***Dream Impact Trust & Consolidation and fair value adjustments***" represent certain IFRS adjustments required to reconcile Dream standalone and Dream Impact Trust results to the consolidated results as at December 31, 2023 and December 31, 2022 and for the year ended December 31, 2023 and December 31, 2022. Management believes Dream Impact Trust & Consolidation and fair value adjustments provides investors useful information in order to reconcile it 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 FFO", "Dream consolidated FFO", “Adjusted Dream standalone FFO” *and* ***“Adjusted Dream consolidated FFO”*** are non-GAAP financial measures and are key measures of our financial performance. We use Dream standalone FFO, Dream consolidated FFO, Adjusted Dream standalone FFO and Adjusted Dream consolidated FFO to assess operating results and the pre-tax performance of our businesses on a divisional 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 plus Dream Impact Trust and consolidation adjustments. Adjusted Dream standalone FFO is calculated as Dream standalone FFO excluding one-time transactions that are not recurring in nature and Adjusted Dream consolidated FFO is calculated as Dream consolidated FFO excluding one-time transactions that are not recurring in nature. We use Dream standalone FFO, Dream consolidated FFO, Adjusted Dream standalone FFO and Adjusted Dream consolidated FFO to assess operating results and the performance of our businesses on a divisional basis. The most directly comparable measure to Dream standalone FFO, Dream consolidated FFO, Adjusted Dream standalone FFO and Adjusted Dream consolidated FFO is net income.

The following table defines and illustrates how Dream standalone FFO is calculated by division:

(in thousands of dollars, unless otherwise noted)	**For the three months ended December 31,**		**For the year ended December 31,**	
FFO by division:	**2023**	2022	**2023**	2022
Asset management[i]	**$ 15,459**	$ 8,201	**$ 39,047**	$ 21,081
Dream group unit holdings[ii]	**6,248**	8,405	**26,145**	36,805
Stabilized assets - GTA/Ottawa	**3,243**	3,357	**3,165**	3,657
Stabilized assets - Western Canada	**160**	(53)	**3,414**	2,858
Arapahoe Basin	**(2,258)**	(294)	**7,284**	13,495
Development - GTA/Ottawa	**5,835**	(4,670)	**2,264**	118,834
Development - Western Canada	**4,117**	36,186	**15,836**	30,897
Corporate & other	**(12,432)**	(20,301)	**(42,239)**	(40,803)
Dream standalone FFO	**$ 20,372**	$ 30,831	**$ 54,916**	$ 186,824
Dream Impact Trust & consolidation adjustments[iii]	**(2,026)**	(2,078)	**(15,889)**	(16,988)
Dream consolidated FFO	**$ 18,346**	$ 28,753	**$ 39,027**	$ 169,836
Less: Net gain on land settlement	**$ —**	$ —	**$ —**	$ (86,420)
Adjusted Dream standalone FFO	**$ 20,372**	$ 30,831	**$ 54,916**	$ 100,404
Adjusted Dream consolidated FFO	**$ 18,346**	$ 28,753	**$ 39,027**	$ 83,416
Shares outstanding, weighted average	**42,437,858**	42,587,702	**42,667,235**	42,601,025
Dream standalone FFO per share	**$ 0.48**	$ 0.72	**$ 1.29**	$ 4.39
Dream consolidated FFO per share	**$ 0.43**	$ 0.68	**$ 0.91**	$ 3.99
Adjusted Dream standalone FFO per share	**$ 0.48**	$ 0.72	**$ 1.29**	$ 2.36
Adjusted Dream consolidated FFO per share	**$ 0.43**	$ 0.68	**$ 0.91**	$ 1.96

(i) 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. Included in asset management for the three months and year ended December 31, 2023 are asset management fees from Dream Impact Trust received in the form of units of $472 and $3,454, respectively (three months and year ended December 31, 2022 - $1,423 and $6,308, respectively). These fees are received in the form of units effective April 1, 2019. Had the asset management fees been paid in cash, rather than in units, the fees earned for the three months and year ended December 31, 2023 is $3,618 and $13,980, respectively (three months and year ended December 31, 2022 - $3,224 and $12,633, respectively). In addition, included in the three months and year ended December 31, 2022 are advisory fees from Dream Residential REIT received in the form of units of $nil and $2,834, respectively.

(ii) Dream group unit holdings includes our proportionate share of funds from operations from our 30.3% effective interest in Dream Office REIT and 11.9% effective interest in Dream Residential REIT, along with distributions from our 34.5% interest in Dream Impact Trust. Included in Dream group unit holdings for the three months and year ended December 31, 2023 are distributions from Dream Impact Trust received in the form of units of $947 and $4,386, respectively (three months and year ended December 31, 2022 - $1,982 and $2,325).

(iii) Included within consolidation adjustments in the three months and year ended December 31, 2023 is $116 and $495 in losses, respectively, attributable to non-controlling interest (three months and year ended December 31, 2022 - $631 and $345 of income, respectively).

The following table reconciles Dream consolidated FFO and Adjusted Dream Consolidated FFO to net income (loss):

(in thousands of dollars, unless otherwise noted)		**For the three months ended December 31,**				**For the year ended December 31,**		
		2023		**2022**		**2023**		2022
Dream consolidated net income	**$**	**(81,352)**	$	(51,211)	**$**	**(117,079)**	$	164,445
Financial statement components not included in FFO:								
Fair value changes in investment properties		**29,450**		(15,582)		**57,279**		(31,219)
Fair value changes in financial instruments		**1,138**		59,777		**691**		54,821
Share of earnings from Dream Office REIT and Dream Residential REIT		**74,824**		29,428		**183,098**		(11,507)
Fair value changes in equity accounted investments		**(6,090)**		521		**(8,261)**		(295)
Adjustments related to Dream Impact Trust units		**(16,312)**		1,879		**(107,427)**		(80,411)
Adjustments related to Impact Fund units		**5,925**		1,485		**3,561**		4,524
Depreciation and amortization		**2,034**		2,378		**8,117**		7,525
Income tax expense		**3,795**		(6,314)		**(2,711)**		32,846
Share of Dream Office REIT FFO		**4,424**		5,946		**19,568**		27,886
Share of Dream Residential REIT FFO		**510**		446		**2,191**		1,221
Dream consolidated FFO	**$**	**18,346**	$	28,753	**$**	**39,027**	$	169,836
Less: Net gain on land settlement	**$**	**—**	$	—	**$**	**—**	$	(86,420)
Adjusted Dream consolidated FFO	**$**	**18,346**	$	28,753	**$**	**39,027**	$	83,416

"Dream standalone FFO per share", **"Dream consolidated FFO per share"**, **"Adjusted Dream standalone FFO per share"** and **"Adjusted 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. Adjusted Dream standalone FFO per share is calculated as Adjusted Dream standalone FFO divided by weighted average number of Dream shares outstanding. Adjusted Dream consolidated FFO per share is calculated as Adjusted Dream consolidated FFO divided by weighted average number of Dream shares outstanding. We use these ratios to assess operating results and the pre-tax performance of our businesses on a per share basis.

Dream standalone FFO per share, Dream consolidated FFO per share, Adjusted Dream standalone FFO per share and Adjusted Dream consolidated FFO per share for the year ended December 31, 2023 and 2022 are shown in the table included under the "Funds From Operations" section of the MD&A for the fourth quarter of 2023.

"***Net operating income***" is a non-GAAP measure and represents revenue, less (i) direct operating costs and (ii) selling, marketing, depreciation and other indirect costs, but including: (iii) depreciation; and (iv) general and administrative expenses. 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 year ended December 31, 2023 and 2022 is calculated and reconciled to net margin as follows:

		For the three months ended December 31,				**For the year ended December 31,**		
		2023		2022		**2023**		2022
Net margin	**$**	**23,299**	$	11,119	**$**	**75,732**	$	55,116
Add: Depreciation		**1,361**		1,349		**5,895**		5,020
Add: General and administrative expenses		**968**		1,875		**3,175**		3,438
Net operating income	**$**	**25,628**	$	14,343	**$**	**84,802**	$	63,574

"Portfolio of stabilized properties" is a non-GAAP measure and represents recurring income assets, less (i) asset and development management contracts with the Dream group of companies and management fees from our private asset management business and (ii) Dream Impact Trust & Consolidation and fair value adjustments. The most directly comparable measure to the portfolio of stabilized properties is the recurring income reporting segment. This non-GAAP financial measure is an important measure used to assess the Company's portfolio of stabilized properties. Revenue and net operating income from our portfolio of stabilized properties for the three months and year ended December 31, 2023 and 2022 is reconciled to revenue and net operating income for the recurring income segment and is calculated as follows:

		For the three months ended December 31,				For the year ended December 31,		
		2023		2022		**2023**		2022
Revenue	**$**	**57,982**	$	42,705	**$**	**213,343**	$	167,985
Less: asset management revenue		**23,800**		11,540		**71,124**		47,712
Less: Dream Impact Trust & Consolidation and fair value adjustments		**5,814**		4,126		**19,972**		13,536
Portfolio of stabilized properties revenue	**$**	**28,368**	$	27,039	**$**	**122,247**	$	106,737
Net operating income	**$**	**25,628**	$	14,343	**$**	**84,802**	$	63,574
Less: asset management net operating income		**16,419**		3,484		**37,212**		19,211
Less: Dream Impact Trust & Consolidation and fair value adjustments		**2,285**		1,056		**6,377**		2,200
Portfolio of stabilized properties net operating income	**$**	**6,924**	$	9,803	**$**	**41,213**	$	42,163

Forward-Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements regarding our objectives and strategies to achieve those objectives; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth, expected net proceeds from sales or transactions, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, vacancy and leasing assumptions, litigation and the real estate industry in general; as well as specific statements in respect of our expectations regarding the number of apartment units, townhomes and single family rental units that will start construction in the next two years; the anticipated sale of Arapahoe Basin and the resulting increase in our liquidity and our ability to maintain such liquidity levels; our ability to obtain financing commitments for buildings at Zibi; our ability to turn our lands into income-generating properties with a desirable risk-adjusted return; our expectation that our assets under management will continue to grow based on our expanding industrial portfolio, along with our growing multi-family rental portfolio; the amount of presales in Alpine Park expected to be recognized in 2024 and 2025 and their impact on our front ending costs and our profits derived therefrom; the number of apartment units and amount of retail space the we will develop in Alpine Park; the timing of construction of purpose-built rental in Alpine Park; the cash flow over the next 12-18 months from the parcels of land in Edmonton sold to builders in 2024; the timing of occupancies in our Brighton Village development; our expectations regarding our ongoing executive search; and our ability to successfully complete non-core asset sales and the impact of such sales on our liquidity and the use of proceeds from such sales. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These assumptions include, but are not limited to: the nature of development lands held and the development potential of such lands, interest rates and inflation remaining in line with management expectations, our ability to bring new developments to market, anticipated positive general economic and business conditions, including low unemployment and interest rates, positive net migration, oil and gas commodity prices, our business strategy, including geographic focus, anticipated sales volumes, performance of our underlying business segments and conditions in the Western Canada land and housing markets. Risks and uncertainties include, but are not limited to, general and local economic and business conditions, the impact of the COVID-19 pandemic on the Company and uncertainties surrounding the COVID-19 pandemic, including government measures to contain the COVID-19 pandemic employment levels, risks associated with unexpected or ongoing geopolitical events, including disputes between nations, terrorism or other acts of violence, international sanctions and the disruption of movement of goods and services across jurisdictions, inflation or stagflation, regulatory risks, mortgage and interest rates and regulations, 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, environmental risks, consumer confidence, seasonality, adverse weather conditions, reliance on key clients and personnel and competition. All forward-looking information in this press release speaks as of February 21, 2024. Dream does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required by law. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR+ *(www.sedarplus.com)*.

Endnotes:

(1) Dream standalone FFO per share, Dream consolidated FFO per share, Adjusted Dream standalone FFO per share and Adjusted Dream consolidated FFO per share are non-GAAP ratios. Dream Impact Trust, consolidation and fair value adjustments, adjusted earnings before income taxes, Dream standalone FFO, Dream consolidated FFO, Adjusted Dream standalone FFO, Adjusted Dream consolidated FFO, and net operating income are non-GAAP financial measures. The most directly comparable financial measures to Dream Impact Trust and consolidation and fair value adjustments, Dream standalone FFO and Dream consolidated FFO is net income. The most directly comparable financial measures to net operating income and adjusted earnings before income taxes are net margin and earnings (loss) before income taxes, respectively. Assets under management, fee earning assets under management, net margin (%), and available liquidity are supplementary financial measures. Refer to the "Non-GAAP Measures and Other Disclosures" section of this press release for further details.

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